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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE INVESTMENT FUNDS ICVC
MARCH 2021

# THREADNEEDLE
# INVESTMENT FUNDS ICVC

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

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

# Company Information

**Company**
Threadneedle Investment Funds ICVC (the Company)
Registered Number IC000002

**Registered Office**
Cannon Place, 78 Cannon Street, London EC4N 6AG

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

**Board of Directors of the ACD**
K Cates (non-executive)
J Griffiths
A Roughead (non-executive)
P Stone (Resigned from the Board on 15 June 2020)
R Vincent
L Weatherup

# Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Investment Funds ICVC for the 12 months to 7 March 2021.

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**
30 June 2021

**R Vincent**
**Director**

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

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

**(a) Basis of accounting**

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

**(b) Basis of valuation of investments**

The investments of the funds are valued at fair market prices at 12 noon (UK time), being the valuation point on the last working day of the accounting period, with the exception of American Fund, American Select Fund, American Smaller Companies Fund (US), European Fund, European Select Fund, European Smaller Companies Fund, Global Select Fund, Latin America Fund, UK Equity Opportunities Fund, UK Equity Income Fund, UK Growth & Income Fund, UK Fund, UK Institutional Fund, UK Monthly Income Fund, UK Select Fund and UK Smaller Companies Fund which have been valued at close of business due to the movement since 12 noon breaching the 0.5% threshold set by the Board. Investments are stated at their fair value which generally is the bid valuation of each security.

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

The last valuation 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 valuation point and close of business on the balance sheet date.

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

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

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

**(c) Exchange rates**

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

Transactions denominated in a foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

**(d) Derivatives**

The Funds invest in various types of derivatives.

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.

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.

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

Unless specifically noted, the Funds are not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. The Strategic Bond Fund may use derivatives (including Forwards) for investment purposes. This allows the Fund to profit from the fall in the price of an asset (shorting), as well as extending market exposure beyond the value of its assets (leverage).

The Funds invest in the following type of derivatives:

**Forwards**

Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. All gains and losses are taken to capital.

**Futures**

A future is a financial contract obligating the buyer to purchase or sell an asset, at a predetermined future date and price. The holder of a futures contract is obligated to fulfil the terms of the contract. Futures are held within the funds for Efficient Portfolio Management (EPM) purposes.

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.

Any mark to market movement is accounted for as capital.

**Credit default swaps**

Credit default swaps are used to manage credit risk and protect the capital value of the fund. This can be achieved using two different methods, either by protecting a specific holding which is also held in the fund or by covering a basket of bonds or index which is not necessarily held but will provide a general hedge against a large credit event.

The motive of a credit default swap is to protect the capital value of the fund however the risk of a credit event is reflected in a discount applied to the price of a bond. Therefore ongoing premiums are charged to revenue/expenses on an accruals basis, depending on whether protection is bought or sold.

The premiums and accrued interest paid by the credit default swap is accounted for as revenue and forms part of distributable income and any mark to market movement is accounted for as capital.

**(e) Recognition of revenue**

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

- Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.
- Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.
- Special dividends are treated as either revenue or capital depending on the facts of each particular case.
- Stock dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.
- Interest on debt securities and bank and short-term deposits is recognised on an earned basis.
- In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.
- Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.
- Underwriting commission is recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.
- Underwriting commission is treated as revenue except for the proportion that is deducted from the cost of shares, which is capital.
- Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.
- Dividends from U.S. Real Estate Investment Trusts (REITs) include a capital element. Upon receipt, a provision equivalent to 30% of the dividend is made in capital. On an annual basis, once the actual information has been published in the market, the provision will be amended to reflect actual split between capital and revenue.

**(f) Treatment of expenses (including management expenses)**

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

**(g) Fee rebate**

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

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

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

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

**(i) Equalisation policy**

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

**(j) Allocation of return on hedged share classes**

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Reference Currency or Reference Currencies and the Hedged Currency (for further definitions refer to page 337). Where undertaken, the allocation of return in relation to hedging transactions is applied in respect of that hedged share class only.

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

## Notes to the financial statements

*(continued)*

**(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.

Gains and losses on sale of investments purchased and sold in India after 1 April 2017 are liable to capital gains tax in India. Deferred tax on these securities is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised and the deferred tax is charged or credited in the Statement of Total Return. At each year end date, a provision for Indian capital gains tax is calculated based upon the Fund's realised and unrealised gains and losses. There are two rates of tax: short-term and long-term. The short-term rate of tax is applicable to investments held for less than 12 months and the long-term rate of tax is applicable to investments held for more than 12 months.

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

**(l) Cash and cash equivalents**

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

### 2 DISTRIBUTION POLICIES

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

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

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

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

- Dollar Bond Fund
- Emerging Market Bond Fund
- European Bond Fund
- Global Bond Fund
- High Yield Bond Fund
- Monthly Extra Income Fund
- Sterling Bond Fund
- Strategic Bond Fund
- UK Equity Income Fund
- UK Growth & Income Fund
- UK Monthly Income Fund

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

### 3 RISK MANAGEMENT POLICIES

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

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

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

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

**Market price risk**

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

Investors should consider the degree of exposure of these funds in the context of all their investments.

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

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

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

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

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

**Liquidity risk**

Liquidity risk is the risk that the funds cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, the funds will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of cancellations in the funds, the funds may hold cash and/or more liquid assets.

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

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

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

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

**Credit risk/Counterparty risk**

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

In order to manage credit risk the funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty. Brokers are monitored on an on-going basis for suitability and creditworthiness.

**The RMP available on request from the client services team contact details on page 341.*

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

## Notes to the financial statements

*(continued)*

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

**Interest rate risk**
Interest rate risk is the risk that the value of the funds' investments will fluctuate as a result of changes in interest rates. The fund invests in floating rate securities. The income of these funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.
Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.
The interest rate risk profile for a fund is shown in the notes to the financial statements, contained within the full financial statements.

**Currency risk**
Foreign currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For those funds where a proportion of the net assets of the fund are denominated in currencies other than the fund's base currency, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies. Hedged Share Classes are available to investors as set out in the Important Information – Characteristics of Shares section on page 337. The currency risk profile for the relevant funds is shown in their notes to the financial statements, contained within the full financial statements.

### 4 CROSS HOLDINGS

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

# Threadneedle UK Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund selects companies that are considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Fund has risen from 124.08p to 133.34p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +3.24% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

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

We bought BHP following the sell-off in March, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus. The stock subsequently performed well, helped by a rally in prices of industrial metals.

Over the year, we also took advantage of the wave of fund-raisings to top up some holdings, such as Whitbread and Compass. Whitbread's well-regarded brand should help it to emerge stronger from the crisis than its competitors. The company is also focused on strengthening its presence in the UK and German markets.

The position in RSA Insurance was profitably closed ahead of the company's takeover. We also sold British American Tobacco; we feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Markets have responded by reverting towards value, especially given the prospect of increased fiscal stimulus in the US under the new administration. This rotation has benefited the UK stock market, and is likely to accelerate.

UK equities remain deeply discounted relative to global equities. We feel that this discount should start to narrow, as the global economy recovers and the Brexit-related overhang fades. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations, which have opened up many favourable opportunities in distressed stocks.

We will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 130,355 | (148,155) |
| Revenue | 3 | 49,496 | 76,678 |
| Expenses | 4 | (13,273) | (18,454) |
| Interest payable and similar charges | 5 | – | (1) |
| Net revenue before taxation | | 36,223 | 58,223 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 36,223 | 58,223 |
| **Total return before distributions** | | 166,578 | (89,932) |
| Distributions** | 7 | (36,355) | (59,449) |
| **Change in net assets attributable to shareholders from investment activities** | | 130,223 | (149,381) |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 1,834,073 | 1,832,831 |
| **Current assets:** | | | |
| Debtors | 8 | 20,054 | 28,627 |
| Cash and bank balances | | 1 | 1 |
| Cash equivalents*** | | 10,620 | 8,802 |
| Total assets | | 1,864,748 | 1,870,261 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Bank overdrafts | | (115) | (4,128) |
| Distribution payable | | (5,057) | (8,157) |
| Other creditors | 9 | (23,021) | (15,848) |
| Total liabilities | | (28,193) | (28,133) |
| **Net assets attributable to shareholders** | | 1,836,555 | 1,842,128 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 1,842,128 | 2,128,983 |
| Amounts receivable on the issue of shares** | 470,156 | 351,655 |
| Amounts payable on the cancellation of shares** | (627,124) | (519,004) |
| | (156,968) | (167,349) |
| Dilution adjustment | 258 | 44 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 130,223 | (149,381) |
| Retained distribution on accumulation shares | 20,908 | 29,817 |
| Unclaimed distributions | 6 | 14 |
| **Closing net assets attributable to shareholders** | 1,836,555 | 1,842,128 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.0014 | – | 1.0014 | 2.1531 |
| 08/09/20 to 07/03/21 | 0.4786 | – | 0.4786 | 0.7327 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.5776 | 0.4238 | 1.0014 | 2.1531 |
| 08/09/20 to 07/03/21 | 0.4707 | 0.0079 | 0.4786 | 0.7327 |
| **Total distributions in the period** | | | **1.4800** | **2.8858** |

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

# Threadneedle UK Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.9648 | – | 0.9648 | 2.0301 |
| 08/09/20 to 07/03/21 | 0.5049 | – | 0.5049 | 0.7003 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.4349 | 0.5299 | 0.9648 | 2.0301 |
| 08/09/20 to 07/03/21 | 0.5031 | 0.0018 | 0.5049 | 0.7003 |
| **Total distributions in the period** | | | **1.4697** | **2.7304** |

### Class 2 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.3272 | – | 1.3272 | 2.5595 |
| 08/09/20 to 07/03/21 | 0.8442 | – | 0.8442 | 1.1406 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.9797 | 0.3475 | 1.3272 | 2.5595 |
| 08/09/20 to 07/03/21 | 0.7356 | 0.1086 | 0.8442 | 1.1406 |
| **Total distributions in the period** | | | **2.1714** | **3.7001** |

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.0676 | – | 1.0676 | 2.0028 |
| 08/09/20 to 07/03/21 | 0.6876 | – | 0.6876 | 0.9079 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.7050 | 0.3626 | 1.0676 | 2.0028 |
| 08/09/20 to 07/03/21 | 0.5791 | 0.1085 | 0.6876 | 0.9079 |
| **Total distributions in the period** | | | **1.7552** | **2.9107** |

### Class L – Gross income shares*

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 |
|---|---|---|---|
| **Group 1** | | | |
| 08/03/20 to 07/09/20 | 0.5544 | – | 0.5544 |
| 08/09/20 to 07/03/21 | 0.9553 | – | 0.9553 |
| **Group 2** | | | |
| 08/03/20 to 07/09/20 | 0.5544 | – | 0.5544 |
| 08/09/20 to 07/03/21 | 0.6132 | 0.3421 | 0.9553 |
| **Total distributions in the period** | | | **1.5097** |

### Class L – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 |
|---|---|---|---|
| **Group 1** | | | |
| 08/03/20 to 07/09/20 | 0.5544 | – | 0.5544 |
| 08/09/20 to 07/03/21 | 0.9680 | – | 0.9680 |
| **Group 2** | | | |
| 08/03/20 to 07/09/20 | 0.5544 | – | 0.5544 |
| 08/09/20 to 07/03/21 | 0.9680 | – | 0.9680 |
| **Total distributions in the period** | | | **1.5224** |

### Class X – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.0586 | – | 2.0586 | 2.6489 |
| 08/09/20 to 07/03/21 | 1.1956 | – | 1.1956 | 1.5075 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 2.0586 | – | 2.0586 | 2.6489 |
| 08/09/20 to 07/03/21 | 1.1956 | – | 1.1956 | 1.5075 |
| **Total distributions in the period** | | | **3.2542** | **4.1564** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.8375 | – | 1.8375 | 3.0446 |
| 08/09/20 to 07/03/21 | 1.4389 | – | 1.4389 | 1.7690 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.4376 | 0.3999 | 1.8375 | 3.0446 |
| 08/09/20 to 07/03/21 | 0.8560 | 0.5829 | 1.4389 | 1.7690 |
| **Total distributions in the period** | | | **3.2764** | **4.8136** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.5977 | – | 1.5977 | 2.9859 |
| 08/09/20 to 07/03/21 | 1.0782 | – | 1.0782 | 1.4292 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.3591 | 0.2386 | 1.5977 | 2.9859 |
| 08/09/20 to 07/03/21 | 0.9029 | 0.1753 | 1.0782 | 1.4292 |
| **Total distributions in the period** | | | **2.6759** | **4.4151** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.9266 | – | 1.9266 | 3.4939 |
| 08/09/20 to 07/03/21 | 1.3172 | – | 1.3172 | 1.7021 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.1157 | 0.8109 | 1.9266 | 3.4939 |
| 08/09/20 to 07/03/21 | 0.9846 | 0.3326 | 1.3172 | 1.7021 |
| **Total distributions in the period** | | | **3.2438** | **5.1960** |

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle UK Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 123.09 | 133.22 | 135.81 | 118.56 | 125.60 | 125.20 |
| Return before operating charges (p) | 12.00 | (4.97) | 2.73 | 11.71 | (4.88) | 2.48 |
| Operating charges (p) | (1.88) | (2.27) | (2.24) | (1.84) | (2.16) | (2.08) |
| Return after operating charges (p)* | 10.12 | (7.24) | 0.49 | 9.87 | (7.04) | 0.40 |
| Distributions (p) | (1.48) | (2.89) | (3.08) | (1.47) | (2.73) | (2.86) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.47 | 2.73 | 2.86 |
| Closing net asset value per share (p) | 131.73 | 123.09 | 133.22 | 128.43 | 118.56 | 125.60 |
| *after direct transaction costs of (p) | 0.14 | 0.17 | 0.18 | 0.14 | 0.16 | 0.17 |
| **Performance** | | | | | | |
| Return after charges (%) | 8.22 | (5.43) | 0.36 | 8.32 | (5.61) | 0.32 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 120,011 | 199,706 | 487,399 | 3,810 | 2,325 | 1,980 |
| Closing number of shares | 91,102,726 | 162,248,931 | 365,854,211 | 2,966,764 | 1,961,080 | 1,576,857 |
| Operating charges (%)** | 1.63 | 1.64 | 1.63 | 1.62 | 1.63 | 1.63 |
| Direct transaction costs (%)*** | 0.12 | 0.13 | 0.13 | 0.12 | 0.13 | 0.13 |
| **Prices** | | | | | | |
| Highest share price (p) | 134.73 | 148.94 | 149.10 | 130.88 | 142.61 | 137.46 |
| Lowest share price (p) | 88.54 | 124.08 | 121.03 | 85.42 | 118.81 | 113.18 |

| | Class 2 – Income shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 123.23 | 133.43 | 136.02 | 99.16 | 104.44 | 103.51 |
| Return before operating charges (p) | 12.06 | (5.01) | 2.76 | 9.87 | (4.11) | 2.05 |
| Operating charges (p) | (1.24) | (1.49) | (1.46) | (1.00) | (1.17) | (1.12) |
| Return after operating charges (p)* | 10.82 | (6.50) | 1.30 | 8.87 | (5.28) | 0.93 |
| Distributions (p) | (2.17) | (3.70) | (3.89) | (1.76) | (2.91) | (2.98) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.76 | 2.91 | 2.98 |
| Closing net asset value per share (p) | 131.88 | 123.23 | 133.43 | 108.03 | 99.16 | 104.44 |
| *after direct transaction costs of (p) | 0.14 | 0.17 | 0.18 | 0.11 | 0.14 | 0.14 |
| **Performance** | | | | | | |
| Return after charges (%) | 8.78 | (4.87) | 0.96 | 8.95 | (5.06) | 0.90 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 207,585 | 178,420 | 419,957 | 380,098 | 418,203 | 281,406 |
| Closing number of shares | 157,406,373 | 144,784,248 | 314,739,661 | 351,834,651 | 421,748,534 | 269,451,804 |
| Operating charges (%)** | 1.06 | 1.07 | 1.06 | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | 0.12 | 0.13 | 0.13 | 0.12 | 0.13 | 0.13 |
| **Prices** | | | | | | |
| Highest share price (p) | 135.12 | 149.44 | 149.52 | 110.00 | 119.14 | 113.78 |
| Lowest share price (p) | 88.66 | 124.63 | 121.42 | 71.45 | 99.36 | 94.00 |

# Threadneedle UK Fund

## Comparative Table Disclosure

*(continued)*

| | Class L – Gross income shares[§] | Class L – Gross accumulation shares[§] |
|---|---|---|
| | 07/03/2021[1] | 07/03/2021[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 100.00 | 100.00 |
| Return before operating charges (p) | 18.13 | 18.19 |
| Operating charges (p) | (0.47) | (0.43) |
| Return after operating charges (p)* | 17.66 | 17.76 |
| Distributions (p) | (1.51) | (1.52) |
| Retained distributions on accumulation shares (p) | – | 1.52 |
| Closing net asset value per share (p) | 116.15 | 117.76 |
| *after direct transaction costs of (p) | 0.14 | 0.13 |
| **Performance** | | |
| Return after charges (%) | 17.66 | 17.76 |
| **Other information** | | |
| Closing net asset value (£000) | 566 | 1 |
| Closing number of shares | 487,109 | 1,001 |
| Operating charges (%)** | 0.67[†] | 0.65[†] |
| Direct transaction costs (%)*** | 0.12 | 0.12 |
| **Prices** | | |
| Highest share price (p) | 119.15 | 119.82 |
| Lowest share price (p) | 92.21 | 92.72 |

| | Class X – Income shares | | | Class X – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 100.19 | 108.55 | 110.67 | 119.64 | 124.76 | 122.44 |
| Return before operating charges (p) | 10.11 | (4.13) | 2.24 | 12.09 | (5.04) | 2.40 |
| Operating charges (p) | (0.05) | (0.07) | (0.07) | (0.07) | (0.08) | (0.08) |
| Return after operating charges (p)* | 10.06 | (4.20) | 2.17 | 12.02 | (5.12) | 2.32 |
| Distributions (p) | (3.25) | (4.16) | (4.29) | (3.28) | (4.81) | (4.80) |
| Retained distributions on accumulation shares (p) | – | – | – | 3.28 | 4.81 | 4.80 |
| Closing net asset value per share (p) | 107.00 | 100.19 | 108.55 | 131.66 | 119.64 | 124.76 |
| *after direct transaction costs of (p) | 0.11 | 0.14 | 0.15 | 0.14 | 0.17 | 0.16 |
| **Performance** | | | | | | |
| Return after charges (%) | 10.04 | (3.87) | 1.96 | 10.05 | (4.10) | 1.89 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 3 | 62,315 | 60,197 | 452,702 | 353,973 | 46,842 |
| Closing number of shares | 3,000 | 62,196,718 | 55,453,153 | 343,830,475 | 295,852,892 | 37,546,067 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | 0.12 | 0.13 | 0.13 | 0.12 | 0.13 | 0.13 |
| **Prices** | | | | | | |
| Highest share price (p) | 109.65 | 121.95 | 121.90 | 133.84 | 143.48 | 134.87 |
| Lowest share price (p) | 72.10 | 101.91 | 99.08 | 86.24 | 119.90 | 112.09 |

# Threadneedle UK Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z EUR – Income shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[2] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 135.42 | 146.65 | 149.45 | 162.69 |
| Return before operating charges (p) | 13.27 | (5.54) | 3.06 | (12.86) |
| Operating charges (p) | (1.07) | (1.27) | (1.26) | (0.40) |
| Return after operating charges (p)* | 12.20 | (6.81) | 1.80 | (13.26) |
| Distributions (p) | (2.68) | (4.42) | (4.60) | (3.11) |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 144.94 | 135.42 | 146.65 | 146.32 |
| *after direct transaction costs of (p) | 0.15 | 0.19 | 0.20 | 0.09 |
| **Performance** | | | | |
| Return after charges (%) | 9.01 | (4.64) | 1.20 | (8.15) |
| **Other information** | | | | |
| Closing net asset value (£000) | 441,965 | 414,949 | 487,696 | – |
| Closing number of shares | 304,928,999 | 306,418,216 | 332,560,403 | – |
| Operating charges (%)** | 0.83 | 0.83 | 0.83 | – |
| Direct transaction costs (%)*** | 0.12 | 0.13 | 0.13 | – |
| **Prices** | | | | |
| Highest share price (p) | 148.60 | 164.36 | 164.35 | 163.33 |
| Lowest share price (p) | 97.43 | 137.13 | 133.54 | 142.11 |

| | Class Z – Accumulation shares | | | Class Z CHF Hedged – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[3] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 163.28 | 171.60 | 169.71 | 137.04 |
| Return before operating charges (p) | 16.32 | (6.82) | 3.33 | (2.18) |
| Operating charges (p) | (1.30) | (1.50) | (1.44) | (0.66) |
| Return after operating charges (p)* | 15.02 | (8.32) | 1.89 | (2.84) |
| Distributions (p) | (3.24) | (5.20) | (5.27) | (2.81) |
| Retained distributions on accumulation shares (p) | 3.24 | 5.20 | 5.27 | 2.81 |
| Closing net asset value per share (p) | 178.30 | 163.28 | 171.60 | 134.20 |
| *after direct transaction costs of (p) | 0.19 | 0.22 | 0.23 | 0.14 |
| **Performance** | | | | |
| Return after charges (%) | 9.20 | (4.85) | 1.11 | (2.07) |
| **Other information** | | | | |
| Closing net asset value (£000) | 229,814 | 212,237 | 343,506 | – |
| Closing number of shares | 128,894,060 | 129,986,862 | 200,173,868 | – |
| Operating charges (%)** | 0.83 | 0.83 | 0.83 | – |
| Direct transaction costs (%)*** | 0.12 | 0.13 | 0.13 | – |
| **Prices** | | | | |
| Highest share price (p) | 181.46 | 196.11 | 186.63 | 152.68 |
| Lowest share price (p) | 117.66 | 163.63 | 154.39 | 129.61 |

# Threadneedle UK Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z EUR Hedged – Accumulation shares 09/11/2018[3] | Class Z USD Hedged – Accumulation shares 09/11/2018[2] |
|---|---|---|
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 150.79 | 139.26 |
| Return before operating charges (p) | (5.09) | 10.38 |
| Operating charges (p) | (0.72) | (0.71) |
| Return after operating charges (p)* | (5.81) | 9.67 |
| Distributions (p) | (3.09) | (3.00) |
| Retained distributions on accumulation shares (p) | 3.09 | 3.00 |
| Closing net asset value per share (p) | 144.98 | 148.93 |
| *after direct transaction costs of (p) | 0.16 | 0.15 |
| **Performance** | | |
| Return after charges (%) | (3.85) | 6.94 |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 165.01 | 165.61 |
| Lowest share price (p) | 143.25 | 133.25 |

**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.

[5] *Only available to eligible investors.*

[1] *Commenced 27 July 2020.*

[2] *Commenced 15 June 2018 and closed 9 November 2018.*

[3] *Closed 9 November 2018.*

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

# Threadneedle UK Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 130,581 | (148,209) |
| Other (losses)/gains | (220) | 59 |
| Transaction costs | (6) | (5) |
| Net capital gains/(losses) | 130,355 | (148,155) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 49,438 | 76,460 |
| Interest on short term investments | – | 17 |
| Bank interest | 19 | 201 |
| Underwriting commission | 39 | – |
| Total revenue | 49,496 | 76,678 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (12,163) | (16,990) |
| Registration fees | (847) | (1,148) |
| | (13,010) | (18,138) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (203) | (248) |
| Safe custody fees | (44) | (52) |
| | (247) | (300) |
| Other expenses: | | |
| Regulatory fees | (8) | (7) |
| Audit fees | (8) | (9) |
| | (16) | (16) |
| Total expenses* | (13,273) | (18,454) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (1) |
| Total interest payable and similar charges | – | (1) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £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 | 36,223 | 58,223 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (7,245) | (11,645) |
| Effects of: | | |
| Revenue not subject to taxation | 9,790 | 15,067 |
| Excess expenses* | (2,518) | (3,177) |
| Conversion transfer from capital* | (27) | (245) |
| Current tax charge for period (note 6a) | – | – |

**For details on restatement please refer to note 17.*

The fund has not recognised a deferred tax asset of £77,062,288 (2020: £74,543,937) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 20,443 | 38,520 |
| Final | 14,137 | 19,446 |
| | 34,580 | 57,966 |
| Add: Revenue deducted on the cancellation of shares* | 3,090 | 3,720 |
| Deduct: Revenue received on the creation of shares* | (1,315) | (2,237) |
| Net distribution for the period | 36,355 | 59,449 |
| Net revenue after taxation | 36,223 | 58,223 |
| Equalisation on conversion* | 132 | 1,226 |
| Undistributed revenue brought forward | 1 | 1 |
| Undistributed revenue carried forward | (1) | (1) |
| Total distributions | 36,355 | 59,449 |

**For details on restatement please refer to note 17.*

Details of the distribution per share are set out in the table on pages 8 to 9.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 907 | 18,585 |
| Sales awaiting settlement | 7,957 | – |
| Accrued revenue | 11,190 | 10,042 |
| Total debtors | 20,054 | 28,627 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (15,321) | (1,352) |
| Purchases awaiting settlement | (6,350) | (12,828) |
| Accrued expenses | (30) | (35) |
| Amounts payable to ACD | (1,320) | (1,633) |
| Total other creditors | (23,021) | (15,848) |

### 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 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% |

# Threadneedle UK Fund

## Notes to the financial statements

*(continued)*

**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 | 0.060% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 10 to 13. The distribution per share class is given in the distribution table on pages 8 to 9.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 162,248,931 |
| Shares issued | 3,002,436 |
| Shares redeemed | (10,991,766) |
| Net conversions | (63,156,875) |
| Closing shares | 91,102,726 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 1,961,080 |
| Shares issued | 1,672,234 |
| Shares redeemed | (285,835) |
| Net conversions | (380,715) |
| Closing shares | 2,966,764 |
| **Class 2 – Income shares** | |
| Opening shares | 144,784,248 |
| Shares issued | 43,719,482 |
| Shares redeemed | (31,109,160) |
| Net conversions | 11,803 |
| Closing shares | 157,406,373 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 421,748,534 |
| Shares issued | 187,973,603 |
| Shares redeemed | (217,397,302) |
| Net conversions | (40,490,184) |
| Closing shares | 351,834,651 |
| **Class L – Gross income shares*** | |
| Opening shares | – |
| Shares issued | 597,634 |
| Shares redeemed | (110,525) |
| Net conversions | – |
| Closing shares | 487,109 |
| **Class L – Gross accumulation shares*** | |
| Opening shares | – |
| Shares issued | 1,001 |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 1,001 |
| **Class X – Income shares** | |
| Opening shares | 62,196,718 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | (62,193,718) |
| Closing shares | 3,000 |
| **Class X – Accumulation shares** | |
| Opening shares | 295,852,892 |
| Shares issued | 100,200,399 |
| Shares redeemed | (104,314,661) |
| Net conversions | 52,091,845 |
| Closing shares | 343,830,475 |
| **Class Z – Income shares** | |
| Opening shares | 306,418,216 |
| Shares issued | 56,993,864 |
| Shares redeemed | (115,812,150) |
| Net conversions | 57,329,069 |
| Closing shares | 304,928,999 |
| **Class Z – Accumulation shares** | |
| Opening shares | 129,986,862 |
| Shares issued | 43,191,623 |
| Shares redeemed | (69,114,042) |
| Net conversions | 24,829,617 |
| Closing shares | 128,894,060 |

**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 pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.07% and vice versa (2020: 5.22%).

**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 2021** | **£000** |
| US Dollar | 2,616 |
| **Currency 2020** | **£000** |
| US Dollar | 2,631 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | 10,620 | 1,851,512 | 1,862,132 |
| US Dollar | 1 | – | 2,615 | 2,616 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | 8,802 | 1,858,828 | 1,867,630 |
| US Dollar | 1 | – | 2,630 | 2,631 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (115) | – | (28,078) | (28,193) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (4,128) | – | (24,005) | (28,133) |

# Threadneedle UK 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 (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 1,844,693 | – | 1,841,633 | – |
| | 1,844,693 | – | 1,841,633 | – |

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 360,261 | 126 | 0.03 | 1,743 | 0.48 |
| Collective investment schemes | 356,518 | – | – | – | – |
| Corporate actions | 7,898 | – | – | – | – |
| **Total** | 724,677 | 126 | | 1,743 | |
| **Gross purchases total:** | 726,546 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 490,333 | 169 | 0.03 | 1 | – |
| Collective investment schemes | 354,700 | – | – | – | – |
| Corporate actions | 9,204 | – | – | – | – |
| **Total** | 854,237 | 169 | | 1 | |
| **Total sales net of transaction costs:** | 854,067 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.02% |
| Taxes: | 0.10% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 448,343 | 199 | 0.04 | 2,169 | 0.48 |
| Collective investment schemes | 244,677 | – | – | – | – |
| **Total** | 693,020 | 199 | | 2,169 | |
| **Gross purchases total:** | 695,388 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 565,699 | 197 | 0.03 | 1 | 0.00 |
| Collective investment schemes | 236,000 | – | – | – | – |
| Corporate actions | 32,243 | – | – | – | – |
| **Total** | 833,942 | 197 | | 1 | |
| **Total sales net of transaction costs:** | 833,744 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.02% |
| Taxes: | 0.11% |

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% (7 March 2020: 0.09%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF TOTAL RETURN** | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (58,224) | (1,225) | (59,449) |
| **Net impact** | | (1,225) | |

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 757,982 | (406,327) | 351,655 |
| Amounts payable on the cancellation of shares | (926,556) | 407,552 | (519,004) |
| | (168,574) | 1,225 | (167,349) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (148,156) | (1,225) | (149,381) |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 6 TAXATION** | | | |
| Excess expenses | (3,422) | 245 | (3,177) |
| Conversion transfer from capital | – | (245) | (245) |
| **Net impact** | | – | |

# Threadneedle UK Fund

## Notes to the financial statements

*(continued)*

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 6,677 | (2,957) | 3,720 |
| Deduct: Revenue received on the creation of shares | (6,419) | 4,182 | (2,237) |
| **Net impact** | | 1,225 | |
| Equalisation on conversion | 1 | 1,225 | 1,226 |

### 18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class Z – Income shares | (64.97) |

# Threadneedle UK Select Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Select Fund has risen from 114.28p to 119.70p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +4.64% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, several new holdings were added to the portfolio over the period, such as miner BHP, media business WPP, accountancy software firm Sage, and defence manufacturer BAE Systems.

We bought BHP following the sell-off in March, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus.

Sage recently announced plans to increase investment in helping small businesses transition to cloud computing. While this is likely to impact margins in the short-term, we are positive about the move, given the attractive growth prospects for cloud computing, especially as the pandemic has accelerated the 'offline to online' transition. The balance sheet is strong, and we feel that, at current valuations, a lot of future growth is being discounted.

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

Over the review period, we also topped up some holdings, such as Unilever and Whitbread. The latter was an example where we added to our position by taking advantage of the company's refinancing in response to the crisis.

Sales included British American Tobacco; we feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Markets have responded by reverting towards value, especially given the prospect of increased fiscal stimulus in the US under the new administration. This rotation has benefited the UK stock market, and is likely to accelerate.

UK equities remain deeply discounted relative to global equities. We feel that this discount should start to narrow, as the global economy recovers and the Brexit-related overhang fades. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations, which have opened up many favourable opportunities in distressed stocks.

We will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 13,370 | (14,639) |
| Revenue | 3 | 10,342 | 15,307 |
| Expenses | 4 | (1,538) | (2,294) |
| Interest payable and similar charges | 5 | – | (4) |
| Net revenue before taxation | | 8,804 | 13,009 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 8,804 | 13,009 |
| **Total return before distributions** | | 22,174 | (1,630) |
| Distributions* | 7 | (8,821) | (13,313) |
| **Change in net assets attributable to shareholders from investment activities** | | 13,353 | (14,943) |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 286,992 | 277,794 |
| **Current assets:** | | | |
| Debtors | 8 | 8,990 | 8,791 |
| Cash and bank balances | | 11,240 | – |
| Cash equivalents*** | | 4,004 | 9,594 |
| Total assets | | 311,226 | 296,179 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Bank overdrafts | | – | (95) |
| Distribution payable | | (773) | (974) |
| Other creditors | 9 | (19,929) | (4,993) |
| Total liabilities | | (20,702) | (6,062) |
| **Net assets attributable to shareholders** | | 290,524 | 290,117 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 290,117 | 482,651 |
| Amounts receivable on the issue of shares** | 59,794 | 27,944 |
| Amounts payable on the cancellation of shares** | (78,995) | (214,161) |
| | (19,201) | (186,217) |
| Dilution adjustment | 93 | 101 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 13,353 | (14,943) |
| Retained distribution on accumulation shares | 6,157 | 8,522 |
| Unclaimed distributions | 5 | 3 |
| **Closing net assets attributable to shareholders** | 290,524 | 290,117 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

### Class 1 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.5404 | – | 1.5404 | 1.8728 |
| 08/09/20 to 07/03/21 | 0.6192 | – | 0.6192 | 0.8826 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.8422 | 0.6982 | 1.5404 | 1.8728 |
| 08/09/20 to 07/03/21 | 0.5546 | 0.0646 | 0.6192 | 0.8826 |
| **Total distributions in the period** | | | **2.1596** | **2.7554** |

### Class 2 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.8525 | – | 1.8525 | 2.2527 |
| 08/09/20 to 07/03/21 | 0.9466 | – | 0.9466 | 1.2310 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.0137 | 0.8388 | 1.8525 | 2.2527 |
| 08/09/20 to 07/03/21 | 0.7567 | 0.1899 | 0.9466 | 1.2310 |
| **Total distributions in the period** | | | **2.7991** | **3.4837** |

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

# Threadneedle UK Select Fund

## DISTRIBUTION TABLE

*(continued)*

### Class D – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 3.4323 | – | 3.4323 | 4.0603 |
| 08/09/20 to 07/03/21 | 1.7801 | – | 1.7801 | 2.2423 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 2.2837 | 1.1486 | 3.4323 | 4.0603 |
| 08/09/20 to 07/03/21 | 1.4013 | 0.3788 | 1.7801 | 2.2423 |
| **Total distributions in the period** | | | **5.2124** | **6.3026** |

### Class L – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 4.8264 | – | 4.8264 | 5.6700 |
| 08/09/20 to 07/03/21 | 2.8217 | – | 2.8217 | 3.4426 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 3.2431 | 1.5833 | 4.8264 | 5.6700 |
| 08/09/20 to 07/03/21 | 2.1182 | 0.7035 | 2.8217 | 3.4426 |
| **Total distributions in the period** | | | **7.6481** | **9.1126** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.3664 | – | 2.3664 | 2.7594 |
| 08/09/20 to 07/03/21 | 1.5293 | – | 1.5293 | 1.8129 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.5095 | 0.8569 | 2.3664 | 2.7594 |
| 08/09/20 to 07/03/21 | 1.1247 | 0.4046 | 1.5293 | 1.8129 |
| **Total distributions in the period** | | | **3.8957** | **4.5723** |

### Class X2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 7.9867 | – | 7.9867 | 9.3208 |
| 08/09/20 to 07/03/21 | 5.1619 | – | 5.1619 | 6.1125 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 6.5321 | 1.4546 | 7.9867 | 9.3208 |
| 08/09/20 to 07/03/21 | 3.6717 | 1.4902 | 5.1619 | 6.1125 |
| **Total distributions in the period** | | | **13.1486** | **15.4333** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.3366 | – | 2.3366 | 2.8352 |
| 08/09/20 to 07/03/21 | 1.2532 | – | 1.2532 | 1.6064 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.0446 | 1.2920 | 2.3366 | 2.8352 |
| 08/09/20 to 07/03/21 | 1.0058 | 0.2474 | 1.2532 | 1.6064 |
| **Total distributions in the period** | | | **3.5898** | **4.4416** |

### Class Z – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.5166 | – | 1.5166 | |
| 08/09/20 to 07/03/21 | 0.8192 | – | 0.8192 | 0.4880 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.8757 | 0.6409 | 1.5166 | |
| 08/09/20 to 07/03/21 | 0.6140 | 0.2052 | 0.8192 | 0.4880 |
| **Total distributions in the period** | | | **2.3358** | **0.4880** |

*Group 2: shares purchased during a distribution period.*
**For launch dates, refer to the footnotes after the comparative tables.*

# Threadneedle UK Select Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 2 – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 113.36 | 121.34 | 127.47 | 113.74 | 121.79 | 127.95 |
| Return before operating charges (p) | 8.69 | (3.16) | (1.22) | 8.75 | (3.23) | (1.23) |
| Operating charges (p) | (1.75) | (2.06) | (2.08) | (1.15) | (1.34) | (1.35) |
| Return after operating charges (p)* | 6.94 | (5.22) | (3.30) | 7.60 | (4.57) | (2.58) |
| Distributions (p) | (2.16) | (2.76) | (2.83) | (2.80) | (3.48) | (3.58) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 118.14 | 113.36 | 121.34 | 118.54 | 113.74 | 121.79 |
| *after direct transaction costs of (p) | 0.37 | 0.54 | 0.56 | 0.38 | 0.54 | 0.56 |
| **Performance** | | | | | | |
| Return after charges (%) | 6.12 | (4.30) | (2.59) | 6.68 | (3.75) | (2.02) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 15,829 | 30,039 | 103,644 | 56,893 | 56,633 | 97,754 |
| Closing number of shares | 13,398,829 | 26,499,588 | 85,416,963 | 47,993,725 | 49,792,638 | 80,267,218 |
| Operating charges (%)** | 1.63 | 1.64 | 1.63 | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | 0.35 | 0.43 | 0.44 | 0.35 | 0.43 | 0.44 |
| **Prices** | | | | | | |
| Highest share price (p) | 121.20 | 132.43 | 139.69 | 121.83 | 133.18 | 140.39 |
| Lowest share price (p) | 87.64 | 113.97 | 111.87 | 87.94 | 114.70 | 112.48 |

| | Class D – Accumulation shares | | | Class L – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 211.98 | 220.61 | 225.35 | 262.37 | 271.79 | 276.34 |
| Return before operating charges (p) | 16.83 | (6.16) | (2.31) | 20.39 | (7.68) | (2.84) |
| Operating charges (p) | (2.18) | (2.47) | (2.43) | (1.55) | (1.74) | (1.71) |
| Return after operating charges (p)* | 14.65 | (8.63) | (4.74) | 18.84 | (9.42) | (4.55) |
| Distributions (p) | (5.21) | (6.30) | (6.32) | (7.65) | (9.11) | (9.06) |
| Retained distributions on accumulation shares (p) | 5.21 | 6.30 | 6.32 | 7.65 | 9.11 | 9.06 |
| Closing net asset value per share (p) | 226.63 | 211.98 | 220.61 | 281.21 | 262.37 | 271.79 |
| *after direct transaction costs of (p) | 0.71 | 1.00 | 0.99 | 0.88 | 1.22 | 1.22 |
| **Performance** | | | | | | |
| Return after charges (%) | 6.91 | (3.91) | (2.10) | 7.18 | (3.47) | (1.65) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 28,182 | 39,542 | 8,541 | 1,827 | 1,953 | 2,978 |
| Closing number of shares | 12,435,183 | 18,653,427 | 3,871,487 | 648,381 | 744,580 | 1,095,750 |
| Operating charges (%)** | 1.07 | 1.06 | 1.07 | 0.61 | 0.61 | 0.61 |
| Direct transaction costs (%)*** | 0.35 | 0.43 | 0.44 | 0.35 | 0.43 | 0.44 |
| **Prices** | | | | | | |
| Highest share price (p) | 231.08 | 245.58 | 247.24 | 287.13 | 303.77 | 303.48 |
| Lowest share price (p) | 163.90 | 211.51 | 201.42 | 202.89 | 261.77 | 247.92 |

# Threadneedle UK Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class X – Accumulation shares | | | Class X2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 112.81 | 116.23 | 117.53 | 380.77 | 392.30 | 396.67 |
| Return before operating charges (p) | 9.09 | (3.35) | (1.23) | 30.66 | (11.28) | (4.13) |
| Operating charges (p) | (0.07) | (0.07) | (0.07) | (0.22) | (0.25) | (0.24) |
| Return after operating charges (p)* | 9.02 | (3.42) | (1.30) | 30.44 | (11.53) | (4.37) |
| Distributions (p) | (3.90) | (4.57) | (4.52) | (13.15) | (15.43) | (15.25) |
| Retained distributions on accumulation shares (p) | 3.90 | 4.57 | 4.52 | 13.15 | 15.43 | 15.25 |
| Closing net asset value per share (p) | 121.83 | 112.81 | 116.23 | 411.21 | 380.77 | 392.30 |
| *after direct transaction costs of (p) | 0.38 | 0.53 | 0.51 | 1.29 | 1.76 | 1.75 |
| **Performance** | | | | | | |
| Return after charges (%) | 8.00 | (2.94) | (1.11) | 7.99 | (2.94) | (1.10) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 71,723 | 64,831 | 848 | 82,831 | 86,328 | 254,263 |
| Closing number of shares | 58,871,785 | 57,468,858 | 730,044 | 20,143,131 | 22,671,760 | 64,814,029 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | 0.35 | 0.43 | 0.44 | 0.35 | 0.43 | 0.44 |
| **Prices** | | | | | | |
| Highest share price (p) | 124.02 | 130.52 | 129.22 | 418.60 | 440.53 | 436.13 |
| Lowest share price (p) | 87.25 | 112.55 | 105.91 | 294.51 | 379.88 | 357.47 |

| | Class Z – Income shares | | | Class Z – Gross accumulation shares[§] | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[1] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 136.37 | 146.03 | 153.42 | 87.51 | 100.00 |
| Return before operating charges (p) | 10.52 | (3.88) | (1.47) | 7.01 | (12.36) |
| Operating charges (p) | (1.16) | (1.34) | (1.36) | (0.76) | (0.13) |
| Return after operating charges (p)* | 9.36 | (5.22) | (2.83) | 6.25 | (12.49) |
| Distributions (p) | (3.59) | (4.44) | (4.56) | (2.34) | (0.49) |
| Retained distributions on accumulation shares (p) | – | – | – | 2.34 | 0.49 |
| Closing net asset value per share (p) | 142.14 | 136.37 | 146.03 | 93.76 | 87.51 |
| *after direct transaction costs of (p) | 0.46 | 0.65 | 0.67 | 0.30 | 0.42 |
| **Performance** | | | | | |
| Return after charges (%) | 6.86 | (3.57) | (1.84) | 7.14 | (12.49) |
| **Other information** | | | | | |
| Closing net asset value (£000) | 26,718 | 10,790 | 14,623 | 6,521 | 1 |
| Closing number of shares | 18,796,708 | 7,912,435 | 10,013,751 | 6,955,331 | 1,000 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 | 0.88 | 0.81[†] |
| Direct transaction costs (%)*** | 0.35 | 0.43 | 0.44 | 0.35 | 0.43 |
| **Prices** | | | | | |
| Highest share price (p) | 146.16 | 159.79 | 168.39 | 95.57 | 101.34 |
| Lowest share price (p) | 105.45 | 137.65 | 134.94 | 67.67 | 87.31 |

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

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

[§] *Only available to eligible investors.*

[1] *Commenced 7 January 2020.*

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

# Threadneedle UK Select Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 13,417 | (14,630) |
| Other losses | (45) | (6) |
| Transaction costs | (2) | (3) |
| Net capital gains/(losses) | 13,370 | (14,639) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 10,320 | 15,206 |
| Interest on short term investments | – | 13 |
| Bank interest | 10 | 88 |
| Underwriting commission | 12 | – |
| Total revenue | 10,342 | 15,307 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,305) | (2,007) |
| Registration fees | (168) | (206) |
| | (1,473) | (2,213) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (34) | (48) |
| Safe custody fees | (15) | (17) |
| | (49) | (65) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (9) | (9) |
| | (16) | (16) |
| Total expenses* | (1,538) | (2,294) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (4) |
| Total interest payable and similar charges | – | (4) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Total current tax (note 6b) | – | – |
| Total tax charge for the period | – | – |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 8,804 | 13,009 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (1,761) | (2,602) |
| Effects of: | | |
| Revenue not subject to taxation | 2,024 | 2,980 |
| Excess expenses* | (260) | (317) |
| Conversion transfer from capital* | (3) | (61) |
| Current tax charge for period (note 6a) | – | – |

**For details on restatement please refer to note 17.*

The fund has not recognised a deferred tax asset of £12,863,516 (2020: £12,603,734) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 5,610 | 8,182 |
| Final | 3,010 | 3,845 |
| | 8,620 | 12,027 |
| Add: Revenue deducted on the cancellation of shares* | 519 | 1,492 |
| Deduct: Revenue received on the creation of shares* | (318) | (206) |
| Net distribution for the period | 8,821 | 13,313 |
| Net revenue after taxation | 8,804 | 13,009 |
| Equalisation on conversion* | 17 | 304 |
| Total distributions | 8,821 | 13,313 |

**For details on restatement please refer to note 16.*

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

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 119 | 2,743 |
| Sales awaiting settlement | 6,627 | 4,163 |
| Accrued revenue | 2,244 | 1,885 |
| Total debtors | 8,990 | 8,791 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (19,380) | (142) |
| Purchases awaiting settlement | (392) | (4,659) |
| Accrued expenses | (11) | (12) |
| Amounts payable to ACD | (146) | (180) |
| Total other creditors | (19,929) | (4,993) |

### 10 DILUTION ADJUSTMENT

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

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

### 12 SHAREHOLDER FUNDS

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

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

# Threadneedle UK Select Fund

## Notes to the financial statements

*(continued)*

**Registration fees**

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 20 to 21. 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**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 26,499,588 |
| Shares issued | 849,765 |
| Shares redeemed | (1,804,212) |
| Net conversions | (12,146,312) |
| Closing shares | 13,398,829 |
| **Class 2 – Income shares** | |
| Opening shares | 49,792,638 |
| Shares issued | 20,346,414 |
| Shares redeemed | (21,248,280) |
| Net conversions | (897,047) |
| Closing shares | 47,993,725 |
| **Class D – Accumulation shares** | |
| Opening shares | 18,653,427 |
| Shares issued | 1,129,276 |
| Shares redeemed | (4,353,151) |
| Net conversions | (2,994,369) |
| Closing shares | 12,435,183 |
| **Class L – Accumulation shares** | |
| Opening shares | 744,580 |
| Shares issued | 3,155 |
| Shares redeemed | (99,354) |
| Net conversions | – |
| Closing shares | 648,381 |
| **Class X – Accumulation shares** | |
| Opening shares | 57,468,858 |
| Shares issued | 10,855,709 |
| Shares redeemed | (10,335,072) |
| Net conversions | 882,290 |
| Closing shares | 58,871,785 |
| **Class X2 – Accumulation shares** | |
| Opening shares | 22,671,760 |
| Shares issued | 5,173,385 |
| Shares redeemed | (7,702,014) |
| Net conversions | – |
| Closing shares | 20,143,131 |
| **Class Z – Income shares** | |
| Opening shares | 7,912,435 |
| Shares issued | 3,444,473 |
| Shares redeemed | (2,646,354) |
| Net conversions | 10,086,154 |
| Closing shares | 18,796,708 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 1,000 |
| Shares issued | 155,255 |
| Shares redeemed | (450,503) |
| Net conversions | 7,249,579 |
| Closing shares | 6,955,331 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.92% and vice versa (2020: 4.62%).

**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 2021** | **£000** |
| US Dollar | 469 |
| **Currency 2020** | **£000** |
| US Dollar | 344 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).
The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

**Interest rate risk**

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.
There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 11,240 | 4,004 | 295,513 | 310,757 |
| US Dollar | – | – | 469 | 469 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | 9,594 | 286,241 | 295,835 |
| US Dollar | – | – | 344 | 344 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (20,702) | (20,702) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (95) | – | (5,967) | (6,062) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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 UK Select 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 290,996 | – | 287,388 | – |
| | 290,996 | – | 287,388 | – |

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 175,361 | 83 | 0.05 | 830 | 0.47 |
| Collective investment schemes | 67,510 | – | – | – | – |
| Corporate actions | 2,308 | – | – | – | – |
| **Total** | 245,179 | 83 | | 830 | |
| **Gross purchases total:** | 246,092 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 181,050 | 86 | 0.05 | – | – |
| Collective investment schemes | 73,100 | – | – | – | – |
| Corporate actions | 1,836 | – | – | – | – |
| **Total** | 255,986 | 86 | | – | |
| **Total sales net of transaction costs:** | 255,900 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.06% |
| Taxes: | 0.29% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 298,519 | 143 | 0.05 | 1,314 | 0.44 |
| Collective investment schemes | 138,071 | – | – | – | – |
| **Total** | 436,590 | 143 | | 1,314 | |
| **Gross purchases total:** | 438,047 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 471,638 | 254 | 0.05 | – | – |
| Collective investment schemes | 133,500 | – | – | – | – |
| Corporate actions | 1,221 | – | – | – | – |
| **Total** | 606,359 | 254 | | – | |
| **Total sales net of transaction costs:** | 606,105 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.10% |
| Taxes: | 0.33% |

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% (7 March 2020: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF TOTAL RETURN** | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (13,009) | (304) | (13,313) |
| **Net impact** | | (304) | |

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 133,792 | (105,848) | 27,944 |
| Amounts payable on the cancellation of shares | (320,313) | 106,152 | (214,161) |
| | (186,521) | 304 | (186,217) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (14,639) | (304) | (14,943) |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (378) | 61 | (317) |
| Conversion transfer from capital | – | (61) | (61) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 2,250 | (758) | 1,492 |
| Deduct: Revenue received on the creation of shares | (1,268) | 1,062 | (206) |
| **Net impact** | | 304 | |
| Equalisation on conversion | – | 304 | 304 |

# Threadneedle UK Select Fund

## Notes to the financial statements

*(continued)*

### 18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 12.01%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 2 – Income shares | (18.55) |
| Class X – Accumulation shares | (30.30) |
| Class X2 – Accumulation shares | (25.01) |

# Threadneedle UK Smaller Companies Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 343.64p to 431.34p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +22.45% as compared to a median return of +20.43% over the same period. (For information the Numis Smaller Companies ex Investment Companies Index returned +16.21% over the same period).

### Market Overview and Portfolio Activity

The review period was a turbulent, but ultimately strong period for UK small caps, which posted double-digit gains and were well ahead of the broader FTSE All-Share index.

Global markets plunged in March 2020 as the coronavirus spread rapidly around the world, prompting governments to impose lockdowns that brought cities, regions and even countries to a near halt. UK small caps underperformed amid the ensuing risk aversion. A sharp fall in the pound was a further headwind, given these stocks' perceived vulnerability to higher inflation.

To soften the economic blow of the pandemic, governments and central banks adopted unprecedented levels of support. In the UK, the Bank of England reduced official interest rates to all-time lows of 0.10%, with a view to supporting businesses and consumers by lowering the cost of borrowing. The bank also expanded its bond-buying (quantitative easing) programme. The UK government's huge range of stimulus policies included paying a substantial proportion of furloughed employees' wages, alongside specific measures to support those sectors hit particularly hard by lockdowns, such as hospitality, tourism and housing.

Optimism around these stimulus measures fuelled a recovery in global markets from the end of March. Falling coronavirus cases and the resulting easing of lockdown restrictions also buoyed sentiment, though in the autumn, there were periodic jitters about a resurgence of the virus. Fears of a no-deal Brexit also simmered over much of 2020, though were ultimately dispelled.

The mood turned strongly positive in November, as landmark advances in the race to develop coronavirus vaccines spurred hopes of a resumption of more 'normal' activity. Investors were also encouraged by Joe Biden's victory in the US election and resulting anticipation – and the eventual delivery – of more economic stimulus in the US. Towards the end of 2020, UK small caps were also boosted by the long-awaited Brexit trade deal. The concomitant rise in the pound was a further tailwind for small-cap stocks.

The recovery in financial markets surpassed the resurgence of the broader economy. For 2020 as a whole, the UK's GDP was down by a record 9.9%, as repeated lockdowns and other restrictions took their toll on economic activity, particularly in the dominant services sector. More encouragingly, the UK's vaccine rollout has been successful, with the government recently announcing a roadmap out of the lockdown. This has fostered hopes of a swifter economic rebound in 2021, which, along with the increased clarity around Brexit, heightened takeover interest in the UK stock market.

Several new stocks were added to the portfolio over the period. Examples included Synthomer (speciality chemicals), Jet2 (low-cost airline), Oxford Biomedica (pharmaceuticals) and Watches of Switzerland.

Synthomer is one of the world's leading suppliers of aqueous polymers. The company has expanded organically, as well as through the selective acquisition of neglected divisions from blue-chip multinationals.

Jet2 stands to gain significant market share following the demise of Thomas Cook and the challenges being experienced by rival TUI. Jet2 has a healthy liquidity position and favourable working-capital dynamics, which should tide the business through near-term travel disruptions. The long-term thesis is supported by the company's strong customer focus, vertical integration and the founder-owned structure.

We initiated a position in Oxford Biomedica via a placing, which the company undertook to raise funds for new investments. The firm is a manufacturer of AstraZeneca's coronavirus vaccine. As well as increasing Oxford Biomedica's global reputation and standing, this collaboration will also demonstrate its ability to produce very high-volume treatments critical for the growth of gene therapy. Meanwhile, the business has expanded its overall manufacturing facilities, which positions it well for rapid growth over the next few years.

Luxury retailer Watches of Switzerland was also added via a placing of stock, as the original private-equity investor sold out. Despite the initial impact of lockdown-induced store closures, sales have held up well, helped by the US business and an acceleration of the e-commerce division, which we believe is sustainable post-COVID. The company is expanding its online presence and should benefit from the structural trend towards e-commerce, which has been accelerated by the pandemic.

We also participated in the initial public offering (IPO) of Moonpig. The online card and gift retailer has a dominant presence in the UK and Netherlands. The business has reached an inflection point; we believe that growth can now be accelerated thanks to technology and the leveraging of marketing costs. Moonpig is an exceptionally high-return business with very little demands on capital.

Over the period, we also supported some of our holdings in their efforts to raise liquidity to cope with the pandemic. For example, we added to Blue Prism via its placing.

We profitably sold Codemasters and AFH Financial ahead of their respective takeovers. We also closed our position in Just Group.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Meanwhile, the Brexit deal should remove a large part of the uncertainty that has weighed on UK equities in recent years.

That said, we expect the return to pre-crisis rates of growth to be slow. In particular, there are headwinds for the consumption sector, a significant contributor to the UK's GDP, while Brexit is still likely to result in some frictional trade costs.

Nevertheless, we believe there are positive drivers for small caps. High-quality businesses are likely to emerge from the crisis even stronger. We also see attractive prospects for businesses perceived to have too much debt at a headline level, but which have strong liquidity and the ability to cut costs. Finally, we feel that the share prices of certain companies seem to be discounting significant future equity raising.

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

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 57,289 | 17,091 |
| Revenue | 3 | 1,432 | 2,550 |
| Expenses | 4 | (1,832) | (1,826) |
| Net (expense)/revenue before taxation | | (400) | 724 |
| Taxation | 5 | – | – |
| Net (expense)/revenue after taxation | | (400) | 724 |
| **Total return before distributions** | | 56,889 | 17,815 |
| Distributions** | 6 | (251) | (826) |
| **Change in net assets attributable to shareholders from investment activities** | | 56,638 | 16,989 |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 256,425 | 163,309 |
| **Current assets:** | | | |
| Debtors | 7 | 5,436 | 604 |
| Cash and bank balances | | 1 | 4,336 |
| Cash equivalents*** | | 4,009 | 4,000 |
| Total assets | | 265,871 | 172,249 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Bank overdrafts | | (1,952) | – |
| Distribution payable | | – | (170) |
| Other creditors | 8 | (4,673) | (536) |
| Total liabilities | | (6,625) | (706) |
| **Net assets attributable to shareholders** | | 259,246 | 171,543 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 171,543 | 164,023 |
| Amounts receivable on the issue of shares** | 69,348 | 40,535 |
| Amounts payable on the cancellation of shares** | (39,103) | (50,573) |
| | 30,245 | (10,038) |
| Dilution adjustment | 550 | 130 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 56,638 | 16,989 |
| Retained distribution on accumulation shares | 270 | 438 |
| Unclaimed distributions | – | 1 |
| **Closing net assets attributable to shareholders** | 259,246 | 171,543 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 16.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 2 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.4508).*

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

# Threadneedle UK Smaller Companies Fund

## DISTRIBUTION TABLE

*(continued)*

### Class X – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4140 | – | 0.4140 | 1.0763 |
| 08/09/20 to 07/03/21 | 0.6223 | – | 0.6223 | 1.0680 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.4140 | – | 0.4140 | 1.0763 |
| 08/09/20 to 07/03/21 | 0.6223 | – | 0.6223 | 1.0680 |
| **Total distributions in the period** | | | **1.0363** | **2.1443** |

### Class X – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.2708 | – | 0.2708 | 0.4462 |
| 08/09/20 to 07/03/21 | 0.4275 | – | 0.4275 | 0.7278 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.2708 | – | 0.2708 | 0.4462 |
| 08/09/20 to 07/03/21 | 0.2803 | 0.1472 | 0.4275 | 0.7278 |
| **Total distributions in the period** | | | **0.6983** | **1.1740** |

### Class Z – Income shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.3921).*

### Class Z – Accumulation shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.1929).*

### Class Z CHF Hedged – Gross accumulation shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.6540).*

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle UK Smaller Companies Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 2 – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 340.42 | 306.06 | 343.90 | 347.03 | 311.38 | 349.17 |
| Return before operating charges (p) | 90.59 | 40.06 | (31.75) | 92.89 | 40.79 | (32.22) |
| Operating charges (p) | (5.64) | (5.70) | (5.56) | (3.84) | (3.69) | (3.60) |
| Return after operating charges (p)* | 84.95 | 34.36 | (37.31) | 89.05 | 37.10 | (35.82) |
| Distributions (p) | – | – | (0.53) | – | (1.45) | (1.97) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 425.37 | 340.42 | 306.06 | 436.08 | 347.03 | 311.38 |
| *after direct transaction costs of (p) | 0.65 | 0.60 | 0.39 | 0.67 | 0.62 | 0.40 |
| **Performance** | | | | | | |
| Return after charges (%) | 24.95 | 11.23 | (10.85) | 25.66 | 11.91 | (10.26) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 30,635 | 40,599 | 57,849 | 64,186 | 59,979 | 73,500 |
| Closing number of shares | 7,201,939 | 11,925,950 | 18,900,821 | 14,718,810 | 17,283,611 | 23,604,216 |
| Operating charges (%)** | 1.63 | 1.68 | 1.68 | 1.07 | 1.07 | 1.07 |
| Direct transaction costs (%)*** | 0.18 | 0.18 | 0.12 | 0.18 | 0.18 | 0.12 |
| **Prices** | | | | | | |
| Highest share price (p) | 438.93 | 397.35 | 369.07 | 449.95 | 405.63 | 375.36 |
| Lowest share price (p) | 231.73 | 302.93 | 281.19 | 236.25 | 308.22 | 286.03 |

| | Class X – Income shares | | | Class X – Gross accumulation shares[§] | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[1] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 147.26 | 132.16 | 148.20 | 103.86 | 100.00 |
| Return before operating charges (p) | 39.69 | 17.27 | (13.67) | 28.03 | 3.92 |
| Operating charges (p) | (0.05) | (0.03) | (0.09) | (0.08) | (0.06) |
| Return after operating charges (p)* | 39.64 | 17.24 | (13.76) | 27.95 | 3.86 |
| Distributions (p) | (1.04) | (2.14) | (2.28) | (0.70) | (1.17) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.70 | 1.17 |
| Closing net asset value per share (p) | 185.86 | 147.26 | 132.16 | 131.81 | 103.86 |
| *after direct transaction costs of (p) | 0.29 | 0.26 | 0.17 | 0.21 | 0.19 |
| **Performance** | | | | | |
| Return after charges (%) | 26.92 | 13.04 | (9.28) | 26.91 | 3.86 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 6 | 4 | 4 | 55,982 | 33,927 |
| Closing number of shares | 3,000 | 3,000 | 3,000 | 42,470,722 | 32,667,508 |
| Operating charges (%)** | 0.03 | 0.02 | 0.06 | 0.07 | 0.07[†] |
| Direct transaction costs (%)*** | 0.18 | 0.18 | 0.12 | 0.18 | 0.18 |
| **Prices** | | | | | |
| Highest share price (p) | 192.39 | 172.98 | 159.75 | 135.99 | 121.13 |
| Lowest share price (p) | 100.29 | 130.83 | 121.77 | 70.73 | 94.64 |

# Threadneedle UK Smaller Companies Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 234.80 | 210.69 | 236.26 | 202.26 | 180.40 | 200.80 |
| Return before operating charges (p) | 62.96 | 27.58 | (21.81) | 54.22 | 23.70 | (18.63) |
| Operating charges (p) | (2.20) | (2.08) | (2.03) | (1.89) | (1.84) | (1.77) |
| Return after operating charges (p)* | 60.76 | 25.50 | (23.84) | 52.33 | 21.86 | (20.40) |
| Distributions (p) | – | (1.39) | (1.73) | – | (1.19) | (1.47) |
| Retained distributions on accumulation shares (p) | – | – | – | – | 1.19 | 1.47 |
| Closing net asset value per share (p) | 295.56 | 234.80 | 210.69 | 254.59 | 202.26 | 180.40 |
| *after direct transaction costs of (p) | 0.46 | 0.42 | 0.27 | 0.40 | 0.37 | 0.24 |
| **Performance** | | | | | | |
| Return after charges (%) | 25.88 | 12.10 | (10.09) | 25.87 | 12.12 | (10.16) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 51,755 | 21,991 | 27,120 | 56,681 | 15,042 | 5,549 |
| Closing number of shares | 17,510,580 | 9,365,943 | 12,871,930 | 22,263,517 | 7,436,943 | 3,076,037 |
| Operating charges (%)** | 0.89 | 0.89 | 0.89 | 0.89 | 0.89 | 0.89 |
| Direct transaction costs (%)*** | 0.18 | 0.18 | 0.12 | 0.18 | 0.18 | 0.12 |
| **Prices** | | | | | | |
| Highest share price (p) | 304.96 | 274.69 | 254.11 | 262.69 | 235.98 | 215.97 |
| Lowest share price (p) | 159.86 | 208.56 | 193.64 | 137.72 | 178.57 | 165.48 |

| | Class Z CHF Hedged – Gross accumulation shares[§] | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019[2] |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 102.68 | 85.64 | 100.00 |
| Return before operating charges (p) | 21.08 | 17.83 | (13.77) |
| Operating charges (p) | (0.87) | (0.79) | (0.59) |
| Return after operating charges (p)* | 20.21 | 17.04 | (14.36) |
| Distributions (p) | – | (0.65) | (0.48) |
| Retained distributions on accumulation shares (p) | – | 0.65 | 0.48 |
| Closing net asset value per share (p) | 122.89 | 102.68 | 85.64 |
| *after direct transaction costs of (p) | 0.20 | 0.18 | 0.11 |
| **Performance** | | | |
| Return after charges (%) | 19.68 | 19.90 | (14.36) |
| **Other information** | | | |
| Closing net asset value (£000) | 1 | 1 | 1 |
| Closing number of shares | 1,000 | 1,000 | 1,000 |
| Operating charges (%)** | 0.80 | 0.80 | 0.81[†] |
| Direct transaction costs (%)*** | 0.18 | 0.18 | 0.12 |
| **Prices** | | | |
| Highest share price (p) | 129.99 | 115.10 | 106.58 |
| Lowest share price (p) | 75.57 | 85.14 | 81.94 |

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

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

[§] *Only available to eligible investors.*

[1] *Commenced 9 May 2019.*

[2] *Commenced 30 May 2018.*

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

# Threadneedle UK Smaller Companies Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 57,288 | 17,095 |
| Other gains/(losses) | 4 | (1) |
| Transaction costs | (3) | (3) |
| Net capital gains | 57,289 | 17,091 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 1,418 | 2,518 |
| Bank interest | 9 | 27 |
| Underwriting commission | 5 | 5 |
| Total revenue | 1,432 | 2,550 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,613) | (1,640) |
| Registration fees | (165) | (136) |
| | (1,778) | (1,776) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (25) | (21) |
| Safe custody fees | (13) | (12) |
| | (38) | (33) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (9) | (10) |
| | (16) | (17) |
| Total expenses* | (1,832) | (1,826) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | Restated 2020* £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 (expense)/revenue before taxation | (400) | 724 |
| Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20% | 80 | (145) |
| Effects of: | | |
| Revenue not subject to taxation | 285 | 503 |
| Excess expenses* | (362) | (353) |
| Conversion transfer from capital* | (3) | (5) |
| Current tax charge for period (note 5a) | – | – |

**For details on restatement please refer to note 16.*

The fund has not recognised a deferred tax asset of £7,421,086 (2020: £7,059,231) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 88 | 403 |
| Final | 182 | 448 |
| | 270 | 851 |
| Add: Revenue deducted on the cancellation of shares* | 3 | 55 |
| Deduct: Revenue received on the creation of shares* | (22) | (80) |
| Net distribution for the period | 251 | 826 |
| Net (expense)/revenue after taxation | (400) | 724 |
| Equalisation on conversion* | 14 | 22 |
| Shortfall transfer from capital to revenue | 637 | 80 |
| Total distributions | 251 | 826 |

**For details on restatement please refer to note 16.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 26 to 27.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 1,561 | 425 |
| Sales awaiting settlement | 3,779 | – |
| Accrued revenue | 96 | 179 |
| Total debtors | 5,436 | 604 |

### 8 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (1,923) | (173) |
| Purchases awaiting settlement | (2,544) | (173) |
| Accrued expenses | (11) | (11) |
| Amounts payable to ACD | (195) | (179) |
| Total other creditors | (4,673) | (536) |

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.40% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.75% |

# Threadneedle UK Smaller Companies Fund

## Notes to the financial statements

*(continued)*

**Registration fees**

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 28 to 29. The distribution per share class is given in the distribution table on pages 26 to 27.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 11,925,950 |
| Shares issued | 1,978,784 |
| Shares redeemed | (2,287,405) |
| Net conversions | (4,415,390) |
| Closing shares | 7,201,939 |
| **Class 2 – Income shares** | |
| Opening shares | 17,283,611 |
| Shares issued | 3,534,932 |
| Shares redeemed | (3,234,455) |
| Net conversions | (2,865,278) |
| Closing shares | 14,718,810 |
| **Class X – Income shares** | |
| Opening shares | 3,000 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 3,000 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 32,667,508 |
| Shares issued | 707,543 |
| Shares redeemed | (409,337) |
| Net conversions | 9,505,008 |
| Closing shares | 42,470,722 |
| **Class Z – Income shares** | |
| Opening shares | 9,365,943 |
| Shares issued | 6,088,404 |
| Shares redeemed | (4,334,359) |
| Net conversions | 6,390,592 |
| Closing shares | 17,510,580 |
| **Class Z – Accumulation shares** | |
| Opening shares | 7,436,943 |
| Shares issued | 18,961,949 |
| Shares redeemed | (4,135,375) |
| Net conversions | – |
| Closing shares | 22,263,517 |
| **Class Z CHF Hedged – Gross accumulation shares** | |
| Opening shares | 1,000 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 1,000 |

## 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.23% and vice versa (2020: 4.31%).

**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 2021** | **£000** |
| Euro | 1 |
| Swiss Franc | 1 |
| **Currency 2020** | **£000** |
| Euro | 1 |
| Swiss Franc | 1 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 1 | – | – | 1 |
| Swiss Franc | – | – | 1 | 1 |
| UK Sterling | – | 4,009 | 261,860 | 265,869 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 1 | – | – | 1 |
| Swiss Franc | – | – | 1 | 1 |
| UK Sterling | 4,335 | 4,000 | 163,912 | 172,247 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (1,952) | – | (4,673) | (6,625) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (706) | (706) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

## 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.

# Threadneedle UK Smaller Companies 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 260,434 | – | 167,309 | – |
| | 260,434 | – | 167,309 | – |

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

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 109,032 | 53 | 0.05 | 298 | 0.27 |
| Collective investment schemes | 40,009 | – | – | – | – |
| Corporate actions | 1,115 | – | – | – | – |
| **Total** | 150,156 | 53 | | 298 | |
| **Gross purchases total:** | 150,507 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 73,903 | 37 | 0.05 | – | – |
| Collective investment schemes | 40,000 | – | – | – | – |
| Corporate actions | 551 | – | – | – | – |
| **Total** | 114,454 | 37 | | – | |
| **Total sales net of transaction costs:** | 114,417 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.04% |
| Taxes: | 0.14% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 83,208 | 41 | 0.05 | 209 | 0.25 |
| Collective investment schemes | 4,000 | – | – | – | – |
| Corporate actions | 1,497 | – | – | – | – |
| **Total** | 88,705 | 41 | | 209 | |
| **Gross purchases total:** | 88,955 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 101,675 | 57 | 0.06 | – | – |
| Corporate actions | 1,544 | – | – | – | – |
| **Total** | 103,219 | 57 | | – | |
| **Total sales net of transaction costs:** | 103,162 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.06% |
| Taxes: | 0.12% |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 1.48% (7 March 2020: 1.86%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF TOTAL RETURN** | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (804) | (22) | (826) |
| **Net impact** | | (22) | |

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 60,732 | (20,197) | 40,535 |
| Amounts payable on the cancellation of shares | (70,792) | 20,219 | (50,573) |
| | (10,060) | 22 | (10,038) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 17,011 | (22) | 16,989 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 6 TAXATION** | | | |
| Excess expenses | (358) | 5 | (353) |
| Conversion transfer from capital | – | (5) | (5) |
| **Net impact** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 72 | (17) | 55 |
| Deduct: Revenue received on the creation of shares | (119) | 39 | (80) |
| **Net impact** | | 22 | |
| Equalisation on conversion | – | 22 | 22 |

# Threadneedle UK Smaller Companies Fund

## Notes to the financial statements

*(continued)*

### 17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class Z – Income shares | (11.96) |
| Class Z – Accumulation shares | (67.46) |

# Threadneedle UK Growth & Income Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Growth & Income Fund has risen from 86.04p to 87.99p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +1.78% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we took advantage of the aforementioned refinancing measures to top up some holdings, such as Hiscox, JD Wetherspoon and Rank.

We feel that Hiscox is likely to be impacted to a smaller extent by the Supreme Court ruling on business-interruption claims relating to the pandemic than initially feared. Meanwhile, the business has a strong capital position, as well as opportunities to expand its retail presence and generate higher margins in big-ticket lines.

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

Rank is expanding its digital presence, while the extensive operational changes and investments in the core Grosvenor Casinos business are starting to bear fruit.

Elsewhere, we also added to Imperial Brands. The firm is strengthening its balance sheet, and there is a renewed focus on the high-margin cigarette business. Management also plans to increase sales in Germany and the US.

We profitably sold RSA Insurance ahead of the company's takeover. We also realised some gains in Electrocomponents.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

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

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 15,230 | (4,988) |
| Revenue | 3 | 6,467 | 11,069 |
| Expenses | 4 | (2,419) | (3,163) |
| Net revenue before taxation | | 4,048 | 7,906 |
| Taxation | 5 | – | – |
| Net revenue after taxation | | 4,048 | 7,906 |
| **Total return before distributions** | | 19,278 | 2,918 |
| Distributions** | 6 | (6,177) | (10,693) |
| **Change in net assets attributable to shareholders from investment activities** | | 13,101 | (7,775) |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 225,218 | 253,186 |
| **Current assets:** | | | |
| Debtors | 7 | 3,701 | 1,435 |
| Cash and bank balances | | 12,360 | 733 |
| Cash equivalents*** | | 12,015 | 1,006 |
| Total assets | | 253,294 | 256,360 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Distribution payable | | (2,093) | (3,626) |
| Other creditors | 8 | (24,558) | (738) |
| Total liabilities | | (26,651) | (4,364) |
| **Net assets attributable to shareholders** | | 226,643 | 251,996 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 251,996 | 301,132 |
| Amounts receivable on the issue of shares** | 51,861 | 52,059 |
| Amounts payable on the cancellation of shares** | (91,595) | (94,464) |
| | (39,734) | (42,405) |
| Dilution adjustment | 167 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 13,101 | (7,775) |
| Retained distribution on accumulation shares | 1,099 | 1,027 |
| Unclaimed distributions | 14 | 17 |
| **Closing net assets attributable to shareholders** | 226,643 | 251,996 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 16.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

### Class 1 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.9453 | – | 0.9453 | 1.9024 |
| 08/09/20 to 07/03/21 | 0.9366 | – | 0.9366 | 1.3839 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.7516 | 0.1937 | 0.9453 | 1.9024 |
| 08/09/20 to 07/03/21 | 0.7264 | 0.2102 | 0.9366 | 1.3839 |
| **Total distributions in the period** | | | **1.8819** | **3.2863** |

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

# Threadneedle UK Growth & Income Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.0921 | – | 1.0921 | 2.1612 |
| 08/09/20 to 07/03/21 | 1.0874 | – | 1.0874 | 1.5878 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.7621 | 0.3300 | 1.0921 | 2.1612 |
| 08/09/20 to 07/03/21 | 0.6674 | 0.4200 | 1.0874 | 1.5878 |
| **Total distributions in the period** | | | **2.1795** | **3.7490** |

### Class X – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.1489 | – | 1.1489 | 1.3940 |
| 08/09/20 to 07/03/21 | 1.1647 | – | 1.1647 | 1.6326 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.1489 | – | 1.1489 | 1.3940 |
| 08/09/20 to 07/03/21 | – | 1.1647 | 1.1647 | 1.6326 |
| **Total distributions in the period** | | | **2.3136** | **3.0266** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.5575 | – | 1.5575 | 3.1106 |
| 08/09/20 to 07/03/21 | 1.5491 | – | 1.5491 | 2.2711 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.0985 | 0.4590 | 1.5575 | 3.1106 |
| 08/09/20 to 07/03/21 | 0.9338 | 0.6153 | 1.5491 | 2.2711 |
| **Total distributions in the period** | | | **3.1066** | **5.3817** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.1008 | – | 1.1008 | 2.1196 |
| 08/09/20 to 07/03/21 | 1.1088 | – | 1.1088 | 1.5778 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.9361 | 0.1647 | 1.1008 | 2.1196 |
| 08/09/20 to 07/03/21 | 0.8241 | 0.2847 | 1.1088 | 1.5778 |
| **Total distributions in the period** | | | **2.2096** | **3.6974** |

*Group 2: shares purchased during a distribution period.*
**For launch dates, refer to the footnotes after the comparative tables.*

# Threadneedle UK Growth & Income Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 2 – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 84.48 | 88.12 | 88.67 | 94.62 | 98.20 | 98.32 |
| Return before operating charges (p) | 4.97 | 1.16 | 4.38 | 5.63 | 1.27 | 4.85 |
| Operating charges (p) | (1.26) | (1.51) | (1.51) | (0.92) | (1.10) | (1.09) |
| Return after operating charges (p)* | 3.71 | (0.35) | 2.87 | 4.71 | 0.17 | 3.76 |
| Distributions (p) | (1.88) | (3.29) | (3.42) | (2.18) | (3.75) | (3.88) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 86.31 | 84.48 | 88.12 | 97.15 | 94.62 | 98.20 |
| *after direct transaction costs of (p) | 0.04 | 0.02 | 0.01 | 0.04 | 0.02 | 0.02 |
| **Performance** | | | | | | |
| Return after charges (%) | 4.39 | (0.40) | 3.24 | 4.98 | 0.17 | 3.82 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 30,639 | 67,296 | 120,366 | 21,173 | 47,252 | 49,995 |
| Closing number of shares | 35,500,137 | 79,659,876 | 136,595,549 | 21,794,850 | 49,940,994 | 50,910,602 |
| Operating charges (%)** | 1.63 | 1.64 | 1.63 | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | 0.05 | 0.02 | 0.01 | 0.05 | 0.02 | 0.01 |
| **Prices** | | | | | | |
| Highest share price (p) | 88.03 | 100.01 | 100.48 | 99.09 | 111.94 | 111.69 |
| Lowest share price (p) | 61.50 | 86.04 | 82.88 | 68.90 | 96.40 | 92.29 |

| | Class X – Gross accumulation shares | | Class Z – Income shares | | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 99.27 | 100.00 | 138.92 | 143.81 | 143.61 |
| Return before operating charges (p) | 6.22 | (0.68) | 8.31 | 1.82 | 7.08 |
| Operating charges (p) | (0.06) | (0.05) | (1.14) | (1.33) | (1.32) |
| Return after operating charges (p)* | 6.16 | (0.73) | 7.17 | 0.49 | 5.76 |
| Distributions (p) | (2.31) | (3.03) | (3.11) | (5.38) | (5.56) |
| Retained distributions on accumulation shares (p) | 2.31 | 3.03 | – | – | – |
| Closing net asset value per share (p) | 105.43 | 99.27 | 142.98 | 138.92 | 143.81 |
| *after direct transaction costs of (p) | 0.05 | 0.02 | 0.07 | 0.03 | 0.02 |
| **Performance** | | | | | |
| Return after charges (%) | 6.21 | (0.73) | 5.16 | 0.34 | 4.01 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 32.129 | 31,359 | 140,656 | 105,918 | 130,734 |
| Closing number of shares | 30,475,853 | 31,588,518 | 98,377,404 | 76,246,045 | 90,907,105 |
| Operating charges (%)** | 0.06 | 0.06[†] | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.05 | 0.02 | 0.05 | 0.02 | 0.01 |
| **Prices** | | | | | |
| Highest share price (p) | 106.32 | 115.28 | 145.77 | 164.22 | 163.27 |
| Lowest share price (p) | 72.39 | 96.88 | 101.16 | 141.48 | 135.06 |

# Threadneedle UK Growth & Income Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Accumulation shares | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 98.19 | 98.00 | 94.33 |
| Return before operating charges (p) | 6.04 | 1.13 | 4.57 |
| Operating charges (p) | (0.81) | (0.94) | (0.90) |
| Return after operating charges (p)* | 5.23 | 0.19 | 3.67 |
| Distributions (p) | (2.21) | (3.70) | (3.68) |
| Retained distributions on accumulation shares (p) | 2.21 | 3.70 | 3.68 |
| Closing net asset value per share (p) | 103.42 | 98.19 | 98.00 |
| *after direct transaction costs of (p) | 0.05 | 0.02 | 0.02 |
| **Performance** | | | |
| Return after charges (%) | 5.33 | 0.19 | 3.89 |
| **Other information** | | | |
| Closing net asset value (£000) | 2,046 | 171 | 37 |
| Closing number of shares | 1,978,383 | 173,896 | 37,131 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.05 | 0.02 | 0.01 |
| **Prices** | | | |
| Highest share price (p) | 104.32 | 114.21 | 107.24 |
| Lowest share price (p) | 71.57 | 96.42 | 90.59 |

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

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

[1] *Commenced 9 May 2019.*

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

# Threadneedle UK Growth & Income Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 15,254 | (4,989) |
| Other (losses)/gains | (22) | 2 |
| Transaction costs | (2) | (1) |
| Net capital gains/(losses) | 15,230 | (4,988) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 6,455 | 11,046 |
| Interest on short term investments | – | 1 |
| Bank interest | 8 | 14 |
| Underwriting commission | 4 | 8 |
| Total revenue | 6,467 | 11,069 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (2,129) | (2,829) |
| Registration fees | (232) | (268) |
| | (2,361) | (3,097) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (30) | (36) |
| Safe custody fees | (14) | (15) |
| | (44) | (51) |
| Other expenses: | | |
| Regulatory fees | (6) | (7) |
| Audit fees | (8) | (8) |
| | (14) | (15) |
| Total expenses* | (2,419) | (3,163) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | 2020 £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 | 4,048 | 7,906 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (810) | (1,581) |
| Effects of: | | |
| Revenue not subject to taxation | 1,287 | 2,210 |
| Excess expenses | (477) | (629) |
| Current tax charge for period (note 5a) | – | – |

The fund has not recognised a deferred tax asset of £19,136,352 (2020: £18,658,880) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 3,224 | 6,071 |
| Final | 2,471 | 4,145 |
| | 5,695 | 10,216 |
| Add: Revenue deducted on the cancellation of shares* | 636 | 887 |
| Deduct: Revenue received on the creation of shares* | (154) | (410) |
| Net distribution for the period | 6,177 | 10,693 |
| Net revenue after taxation | 4,048 | 7,906 |
| Annual management charge to capital | 2,129 | 2,829 |
| Equalisation on conversion* | – | (42) |
| Total distributions | 6,177 | 10,693 |

**For details on restatement please refer to note 16.*

Details of the distribution per share are set out in the table on pages 34 to 35.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 2,828 | 193 |
| Accrued revenue | 873 | 1,242 |
| Total debtors | 3,701 | 1,435 |

### 8 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (14,339) | (452) |
| Purchases awaiting settlement | (10,000) | – |
| Accrued expenses | (10) | (11) |
| Amounts payable to ACD | (209) | (275) |
| Total other creditors | (24,558) | (738) |

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

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 1.50% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.75% |
| **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 36 to 37. The distribution per share class is given in the distribution table on pages 34 to 35.

All classes have the same rights on winding up.

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

# Threadneedle UK Growth & Income Fund

## Notes to the financial statements

*(continued)*

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 79,659,876 |
| Shares issued | 1,786,403 |
| Shares redeemed | (6,664,929) |
| Net conversions | (39,281,213) |
| Closing shares | 35,500,137 |
| **Class 2 – Income shares** | |
| Opening shares | 49,940,994 |
| Shares issued | 5,711,544 |
| Shares redeemed | (33,777,800) |
| Net conversions | (79,888) |
| Closing shares | 21,794,850 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 31,588,518 |
| Shares issued | 2,629,952 |
| Shares redeemed | (3,742,617) |
| Net conversions | – |
| Closing shares | 30,475,853 |
| **Class Z – Income shares** | |
| Opening shares | 76,246,045 |
| Shares issued | 9,677,678 |
| Shares redeemed | (11,424,127) |
| Net conversions | 23,877,808 |
| Closing shares | 98,377,404 |
| **Class Z – Accumulation shares** | |
| Opening shares | 173,896 |
| Shares issued | 37,802,169 |
| Shares redeemed | (35,997,682) |
| Net conversions | – |
| Closing shares | 1,978,383 |

## 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.93% and vice versa (2020: 4.76%).

**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 2021** | **£000** |
| Euro | 11 |
| US Dollar | 50 |
| **Currency 2020** | **£000** |
| Euro | 11 |
| US Dollar | 156 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 11 | – | – | 11 |
| UK Sterling | 12,341 | 12,015 | 228,877 | 253,233 |
| US Dollar | 8 | – | 42 | 50 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 11 | – | – | 11 |
| UK Sterling | 713 | 1,006 | 254,474 | 256,193 |
| US Dollar | 9 | – | 147 | 156 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (26,651) | (26,651) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (4,364) | (4,364) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

## 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 237,233 | – | 254,192 | – |
| | 237,233 | – | 254,192 | – |

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

## 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

## 15 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 27,998 | 5 | 0.02 | 112 | 0.40 |
| Collective investment schemes | 40,009 | – | – | – | – |
| Corporate actions | 462 | – | – | – | – |
| **Total** | 68,469 | 5 | | 112 | |
| **Gross purchases total:** | 68,586 | | | | |

# Threadneedle UK Growth & Income Fund

## Notes to the financial statements

*(continued)*

| Sales | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 70,604 | 13 | 0.02 | – | – |
| Collective investment schemes | 29,000 | – | – | – | – |
| Corporate actions | 1,208 | – | – | – | – |
| **Total** | 100,812 | 13 | | – | |
| **Total sales net of transaction costs:** | 100,799 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.04% |

**7 March 2020**

| Purchases | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 10,306 | 5 | 0.05 | 32 | 0.31 |
| Collective investment schemes | 15,002 | – | – | – | – |
| Corporate actions | 1,022 | – | – | – | – |
| **Total** | 26,330 | 5 | | 32 | |
| **Gross purchases total:** | 26,367 | | | | |

| Sales | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 57,508 | 12 | 0.02 | – | – |
| Collective investment schemes | 13,996 | – | – | – | – |
| Corporate actions | 77 | – | – | – | – |
| **Total** | 71,581 | 12 | | – | |
| **Total sales net of transaction costs:** | 71,569 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.01% |

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 0.18% (7 March 2020: 0.23%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (10,735) | 42 | (10,693) |
| **Net impact** | | 42 | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 57,620 | (5,561) | 52,059 |
| Amounts payable on the cancellation of shares | (99,983) | 5,519 | (94,464) |
| | (42,363) | (42) | (42,405) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (7,817) | 42 | (7,775) |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 969 | (82) | 887 |
| Deduct: Revenue received on the creation of shares | (450) | 40 | (410) |
| **Net impact** | | (42) | |
| Equalisation on conversion | – | (42) | (42) |

### 17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class Z – Income shares | (10.00) |
| Class Z – Accumulation shares | (13.89) |

# Threadneedle UK Equity Income Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Equity Income Fund has risen from 87.41p to 90.92p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +4.11% as compared to a median return of +2.63% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The year under review was a volatile but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK was particularly successful in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we initiated a position in Direct Line, one of the major personal-lines insurers in the UK. The stock is trading at an attractive valuation with a favourable dividend yield. With a range of well-established brands, the company also boasts scale and diversification advantages – factors which bode well for profitability. Furthermore, we feel the scale advantages will also bring brand strength, diverse distribution relationships and an opportunity to cut costs, which the firm should continue to exploit.

Over the review period, we also topped up some existing holdings, such as Imperial Brands, JD Wetherspoon and Rank.

Imperial Brands is strengthening its balance sheet, and there is a renewed focus on the high-margin cigarette business. Management also plans to increase sales in Germany and the US.

JD Wetherspoon and Rank were among the holdings that we increased by taking advantage of the aforementioned refinancing. Despite having only modestly negative cashflows JD Wetherspoon prudently raised extra equity to aid liquidity. We believe the pub chain will emerge stronger from the crisis, as many of its rivals are excessively leveraged. Meanwhile, Rank is expanding its digital presence, and the extensive operational changes and investments in the core Grosvenor Casinos business are starting to bear fruit.

We profitably sold RSA Insurance ahead of the company's takeover. We also realised some gains in AstraZeneca, which performed well in 2020.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March 2020. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

Conditions have stabilised following the swift and sharp contraction in dividend payments in April and May, with many companies resuming dividend payouts and more likely to follow. Looking ahead, we expect more prudent policies and better cover. For now, however, balance sheets and liquidity are paramount.

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

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 177,458 | (181,198) |
| Revenue | 3 | 111,093 | 176,984 |
| Expenses | 4 | (29,933) | (37,085) |
| Interest payable and similar charges | 5 | – | (1) |
| Net revenue before taxation | | 81,160 | 139,898 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 81,160 | 139,898 |
| **Total return before distributions** | | 258,618 | (41,300) |
| Distributions | 7 | (108,641) | (173,982) |
| **Change in net assets attributable to shareholders from investment activities** | | 149,977 | (215,282) |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 3,479,396 | 3,830,208 |
| **Current assets:** | | | |
| Debtors | 8 | 38,904 | 31,173 |
| Cash and bank balances | | – | 197 |
| Cash equivalents*** | | 39,512 | 10,027 |
| Total assets | | 3,557,812 | 3,871,605 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Bank overdrafts | | (4,843) | – |
| Distribution payable | | (12,498) | (19,310) |
| Other creditors | 9 | (68,216) | (5,951) |
| Total liabilities | | (85,557) | (25,261) |
| **Net assets attributable to shareholders** | | 3,472,255 | 3,846,344 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 3,846,344 | 4,060,916 |
| Amounts receivable on the issue of shares** | 217,302 | 316,246 |
| Amounts payable on the cancellation of shares** | (785,397) | (384,826) |
| | (568,095) | (68,580) |
| Dilution adjustment | 1 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 149,977 | (215,282) |
| Retained distribution on accumulation shares | 44,024 | 69,276 |
| Unclaimed distributions | 4 | 14 |
| **Closing net assets attributable to shareholders** | 3,472,255 | 3,846,344 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

### Class 1 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.6292 | – | 0.6292 | 1.2668 |
| 08/06/20 to 07/09/20 | 0.6860 | – | 0.6860 | 0.9921 |
| 08/09/20 to 07/12/20 | 0.6610 | – | 0.6610 | 0.9266 |
| 08/12/20 to 07/03/21 | 0.5288 | – | 0.5288 | 0.7234 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.3951 | 0.2341 | 0.6292 | 1.2668 |
| 08/06/20 to 07/09/20 | 0.4078 | 0.2782 | 0.6860 | 0.9921 |
| 08/09/20 to 07/12/20 | 0.3425 | 0.3185 | 0.6610 | 0.9266 |
| 08/12/20 to 07/03/21 | 0.3880 | 0.1408 | 0.5288 | 0.7234 |
| **Total distributions in the period** | | | **2.5050** | **3.9089** |

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

# Threadneedle UK Equity Income Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.9590 | – | 0.9590 | 1.8500 |
| 08/06/20 to 07/09/20 | 1.0527 | – | 1.0527 | 1.4691 |
| 08/09/20 to 07/12/20 | 1.0230 | – | 1.0230 | 1.3866 |
| 08/12/20 to 07/03/21 | 0.8248 | – | 0.8248 | 1.0911 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.6605 | 0.2985 | 0.9590 | 1.8500 |
| 08/06/20 to 07/09/20 | 0.6209 | 0.4318 | 1.0527 | 1.4691 |
| 08/09/20 to 07/12/20 | 0.6458 | 0.3772 | 1.0230 | 1.3866 |
| 08/12/20 to 07/03/21 | 0.5144 | 0.3104 | 0.8248 | 1.0911 |
| **Total distributions in the period** | | | **3.8595** | **5.7968** |

### Class 2 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.7175 | – | 0.7175 | 1.4301 |
| 08/06/20 to 07/09/20 | 0.7833 | – | 0.7833 | 1.1239 |
| 08/09/20 to 07/12/20 | 0.7559 | – | 0.7559 | 1.0518 |
| 08/12/20 to 07/03/21 | 0.6085 | – | 0.6085 | 0.8254 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.4565 | 0.2610 | 0.7175 | 1.4301 |
| 08/06/20 to 07/09/20 | 0.4216 | 0.3617 | 0.7833 | 1.1239 |
| 08/09/20 to 07/12/20 | 0.4607 | 0.2952 | 0.7559 | 1.0518 |
| 08/12/20 to 07/03/21 | 0.4510 | 0.1575 | 0.6085 | 0.8254 |
| **Total distributions in the period** | | | **2.8652** | **4.4312** |

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.8897 | – | 0.8897 | 1.6984 |
| 08/06/20 to 07/09/20 | 0.9782 | – | 0.9782 | 1.3536 |
| 08/09/20 to 07/12/20 | 0.9524 | – | 0.9524 | 1.2803 |
| 08/12/20 to 07/03/21 | 0.7724 | – | 0.7724 | 1.0129 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.8896 | 0.0001 | 0.8897 | 1.6984 |
| 08/06/20 to 07/09/20 | 0.8917 | 0.0865 | 0.9782 | 1.3536 |
| 08/09/20 to 07/12/20 | 0.9524 | – | 0.9524 | 1.2803 |
| 08/12/20 to 07/03/21 | 0.4483 | 0.3241 | 0.7724 | 1.0129 |
| **Total distributions in the period** | | | **3.5927** | **5.3452** |

### Class D – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 1.2482 | – | 1.2482 | 2.5073 |
| 08/06/20 to 07/09/20 | 1.3622 | – | 1.3622 | 1.9634 |
| 08/09/20 to 07/12/20 | 1.3145 | – | 1.3145 | 1.8356 |
| 08/12/20 to 07/03/21 | 1.0499 | – | 1.0499 | 1.4315 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 1.0491 | 0.1991 | 1.2482 | 2.5073 |
| 08/06/20 to 07/09/20 | 0.8910 | 0.4712 | 1.3622 | 1.9634 |
| 08/09/20 to 07/12/20 | 1.0004 | 0.3141 | 1.3145 | 1.8356 |
| 08/12/20 to 07/03/21 | 0.6150 | 0.4349 | 1.0499 | 1.4315 |
| **Total distributions in the period** | | | **4.9748** | **7.7378** |

### Class L – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 1.2240 | – | 1.2240 | 2.4285 |
| 08/06/20 to 07/09/20 | 1.3376 | – | 1.3376 | 1.9108 |
| 08/09/20 to 07/12/20 | 1.2925 | – | 1.2925 | 1.7901 |
| 08/12/20 to 07/03/21 | 1.0417 | – | 1.0417 | 1.4066 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.7683 | 0.4557 | 1.2240 | 2.4285 |
| 08/06/20 to 07/09/20 | 0.8363 | 0.5013 | 1.3376 | 1.9108 |
| 08/09/20 to 07/12/20 | 0.8222 | 0.4703 | 1.2925 | 1.7901 |
| 08/12/20 to 07/03/21 | 0.6001 | 0.4416 | 1.0417 | 1.4066 |
| **Total distributions in the period** | | | **4.8958** | **7.5360** |

### Class L – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 2.1343 | – | 2.1343 | 4.0559 |
| 08/06/20 to 07/09/20 | 2.3493 | – | 2.3493 | 3.2363 |
| 08/09/20 to 07/12/20 | 2.2900 | – | 2.2900 | 3.0641 |
| 08/12/20 to 07/03/21 | 1.8595 | – | 1.8595 | 2.4272 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 1.4046 | 0.7297 | 2.1343 | 4.0559 |
| 08/06/20 to 07/09/20 | 1.4800 | 0.8693 | 2.3493 | 3.2363 |
| 08/09/20 to 07/12/20 | 1.6490 | 0.6410 | 2.2900 | 3.0641 |
| 08/12/20 to 07/03/21 | 1.0913 | 0.7682 | 1.8595 | 2.4272 |
| **Total distributions in the period** | | | **8.6331** | **12.7835** |

### Class X – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.8083 | – | 0.8083 | 1.5959 |
| 08/06/20 to 07/09/20 | 0.8843 | – | 0.8843 | 1.2575 |
| 08/09/20 to 07/12/20 | 0.8563 | – | 0.8563 | 1.1795 |
| 08/12/20 to 07/03/21 | 0.6906 | – | 0.6906 | 0.9283 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.8083 | – | 0.8083 | 1.5959 |
| 08/06/20 to 07/09/20 | 0.8843 | – | 0.8843 | 1.2575 |
| 08/09/20 to 07/12/20 | – | 0.8563 | 0.8563 | 1.1795 |
| 08/12/20 to 07/03/21 | 0.6906 | – | 0.6906 | 0.9283 |
| **Total distributions in the period** | | | **3.2395** | **4.9612** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 2.2643 | – | 2.2643 | 4.2795 |
| 08/06/20 to 07/09/20 | 2.4956 | – | 2.4956 | 3.4191 |
| 08/09/20 to 07/12/20 | 2.4366 | – | 2.4366 | 3.2416 |
| 08/12/20 to 07/03/21 | 1.9811 | – | 1.9811 | 2.5715 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 2.1925 | 0.0718 | 2.2643 | 4.2795 |
| 08/06/20 to 07/09/20 | 1.2422 | 1.2534 | 2.4956 | 3.4191 |
| 08/09/20 to 07/12/20 | 2.1078 | 0.3288 | 2.4366 | 3.2416 |
| 08/12/20 to 07/03/21 | 0.4551 | 1.5260 | 1.9811 | 2.5715 |
| **Total distributions in the period** | | | **9.1776** | **13.5117** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.9583 | – | 0.9583 | 1.9106 |
| 08/06/20 to 07/09/20 | 1.0467 | – | 1.0467 | 1.5007 |
| 08/09/20 to 07/12/20 | 1.0107 | – | 1.0107 | 1.4047 |
| 08/12/20 to 07/03/21 | 0.8119 | – | 0.8119 | 1.1006 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.6432 | 0.3151 | 0.9583 | 1.9106 |
| 08/06/20 to 07/09/20 | 0.6536 | 0.3931 | 1.0467 | 1.5007 |
| 08/09/20 to 07/12/20 | 0.7098 | 0.3009 | 1.0107 | 1.4047 |
| 08/12/20 to 07/03/21 | 0.5210 | 0.2909 | 0.8119 | 1.1006 |
| **Total distributions in the period** | | | **3.8276** | **5.9166** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 1.2939 | – | 1.2939 | 2.4712 |
| 08/06/20 to 07/09/20 | 1.4231 | – | 1.4231 | 1.9682 |
| 08/09/20 to 07/12/20 | 1.3863 | – | 1.3863 | 1.8618 |
| 08/12/20 to 07/03/21 | 1.1220 | – | 1.1220 | 1.4707 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.7594 | 0.5345 | 1.2939 | 2.4712 |
| 08/06/20 to 07/09/20 | 0.9260 | 0.4971 | 1.4231 | 1.9682 |
| 08/09/20 to 07/12/20 | 0.9379 | 0.4484 | 1.3863 | 1.8618 |
| 08/12/20 to 07/03/21 | 0.7733 | 0.3487 | 1.1220 | 1.4707 |
| **Total distributions in the period** | | | **5.2253** | **7.7719** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle UK Equity Income Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 86.50 | 92.03 | 92.01 | 131.80 | 134.39 | 129.06 |
| Return before operating charges (p) | 7.04 | (0.12) | 5.38 | 10.96 | (0.37) | 7.49 |
| Operating charges (p) | (1.30) | (1.50) | (1.52) | (2.01) | (2.22) | (2.16) |
| Return after operating charges (p)* | 5.74 | (1.62) | 3.86 | 8.95 | (2.59) | 5.33 |
| Distributions (p) | (2.51) | (3.91) | (3.84) | (3.86) | (5.80) | (5.47) |
| Retained distributions on accumulation shares (p) | – | – | – | 3.86 | 5.80 | 5.47 |
| Closing net asset value per share (p) | 89.73 | 86.50 | 92.03 | 140.75 | 131.80 | 134.39 |
| *after direct transaction costs of (p) | 0.03 | 0.03 | 0.03 | 0.04 | 0.05 | 0.05 |
| **Performance** | | | | | | |
| Return after charges (%) | 6.64 | (1.76) | 4.20 | 6.79 | (1.93) | 4.13 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 198,994 | 255,538 | 330,425 | 155,526 | 161,973 | 222,901 |
| Closing number of shares | 221,780,184 | 295,425,783 | 359,047,835 | 110,496,196 | 122,897,028 | 165,857,368 |
| Operating charges (%)** | 1.59 | 1.59 | 1.59 | 1.59 | 1.59 | 1.59 |
| Direct transaction costs (%)*** | 0.04 | 0.03 | 0.03 | 0.04 | 0.03 | 0.03 |
| **Prices** | | | | | | |
| Highest share price (p) | 91.77 | 100.40 | 102.82 | 143.12 | 151.70 | 146.01 |
| Lowest share price (p) | 64.86 | 87.33 | 85.24 | 98.97 | 130.24 | 123.49 |

| | Class 1 CHF Hedged – Accumulation shares | Class 1 EUR Hedged – Accumulation shares |
|---|---|---|
| | 09/11/2018[1] | 09/11/2018[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 134.04 | 128.53 |
| Return before operating charges (p) | 5.50 | 2.06 |
| Operating charges (p) | (1.04) | (0.99) |
| Return after operating charges (p)* | 4.46 | 1.07 |
| Distributions (p) | (3.96) | (3.79) |
| Retained distributions on accumulation shares (p) | 3.96 | 3.79 |
| Closing net asset value per share (p) | 138.50 | 129.60 |
| *after direct transaction costs of (p) | 0.02 | 0.02 |
| **Performance** | | |
| Return after charges (%) | 3.33 | 0.83 |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 154.75 | 145.72 |
| Lowest share price (p) | 125.62 | 121.27 |

# Threadneedle UK Equity Income Fund

## Comparative Table Disclosure

*(continued)*

| | Class 1 USD Hedged – Accumulation shares | Class 2 – Income shares | | |
|---|---|---|---|---|
| | 09/11/2018[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 150.78 | 97.25 | 102.96 | 102.42 |
| Return before operating charges (p) | 19.34 | 7.97 | (0.17) | 6.00 |
| Operating charges (p) | (1.24) | (0.97) | (1.11) | (1.12) |
| Return after operating charges (p)* | 18.10 | 7.00 | (1.28) | 4.88 |
| Distributions (p) | (4.72) | (2.87) | (4.43) | (4.34) |
| Retained distributions on accumulation shares (p) | 4.72 | – | – | – |
| Closing net asset value per share (p) | 168.88 | 101.38 | 97.25 | 102.96 |
| *after direct transaction costs of (p) | 0.02 | 0.03 | 0.04 | 0.04 |
| **Performance** | | | | |
| Return after charges (%) | 12.00 | 7.20 | (1.24) | 4.76 |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 141,808 | 153,282 | 181,990 |
| Closing number of shares | – | 139,880,464 | 157,608,914 | 176,765,510 |
| Operating charges (%)** | – | 1.05 | 1.05 | 1.05 |
| Direct transaction costs (%)*** | – | 0.04 | 0.03 | 0.03 |
| **Prices** | | | | |
| Highest share price (p) | 185.98 | 103.60 | 112.78 | 114.70 |
| Lowest share price (p) | 142.57 | 72.94 | 98.20 | 95.27 |

| | Class 2 – Accumulation shares | | | Class D – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 120.56 | 122.27 | 116.79 | 173.03 | 183.00 | 181.90 |
| Return before operating charges (p) | 10.11 | (0.37) | 6.75 | 14.09 | (0.31) | 10.59 |
| Operating charges (p) | (1.21) | (1.34) | (1.28) | (1.68) | (1.92) | (1.93) |
| Return after operating charges (p)* | 8.90 | (1.71) | 5.48 | 12.41 | (2.23) | 8.66 |
| Distributions (p) | (3.59) | (5.35) | (5.02) | (4.97) | (7.74) | (7.56) |
| Retained distributions on accumulation shares (p) | 3.59 | 5.35 | 5.02 | – | – | – |
| Closing net asset value per share (p) | 129.46 | 120.56 | 122.27 | 180.47 | 173.03 | 183.00 |
| *after direct transaction costs of (p) | 0.04 | 0.05 | 0.04 | 0.06 | 0.07 | 0.06 |
| **Performance** | | | | | | |
| Return after charges (%) | 7.38 | (1.40) | 4.69 | 7.17 | (1.22) | 4.76 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 13,689 | 15,791 | 17,355 | 1,502 | 1,131 | 1,150 |
| Closing number of shares | 10,573,838 | 13,097,881 | 14,193,793 | 832,005 | 653,324 | 628,455 |
| Operating charges (%)** | 1.05 | 1.05 | 1.06 | 1.02 | 1.02 | 1.02 |
| Direct transaction costs (%)*** | 0.04 | 0.03 | 0.03 | 0.04 | 0.03 | 0.03 |
| **Prices** | | | | | | |
| Highest share price (p) | 131.52 | 138.63 | 132.44 | 184.41 | 200.60 | 203.77 |
| Lowest share price (p) | 90.56 | 118.65 | 112.24 | 129.77 | 174.67 | 169.32 |

# Threadneedle UK Equity Income Fund

## Comparative Table Disclosure

*(continued)*

| | Class L – Income shares | | | Class L – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 165.79 | 174.72 | 173.04 | 289.03 | 291.80 | 277.45 |
| Return before operating charges (p) | 13.66 | (0.31) | 10.10 | 24.39 | (0.93) | 16.11 |
| Operating charges (p) | (0.95) | (1.08) | (1.08) | (1.67) | (1.84) | (1.76) |
| Return after operating charges (p)* | 12.71 | (1.39) | 9.02 | 22.72 | (2.77) | 14.35 |
| Distributions (p) | (4.90) | (7.54) | (7.34) | (8.63) | (12.78) | (11.94) |
| Retained distributions on accumulation shares (p) | – | – | – | 8.63 | 12.78 | 11.94 |
| Closing net asset value per share (p) | 173.60 | 165.79 | 174.72 | 311.75 | 289.03 | 291.80 |
| *after direct transaction costs of (p) | 0.05 | 0.06 | 0.06 | 0.10 | 0.11 | 0.10 |
| **Performance** | | | | | | |
| Return after charges (%) | 7.67 | (0.80) | 5.21 | 7.86 | (0.95) | 5.17 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 498,719 | 501,268 | 219,604 | 262,984 | 394,113 | 263,452 |
| Closing number of shares | 287,275,107 | 302,346,792 | 125,690,839 | 84,356,791 | 136,359,046 | 90,284,756 |
| Operating charges (%)** | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| Direct transaction costs (%)*** | 0.04 | 0.03 | 0.03 | 0.04 | 0.03 | 0.03 |
| **Prices** | | | | | | |
| Highest share price (p) | 177.29 | 192.08 | 194.16 | 316.48 | 332.04 | 315.23 |
| Lowest share price (p) | 124.37 | 167.39 | 161.54 | 217.13 | 283.46 | 267.63 |

| | Class X – Income shares | | | Class X – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 109.47 | 114.73 | 113.00 | 306.37 | 307.62 | 290.89 |
| Return before operating charges (p) | 8.97 | (0.24) | 6.60 | 26.06 | (1.09) | 16.88 |
| Operating charges (p) | (0.05) | (0.06) | (0.06) | (0.15) | (0.16) | (0.15) |
| Return after operating charges (p)* | 8.92 | (0.30) | 6.54 | 25.91 | (1.25) | 16.73 |
| Distributions (p) | (3.24) | (4.96) | (4.81) | (9.18) | (13.51) | (12.56) |
| Retained distributions on accumulation shares (p) | – | – | – | 9.18 | 13.51 | 12.56 |
| Closing net asset value per share (p) | 115.15 | 109.47 | 114.73 | 332.28 | 306.37 | 307.62 |
| *after direct transaction costs of (p) | 0.04 | 0.04 | 0.04 | 0.10 | 0.11 | 0.10 |
| **Performance** | | | | | | |
| Return after charges (%) | 8.15 | (0.26) | 5.79 | 8.46 | (0.41) | 5.75 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 14,902 | 6,902 | 3,858 | 33,052 | 29,029 | 42,122 |
| Closing number of shares | 12,940,648 | 6,304,941 | 3,363,326 | 9,947,080 | 9,474,838 | 13,692,572 |
| Operating charges (%)** | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| Direct transaction costs (%)*** | 0.04 | 0.03 | 0.03 | 0.04 | 0.03 | 0.03 |
| **Prices** | | | | | | |
| Highest share price (p) | 117.49 | 126.69 | 127.09 | 337.03 | 351.60 | 331.28 |
| Lowest share price (p) | 82.14 | 110.51 | 105.96 | 230.22 | 299.23 | 281.55 |

# Threadneedle UK Equity Income Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 130.82 | 138.14 | 137.08 | 176.57 | 178.67 | 170.26 |
| Return before operating charges (p) | 10.73 | (0.24) | 8.00 | 14.84 | (0.56) | 9.88 |
| Operating charges (p) | (1.02) | (1.16) | (1.17) | (1.39) | (1.54) | (1.47) |
| Return after operating charges (p)* | 9.71 | (1.40) | 6.83 | 13.45 | (2.10) | 8.41 |
| Distributions (p) | (3.83) | (5.92) | (5.77) | (5.23) | (7.77) | (7.28) |
| Retained distributions on accumulation shares (p) | – | – | – | 5.23 | 7.77 | 7.28 |
| Closing net asset value per share (p) | 136.70 | 130.82 | 138.14 | 190.02 | 176.57 | 178.67 |
| *after direct transaction costs of (p) | 0.04 | 0.05 | 0.05 | 0.06 | 0.07 | 0.06 |
| **Performance** | | | | | | |
| Return after charges (%) | 7.42 | (1.01) | 4.98 | 7.62 | (1.18) | 4.94 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 1,243,133 | 1,372,924 | 1,745,600 | 907,946 | 954,393 | 1,032,459 |
| Closing number of shares | 909,369,374 | 1,049,501,400 | 1,263,689,987 | 477,812,537 | 540,524,493 | 577,868,081 |
| Operating charges (%)** | 0.82 | 0.82 | 0.82 | 0.82 | 0.82 | 0.82 |
| Direct transaction costs (%)*** | 0.04 | 0.03 | 0.03 | 0.04 | 0.03 | 0.03 |
| **Prices** | | | | | | |
| Highest share price (p) | 139.65 | 151.62 | 153.67 | 192.97 | 202.94 | 193.26 |
| Lowest share price (p) | 98.12 | 132.07 | 127.76 | 132.63 | 173.47 | 163.94 |

| | Class Z CHF Hedged – Accumulation shares | Class Z EUR Hedged – Accumulation shares |
|---|---|---|
| | 09/11/2018[1] | 09/11/2018[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 137.57 | 135.32 |
| Return before operating charges (p) | 4.85 | 2.36 |
| Operating charges (p) | (0.55) | (0.54) |
| Return after operating charges (p)* | 4.30 | 1.82 |
| Distributions (p) | (4.10) | (4.02) |
| Retained distributions on accumulation shares (p) | 4.10 | 4.02 |
| Closing net asset value per share (p) | 141.87 | 137.14 |
| *after direct transaction costs of (p) | 0.02 | 0.02 |
| **Performance** | | |
| Return after charges (%) | 3.13 | 1.34 |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 159.39 | 153.98 |
| Lowest share price (p) | 128.98 | 127.71 |

# Threadneedle UK Equity Income Fund

## Comparative Table Disclosure

*(continued)*

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

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

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

[1]*Closed 9 November 2018.*

# Threadneedle UK Equity Income Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 177,769 | (181,217) |
| Other (losses)/gains | (307) | 25 |
| Transaction costs | (4) | (6) |
| Net capital gains/(losses) | 177,458 | (181,198) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 110,766 | 176,631 |
| Overseas dividends | 272 | – |
| Interest on short term investments | – | 41 |
| Bank interest | 55 | 201 |
| Underwriting commission | – | 111 |
| Total revenue | 111,093 | 176,984 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (27,478) | (34,067) |
| Registration fees | (1,928) | (2,401) |
| | (29,406) | (36,468) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (424) | (500) |
| Safe custody fees | (83) | (98) |
| | (507) | (598) |
| Other expenses: | | |
| Regulatory fees | (11) | (10) |
| Audit fees | (9) | (9) |
| | (20) | (19) |
| Total expenses* | (29,933) | (37,085) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (1) |
| Total interest payable and similar charges | – | (1) |

### 6 TAXATION

| | 2021 £000 | 2020 £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 | 81,160 | 139,898 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (16,232) | (27,980) |
| Effects of: | | |
| Revenue not subject to taxation | 22,153 | 35,350 |
| Excess expenses | (5,920) | (7,366) |
| Conversion transfer from capital | (1) | (4) |
| Current tax charge for period (note 6a) | – | – |

The fund has not recognised a deferred tax asset of £74,166,557 (2020: £68,246,099) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 86,585 | 141,480 |
| Final | 20,618 | 32,286 |
| | 107,203 | 173,766 |
| Add: Revenue deducted on the cancellation of shares* | 2,050 | 1,639 |
| Deduct: Revenue received on the creation of shares* | (612) | (1,423) |
| Net distribution for the period | 108,641 | 173,982 |
| Net revenue after taxation | 81,160 | 139,898 |
| Annual management charge to capital | 27,478 | 34,067 |
| Equalisation on conversion | 3 | 19 |
| Undistributed revenue carried forward | – | (2) |
| Total distributions | 108,641 | 173,982 |

**For details on restatement please refer to note 17.*

Details of the distribution per share are set out in the table on pages 41 to 42.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 4,977 | 7,357 |
| Sales awaiting settlement | 17,625 | – |
| Accrued revenue | 16,302 | 23,816 |
| Total debtors | 38,904 | 31,173 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (54,909) | (2,356) |
| Purchases awaiting settlement | (10,404) | – |
| Accrued expenses | (54) | (65) |
| Amounts payable to ACD | (2,849) | (3,530) |
| Total other creditors | (68,216) | (5,951) |

### 10 DILUTION ADJUSTMENT

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

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

### 12 SHAREHOLDER FUNDS

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

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

# Threadneedle UK Equity Income Fund

## Notes to the financial statements

*(continued)*

**Registration fees**

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 43 to 47. The distribution per share class is given in the distribution table on pages 41 to 42.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 295,425,783 |
| Shares issued | 50,175,753 |
| Shares redeemed | (50,488,015) |
| Net conversions | (73,333,337) |
| Closing shares | 221,780,184 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 122,897,028 |
| Shares issued | 8,709,861 |
| Shares redeemed | (18,805,491) |
| Net conversions | (2,305,202) |
| Closing shares | 110,496,196 |
| **Class 2 – Income shares** | |
| Opening shares | 157,608,914 |
| Shares issued | 7,893,519 |
| Shares redeemed | (25,421,515) |
| Net conversions | (200,454) |
| Closing shares | 139,880,464 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 13,097,881 |
| Shares issued | 2,017,221 |
| Shares redeemed | (4,541,019) |
| Net conversions | (245) |
| Closing shares | 10,573,838 |
| **Class D – Income shares** | |
| Opening shares | 653,324 |
| Shares issued | 407,363 |
| Shares redeemed | (149,583) |
| Net conversions | (79,099) |
| Closing shares | 832,005 |
| **Class L – Income shares** | |
| Opening shares | 302,346,792 |
| Shares issued | 15,090,230 |
| Shares redeemed | (41,310,993) |
| Net conversions | 11,149,078 |
| Closing shares | 287,275,107 |
| **Class L – Accumulation shares** | |
| Opening shares | 136,359,046 |
| Shares issued | 20,639,698 |
| Shares redeemed | (78,960,500) |
| Net conversions | 6,318,547 |
| Closing shares | 84,356,791 |
| **Class X – Income shares** | |
| Opening shares | 6,304,941 |
| Shares issued | 12,672,197 |
| Shares redeemed | (6,036,490) |
| Net conversions | – |
| Closing shares | 12,940,648 |
| **Class X – Accumulation shares** | |
| Opening shares | 9,474,838 |
| Shares issued | 2,465,846 |
| Shares redeemed | (1,993,604) |
| Net conversions | – |
| Closing shares | 9,947,080 |
| **Class Z – Income shares** | |
| Opening shares | 1,049,501,400 |
| Shares issued | 30,733,355 |
| Shares redeemed | (205,485,388) |
| Net conversions | 34,620,007 |
| Closing shares | 909,369,374 |
| **Class Z – Accumulation shares** | |
| Opening shares | 540,524,493 |
| Shares issued | 19,408,802 |
| Shares redeemed | (73,344,795) |
| Net conversions | (8,775,963) |
| Closing shares | 477,812,537 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.79% and vice versa (2020: 4.69%).

**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 2021** | **£000** |
| US Dollar | 655 |
| **Currency 2020** | **£000** |
| Euro | 3 |
| US Dollar | 2,244 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).
The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

**Interest rate risk**

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.
There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | 39,512 | 3,517,645 | 3,557,157 |
| US Dollar | – | – | 655 | 655 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 3 | – | – | 3 |
| UK Sterling | 194 | 10,027 | 3,859,137 | 3,869,358 |
| US Dollar | – | – | 2,244 | 2,244 |

# Threadneedle UK Equity Income Fund

## Notes to the financial statements

*(continued)*

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (4,843) | – | (80,714) | (85,557) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (25,261) | (25,261) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 3,518,908 | – | 3,840,235 | – |
| | 3,518,908 | – | 3,840,235 | – |

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 211,760 | 63 | 0.03 | 926 | 0.44 |
| Collective investment schemes | 429,055 | – | – | – | – |
| **Total** | 640,815 | 63 | | 926 | |
| **Gross purchases total:** | 641,804 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 728,195 | 226 | 0.03 | 1 | – |
| Collective investment schemes | 399,570 | – | – | – | – |
| Corporate actions | 13,360 | – | – | – | – |
| **Total** | 1,141,125 | 226 | | 1 | |
| **Total sales net of transaction costs:** | 1,140,898 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.03% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 256,263 | 93 | 0.04 | 1,269 | 0.50 |
| Collective investment schemes | 199,171 | – | – | – | – |
| Corporate actions | 14,843 | – | – | – | – |
| **Total** | 470,277 | 93 | | 1,269 | |
| **Gross purchases total:** | 471,639 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 299,728 | 110 | 0.04 | 1 | 0.00 |
| Collective investment schemes | 214,150 | – | – | – | – |
| Corporate actions | 794 | – | – | – | – |
| **Total** | 514,672 | 110 | | 1 | |
| **Total sales net of transaction costs:** | 514,561 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.00% |
| Taxes: | 0.03% |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.15% (7 March 2020: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| Amounts receivable on the issue of shares | 321,182 | (4,936) | 316,246 |
| Amounts payable on the cancellation of shares | (389,762) | 4,936 | (384,826) |
| | (68,580) | – | (68,580) |
| **Impact on net assets attributable to shareholders** | | – | |

| | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,650 | (11) | 1,639 |
| Deduct: Revenue received on the creation of shares | (1,434) | 11 | (1,423) |
| **Net impact** | | – | |

# Threadneedle UK Equity Income Fund

## Notes to the financial statements

*(continued)*

### 18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class D – Income shares | (16.83) |

# Threadneedle UK Monthly Income Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund focuses on selecting companies that exhibit strong potential for paying attractive and sustainable dividend income. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Monthly Income Fund has risen from 65.06p to 65.72p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +0.31% as compared to a median return of +2.63% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The last year was truly unprecedented; its beginning coinciding almost exactly with the arrival of coronavirus on European shores. Meanwhile, an issue as significant and controversial as Brexit, which had consumed the country for the previous five years, and where the transition period ended on 31 December 2020, went virtually unmentioned.

As infections spiralled out of control, threatening to overwhelm the National Health Service, the country was locked down from 23 March. Working from home became the norm for many white collar workers, and only essential businesses remained open. Initially, deaths peaked at over 1,000 per day in April before steadily falling and troughing at around 10 per day in September. The economy progressively re-opened from June.

However, by the autumn, infection rates rose again as the second wave of the pandemic took hold. This resulted in a second lockdown for a month in November, followed by a third that lasted from Christmas until the end of the period. In addition, between these periods, ad-hoc local tiering restrictions were in place. Deaths peaked at around 1,250 per day in February. Shortly afterwards a road-map detailing when restrictions might lift was published, with schools due to reopen on 8 March. Cumulative deaths at this point approached 125,000, although the start of a successful vaccination programme in January saw approximately a third of the adult population inoculated by early March.

In total, for approximately five months of the period under review, large swathes of the domestic economy were either closed or operated under various levels of constraint. This pattern was broadly replicated in many parts of the Western world. The consequential contraction in the UK economy caused by the restrictions surpassed that seen in the financial crisis or even in the Great Depression. Having troughed at -25%, the economy shrunk by 9.9% over 2020 as a whole – the largest reduction in more than 300 years. Both the size of this contraction and the mortality rate from the virus were some of the worst seen globally. This was due to the UK economy's internationally facing, services-sector-based characteristics, the poor underlying health of the population, and a reactive government response to the crisis. The Bank of England swiftly cut interest rates twice in March, from 0.75% to 0.25%, and then again to 0.1%, a record low. The bank also instigated an additional £200bn asset-purchase programme on top of its existing £435bn. However, the truth was that monetary policy, both conventional and unconventional, having never recovered from the financial crisis of a decade earlier, was essentially exhausted. Thus, the government was forced to step in to underpin large parts of the economy via its Jobs Retention Scheme, which supported the furlough of over five million workers. However, this pushed the government's annual budget deficit to around £435bn, or over 20% of GDP, and national debt to over £2 tn, or more than 100% of GDP.

The market fell almost 25% in the first two weeks of the period under review before steadily rallying to end the year up 4.7%.

The fund's relatively defensive stance served it well during the initial sell-off. However, we steadily repositioned the portfolio to have a more balanced stance by increasing exposure to more economically sensitive stocks which had fallen too hard. Throughout the year, the fund also attempted to retain a relatively balanced selection of both growth and value stocks. During the year, eight stocks were added and four removed from the portfolio, leaving 66 stocks at year end. New additions were J Sainsbury, Aviva, Capital & Counties Properties, WPP, Forterra, HICL, Essentra and Speedy Hire. We sold Marstons, Direct Line, HSBC and Land Securities. We also significantly reduced holdings in defensive stocks which had held up well during the sell-off, such as AstraZeneca, GlaxoSmithKline, BAE Systems and Chesnara. The holding in Royal Dutch Shell was also reduced. We topped up positions in BHP and Legal & General.

Life assurance remains the fund's biggest overweight sector. At the sector level, the biggest change was to progressively move from an underweight to an overweight in industrials during the year; in the process, this became the second largest overweight.

The biggest challenge the fund faced was the collapse in company dividend payments. In a three-week period at the end of March 2020, a record number of companies cut, deferred or passed payments at a speed and level of severity never seen before. Even the totemic Royal Dutch Shell cut its payments by almost two-thirds. Although by period end this process had just about troughed, the resultant reduction in dividends is estimated to have been approximately 37–38%.

As foreshadowed in the previous year's final report, the fund had to make some painful decisions in response to this situation. Due to this almost overnight change in companies' dividends occurring right at the beginning of its financial year, the fund reduced its own distributions. For the first three months of the year, this was by approximately 55%: 0.12 pence per unit (ppu) vs 0.27ppu for the class 1 and 0.21ppu vs 0.47ppu for the Z class. This reduction moderated over the following eight months to around 40% (0.16ppu vs 0.27ppu for the class 1 and 0.28ppu vs 0.47ppu for the Z class). And as the situation gradually stabilised, the fund was able to increase its final payment by approximately 11%. This left overall distributions for the year down by approximately 36%.

This cut, only the second in the fund's 23-year history, although unavoidable, was deeply regrettable. From this new base, the fund will begin to rebuild its distribution in a steady fashion, in the process reverting to its traditional policy of making 11 even payouts. Although this year's final payment will reduce, the 11 monthly payments will increase by approximately 21% to 0.18ppu for the class 1 and 15% to 0.30ppu for the Z class versus the average for last year.

At period end, the historic yield on an ex-dividend basis for both these two shares classes was 3.4%.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 5,354 | (23,926) |
| Revenue | 3 | 13,572 | 22,205 |
| Expenses | 4 | (4,321) | (6,595) |
| Interest payable and similar charges | 5 | – | (2) |
| Net revenue before taxation | | 9,251 | 15,608 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 9,251 | 15,608 |
| **Total return before distributions** | | 14,605 | (8,318) |
| Distributions | 7 | (13,123) | (21,636) |
| **Change in net assets attributable to shareholders from investment activities** | | 1,482 | (29,954) |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 364,472 | 382,596 |
| **Current assets:** | | | |
| Debtors | 8 | 2,865 | 4,819 |
| Cash and bank balances | | 3,391 | 3,475 |
| Cash equivalents** | | 2,012 | 8 |
| Total assets | | 372,740 | 390,898 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Distribution payable | | (3,458) | (3,276) |
| Other creditors | 9 | (3,375) | (2,039) |
| Total liabilities | | (6,833) | (5,315) |
| **Net assets attributable to shareholders** | | 365,907 | 385,583 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 385,583 | 442,788 |
| Amounts receivable on the issue of shares | 7,168 | 12,297 |
| Amounts payable on the cancellation of shares | (28,385) | (39,662) |
| | (21,217) | (27,365) |
| Dilution adjustment | (11) | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 1,482 | (29,954) |
| Unclaimed distributions | 70 | 114 |
| **Closing net assets attributable to shareholders** | 365,907 | 385,583 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1200 | – | 0.1200 | 0.2700 |
| 08/04/20 to 07/05/20 | 0.1200 | – | 0.1200 | 0.2700 |
| 08/05/20 to 07/06/20 | 0.1200 | – | 0.1200 | 0.2700 |
| 08/06/20 to 07/07/20 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/07/20 to 07/08/20 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/08/20 to 07/09/20 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/09/20 to 07/10/20 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/10/20 to 07/11/20 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/11/20 to 07/12/20 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/12/20 to 07/01/21 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/01/21 to 07/02/21 | 0.1600 | – | 0.1600 | 0.2700 |
| 08/02/21 to 07/03/21 | 0.5978 | – | 0.5978 | 0.5402 |

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

# Threadneedle UK Monthly Income Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.0674 | 0.0526 | 0.1200 | 0.2700 |
| 08/04/20 to 07/05/20 | – | 0.1200 | 0.1200 | 0.2700 |
| 08/05/20 to 07/06/20 | – | 0.1200 | 0.1200 | 0.2700 |
| 08/06/20 to 07/07/20 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/07/20 to 07/08/20 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/08/20 to 07/09/20 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/09/20 to 07/10/20 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/10/20 to 07/11/20 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/11/20 to 07/12/20 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/12/20 to 07/01/21 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/01/21 to 07/02/21 | – | 0.1600 | 0.1600 | 0.2700 |
| 08/02/21 to 07/03/21 | 0.0565 | 0.5413 | 0.5978 | 0.5402 |
| **Total distributions in the period** | | | **2.2378** | **3.5102** |

### Class 2 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1800 | – | 0.1800 | 0.4100 |
| 08/04/20 to 07/05/20 | 0.1800 | – | 0.1800 | 0.4100 |
| 08/05/20 to 07/06/20 | 0.1800 | – | 0.1800 | 0.4100 |
| 08/06/20 to 07/07/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/07/20 to 07/08/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/08/20 to 07/09/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/09/20 to 07/10/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/10/20 to 07/11/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/11/20 to 07/12/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/12/20 to 07/01/21 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/01/21 to 07/02/21 | 0.2400 | – | 0.2400 | 0.3600 |
| 08/02/21 to 07/03/21 | 0.9273 | – | 0.9273 | 0.8011 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1800 | – | 0.1800 | 0.4100 |
| 08/04/20 to 07/05/20 | 0.1800 | – | 0.1800 | 0.4100 |
| 08/05/20 to 07/06/20 | 0.1800 | – | 0.1800 | 0.4100 |
| 08/06/20 to 07/07/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/07/20 to 07/08/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/08/20 to 07/09/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/09/20 to 07/10/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/10/20 to 07/11/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/11/20 to 07/12/20 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/12/20 to 07/01/21 | 0.2400 | – | 0.2400 | 0.4100 |
| 08/01/21 to 07/02/21 | 0.2400 | – | 0.2400 | 0.3600 |
| 08/02/21 to 07/03/21 | 0.9273 | – | 0.9273 | 0.8011 |
| **Total distributions in the period** | | | **3.3873** | **5.2611** |

### Class X – Gross income shares*

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1750 | – | 0.1750 | |
| 08/04/20 to 07/05/20 | 0.1750 | – | 0.1750 | |
| 08/05/20 to 07/06/20 | 0.1750 | – | 0.1750 | – |
| 08/06/20 to 07/07/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/07/20 to 07/08/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/08/20 to 07/09/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/09/20 to 07/10/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/10/20 to 07/11/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/11/20 to 07/12/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/12/20 to 07/01/21 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/01/21 to 07/02/21 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/02/21 to 07/03/21 | 0.9151 | – | 0.9151 | 0.8930 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1750 | – | 0.1750 | |
| 08/04/20 to 07/05/20 | 0.1750 | – | 0.1750 | |
| 08/05/20 to 07/06/20 | 0.1750 | – | 0.1750 | – |
| 08/06/20 to 07/07/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/07/20 to 07/08/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/08/20 to 07/09/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/09/20 to 07/10/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/10/20 to 07/11/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/11/20 to 07/12/20 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/12/20 to 07/01/21 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/01/21 to 07/02/21 | 0.2350 | – | 0.2350 | 0.3900 |
| 08/02/21 to 07/03/21 | 0.9151 | – | 0.9151 | 0.8930 |
| **Total distributions in the period** | | | **3.3201** | **4.0130** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.2100 | – | 0.2100 | 0.4700 |
| 08/04/20 to 07/05/20 | 0.2100 | – | 0.2100 | 0.4700 |
| 08/05/20 to 07/06/20 | 0.2100 | – | 0.2100 | 0.4700 |
| 08/06/20 to 07/07/20 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/07/20 to 07/08/20 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/08/20 to 07/09/20 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/09/20 to 07/10/20 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/10/20 to 07/11/20 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/11/20 to 07/12/20 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/12/20 to 07/01/21 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/01/21 to 07/02/21 | 0.2800 | – | 0.2800 | 0.4700 |
| 08/02/21 to 07/03/21 | 1.1103 | – | 1.1103 | 1.0274 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1240 | 0.0860 | 0.2100 | 0.4700 |
| 08/04/20 to 07/05/20 | – | 0.2100 | 0.2100 | 0.4700 |
| 08/05/20 to 07/06/20 | – | 0.2100 | 0.2100 | 0.4700 |
| 08/06/20 to 07/07/20 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/07/20 to 07/08/20 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/08/20 to 07/09/20 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/09/20 to 07/10/20 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/10/20 to 07/11/20 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/11/20 to 07/12/20 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/12/20 to 07/01/21 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/01/21 to 07/02/21 | – | 0.2800 | 0.2800 | 0.4700 |
| 08/02/21 to 07/03/21 | 0.3067 | 0.8036 | 1.1103 | 1.0274 |
| **Total distributions in the period** | | | **3.9803** | **6.1974** |

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle UK Monthly Income Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 2 – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 64.34 | 69.50 | 71.88 | 95.23 | 102.34 | 105.32 |
| Return before operating charges (p) | 3.45 | (0.49) | 2.26 | 5.14 | (0.74) | 3.30 |
| Operating charges (p) | (0.94) | (1.16) | (1.18) | (0.93) | (1.11) | (1.12) |
| Return after operating charges (p)* | 2.51 | (1.65) | 1.08 | 4.21 | (1.85) | 2.18 |
| Distributions (p) | (2.24) | (3.51) | (3.46) | (3.39) | (5.26) | (5.16) |
| Closing net asset value per share (p) | 64.61 | 64.34 | 69.50 | 96.05 | 95.23 | 102.34 |
| *after direct transaction costs of (p) | 0.07 | 0.12 | 0.07 | 0.10 | 0.18 | 0.10 |
| **Performance** | | | | | | |
| Return after charges (%) | 3.90 | (2.37) | 1.50 | 4.42 | (1.81) | 2.07 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 175,411 | 322,344 | 367,747 | 36 | 81 | 86 |
| Closing number of shares | 271,490,142 | 500,965,659 | 529,162,282 | 37,157 | 84,409 | 84,409 |
| Operating charges (%)** | 1.58 | 1.63 | 1.63 | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | 0.11 | 0.17 | 0.09 | 0.11 | 0.17 | 0.09 |
| **Prices** | | | | | | |
| Highest share price (p) | 66.45 | 75.60 | 77.94 | 98.75 | 111.74 | 114.31 |
| Lowest share price (p) | 48.93 | 65.06 | 64.46 | 72.43 | 96.28 | 94.83 |

| | Class X – Gross income shares | | Class Z – Income shares | | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 93.39 | 100.00 | 114.02 | 122.23 | 125.48 |
| Return before operating charges (p) | 5.08 | (2.60) | 6.17 | (0.90) | 3.93 |
| Operating charges (p) | (0.05) | – | (0.94) | (1.11) | (1.12) |
| Return after operating charges (p)* | 5.03 | (2.60) | 5.23 | (2.01) | 2.81 |
| Distributions (p) | (3.32) | (4.01) | (3.98) | (6.20) | (6.06) |
| Closing net asset value per share (p) | 95.10 | 93.39 | 115.27 | 114.02 | 122.23 |
| *after direct transaction costs of (p) | 0.10 | 0.17 | 0.12 | 0.21 | 0.12 |
| **Performance** | | | | | |
| Return after charges (%) | 5.39 | (2.60) | 4.59 | (1.64) | 2.24 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 7,896 | 1 | 182,564 | 63,157 | 74,955 |
| Closing number of shares | 8,303,653 | 1,000 | 158,379,335 | 55,392,407 | 61,324,814 |
| Operating charges (%)** | 0.06 | –[†] | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.11 | 0.17 | 0.11 | 0.17 | 0.09 |
| **Prices** | | | | | |
| Highest share price (p) | 97.60 | 109.53 | 118.46 | 133.84 | 136.27 |
| Lowest share price (p) | 71.05 | 94.53 | 86.73 | 115.34 | 113.25 |

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

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

[1] *Commenced 9 May 2019.*

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

# Threadneedle UK Monthly Income Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 5,462 | (23,934) |
| Other (losses)/gains | (107) | 10 |
| Transaction costs | (1) | (2) |
| Net capital gains/(losses) | 5,354 | (23,926) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 13,449 | 22,160 |
| Overseas dividends | 115 | – |
| Interest on short term investments | – | 4 |
| Bank interest | 5 | 32 |
| Underwriting commission | 3 | 9 |
| Total revenue | 13,572 | 22,205 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (3,871) | (6,028) |
| Registration fees | (378) | (482) |
| | (4,249) | (6,510) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (42) | (52) |
| Safe custody fees | (16) | (18) |
| | (58) | (70) |
| Other expenses: | | |
| Regulatory fees | (6) | (6) |
| Audit fees | (8) | (9) |
| | (14) | (15) |
| Total expenses* | (4,321) | (6,595) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (2) |
| Total interest payable and similar charges | – | (2) |

### 6 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Total current tax (note 6b) | – | – |
| Total tax charge for the period | – | – |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 9,251 | 15,608 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (1,850) | (3,122) |
| Effects of: | | |
| Revenue not subject to taxation | 2,608 | 4,314 |
| Excess expenses | (757) | (1,192) |
| Conversion transfer from capital | (1) | – |
| Current tax charge for period (note 6a) | – | – |

The fund has not recognised a deferred tax asset of £45,588,690 (2020: £44,832,033) 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:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interim | 9,540 | 18,245 |
| Final | 3,458 | 3,276 |
| | 12,998 | 21,521 |
| Add: Revenue deducted on the cancellation of shares | 354 | 192 |
| Deduct: Revenue received on the creation of shares | (229) | (77) |
| Net distribution for the period | 13,123 | 21,636 |
| Net revenue after taxation | 9,251 | 15,608 |
| Annual management charge to capital | 3,871 | 6,028 |
| Equalisation on conversion | 1 | – |
| Undistributed revenue brought forward | – | 1 |
| Undistributed revenue carried forward | – | (1) |
| Total distributions | 13,123 | 21,636 |

Details of the distribution per share are set out in the table on pages 52 to 53.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 526 | 990 |
| Sales awaiting settlement | – | 660 |
| Accrued revenue | 2,311 | 3,137 |
| Foreign withholding tax recoverable | 28 | 28 |
| United Kingdom income tax recoverable | – | 4 |
| Total debtors | 2,865 | 4,819 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (623) | (358) |
| Purchases awaiting settlement | (2,337) | (1,036) |
| Accrued expenses | (11) | (13) |
| Amounts payable to ACD | (404) | (632) |
| Total other creditors | (3,375) | (2,039) |

### 10 DILUTION ADJUSTMENT

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

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle UK Monthly Income Fund

## Notes to the financial statements

*(continued)*

### 12 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.40% |
| 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 54. The distribution per share class is given in the distribution table on pages 52 to 53. All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 500,965,659 |
| Shares issued | 7,809,974 |
| Shares redeemed | (25,439,093) |
| Net conversions | (211,846,398) |
| Closing shares | 271,490,142 |
| **Class 2 – Income shares** | |
| Opening shares | 84,409 |
| Shares issued | – |
| Shares redeemed | (47,252) |
| Net conversions | – |
| Closing shares | 37,157 |
| **Class X – Gross income shares** | |
| Opening shares | 1,000 |
| Shares issued | – |
| Shares redeemed | (1,094,122) |
| Net conversions | 9,396,775 |
| Closing shares | 8,303,653 |
| **Class Z – Income shares** | |
| Opening shares | 55,392,407 |
| Shares issued | 3,031,326 |
| Shares redeemed | (11,784,663) |
| Net conversions | 111,740,265 |
| Closing shares | 158,379,335 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.94% and vice versa (2020: 4.74%).

**Currency exposures**

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

| | Total |
|---|---|
| **Currency 2021** | **£000** |
| Euro | 28 |
| US Dollar | 764 |
| **Currency 2020** | **£000** |
| Euro | 28 |
| US Dollar | 1,415 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | 28 | 28 |
| UK Sterling | 3,391 | 2,012 | 366,545 | 371,948 |
| US Dollar | – | – | 764 | 764 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | 28 | 28 |
| UK Sterling | 3,475 | 8 | 385,972 | 389,455 |
| US Dollar | – | – | 1,415 | 1,415 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (6,833) | (6,833) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (5,315) | (5,315) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 366,484 | – | 382,604 | – |
| | 366,484 | – | 382,604 | – |

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

# Threadneedle UK Monthly Income Fund

## Notes to the financial statements

*(continued)*

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 69,348 | 36 | 0.05 | 296 | 0.43 |
| Collective investment schemes | 20,005 | – | – | – | – |
| Corporate actions | 675 | – | – | – | – |
| **Total** | 90,028 | 36 | | 296 | |
| **Gross purchases total:** | 90,360 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 93,993 | 51 | 0.05 | – | – |
| Collective investment schemes | 18,000 | – | – | – | – |
| **Total** | 111,993 | 51 | | – | |
| **Total sales net of transaction costs:** | 111,942 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.03% |
| Taxes: | 0.08% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 119,780 | 67 | 0.06 | 597 | 0.50 |
| Collective investment schemes | 34,022 | – | – | – | – |
| Corporate actions | 1,268 | – | – | – | – |
| **Total** | 155,070 | 67 | | 597 | |
| **Gross purchases total:** | 155,734 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 134,198 | 75 | 0.06 | – | – |
| Collective investment schemes | 39,030 | – | – | – | – |
| Corporate actions | 20,779 | – | – | – | – |
| **Total** | 194,007 | 75 | | – | |
| **Total sales net of transaction costs:** | 193,932 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.03% |
| Taxes: | 0.14% |

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 0.26% (7 March 2020: 0.21%), being the difference between the respective buying and selling prices for the fund's investments.

# Threadneedle Monthly Extra Income Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 77.80p to 78.46p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +2.24% as compared to a median return of +2.51% over the same period. (For information the 80% FTSE All Share, 20% ICE BofA Sterling Corp & Collaterized is +3.37%).

### Market Overview and Portfolio Activity

The year under review was a turbulent, but ultimately positive period for UK equities. Meanwhile, despite spells of intense volatility, the sterling investment-grade (IG) credit market was little changed in total-return terms. A rise in UK gilt yields (which move inversely to price) was counterbalanced by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

Equities sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities and corporate bonds from late March until September, as did declining virus incidences and easing lockdown restrictions. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve would include corporate bonds, echoing similar action from the European Central Bank and Bank of England. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation and pushed up bond yields, which triggered some market volatility in 2021. There were also concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population, which fostered hopes of a swifter economic rebound.

In terms of activity, within equities, we initiated a position in Direct Line, one of the major personal-lines insurers in the UK. The stock is trading at an attractive valuation with a favourable dividend yield. With a range of well-established brands, the company also boasts scale and diversification advantages – factors which bode well for profitability. Furthermore, we feel the scale advantages will also bring brand strength, diverse distribution relationships and an opportunity to cut costs, which the firm should continue to exploit.

Over the review period, we also topped up some existing holdings, such as Imperial Brands, Pearson, Tate & Lyle, Hiscox and JD Wetherspoon. In the last two cases, we took advantage of the companies' refinancings in response to the crisis.

We profitably sold RSA Insurance ahead of the company's takeover. We also realised some gains in AstraZeneca, which performed well in 2020.

Following the steep sell-off in March 2020, we subsequently became more constructive on the outlook for the sterling IG market, given the scale and credit-friendly nature of the policy response, and the compelling valuations on offer. Consequently, we increased credit risk within the portfolio before reducing it again in the summer, as spreads came back in towards their long-term averages. The fixed income segment retains a modest overweight in credit risk, which remains tilted to defensive sectors, such as regulated utilities and infrastructure, which we think will weather the crisis well.

We were active in the primary market, participating in a range of new issues from the likes of Southern Water and ING. In the secondary market, we started positions in financials Bank of America, among others, and topped up some existing holdings. Sales included Total.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

Conditions have stabilised following the swift and sharp contraction in dividend payments in April and May, with many companies reinstating dividends and more likely to follow. Looking ahead, we expect more prudent policies and better cover. For now, however, balance sheets and liquidity are paramount.

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

Credit markets will remain supported by ultra-loose monetary and fiscal policy conditions in developed markets for the foreseeable future. Meanwhile, we are more optimistic about economic growth than was the case a few months ago, largely due to policy support and the introduction of seemingly efficacious vaccines.

Credit fundamentals also appear to be heading in a more credit-positive direction, with the expectation of profit growth and increased cashflows being directed towards deleveraging. Likewise, we expect to see lower levels of new issuance this year than last.

However, our enthusiasm is somewhat tempered when we look at valuations. Spreads in the sterling IG market are well inside their 5-year and 20-year averages.

All things considered, however, we are reasonably optimistic on the outlook for the market – more so, in fact, than we were before the pandemic.

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 1,372 | 1,474 |
| Revenue | 3 | 7,098 | 12,397 |
| Expenses | 4 | (1,741) | (2,607) |
| Interest payable and similar charges | 5 | (2) | (1) |
| Net revenue before taxation | | 5,355 | 9,789 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 5,355 | 9,789 |
| **Total return before distributions** | | 6,727 | 11,263 |
| Distributions | 7 | (6,771) | (11,966) |
| **Change in net assets attributable to shareholders from investment activities** | | (44) | (703) |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 224,541 | 270,535 |
| **Current assets:** | | | |
| Debtors | 8 | 1,937 | 2,306 |
| Cash and bank balances | 9 | 2,264 | 4,827 |
| Total assets | | 228,742 | 277,668 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (21) | (145) |
| **Creditors:** | | | |
| Distribution payable | | (981) | (1,367) |
| Other creditors | 10 | (2,521) | (1,494) |
| Total liabilities | | (3,523) | (3,006) |
| **Net assets attributable to shareholders** | | 225,219 | 274,662 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 274,662 | 314,852 |
| Amounts receivable on the issue of shares | 33,685 | 45,410 |
| Amounts payable on the cancellation of shares | (83,732) | (86,401) |
| | (50,047) | (40,991) |
| Dilution adjustment | 223 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (44) | (703) |
| Retained distribution on accumulation shares | 425 | 1,501 |
| Unclaimed distributions | – | 3 |
| **Closing net assets attributable to shareholders** | 225,219 | 274,662 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

### Class 1 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1800 | – | 0.1800 | 0.2400 |
| 08/04/20 to 07/05/20 | 0.1800 | – | 0.1800 | 0.2500 |
| 08/05/20 to 07/06/20 | 0.1800 | – | 0.1800 | 0.2450 |
| 08/06/20 to 07/07/20 | 0.1800 | – | 0.1800 | 0.2450 |
| 08/07/20 to 07/08/20 | 0.1700 | – | 0.1700 | 0.2450 |
| 08/08/20 to 07/09/20 | 0.1800 | – | 0.1800 | 0.2450 |
| 08/09/20 to 07/10/20 | 0.1800 | – | 0.1800 | 0.2450 |
| 08/10/20 to 07/11/20 | 0.1450 | – | 0.1450 | 0.2450 |
| 08/11/20 to 07/12/20 | 0.1450 | – | 0.1450 | 0.2450 |
| 08/12/20 to 07/01/21 | 0.1450 | – | 0.1450 | 0.2450 |
| 08/01/21 to 07/02/21 | 0.1450 | – | 0.1450 | 0.2450 |
| 08/02/21 to 07/03/21 | 0.3517 | – | 0.3517 | 0.4252 |

# Threadneedle Monthly Extra Income Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.0632 | 0.1168 | 0.1800 | 0.2400 |
| 08/04/20 to 07/05/20 | 0.1089 | 0.0711 | 0.1800 | 0.2500 |
| 08/05/20 to 07/06/20 | 0.0362 | 0.1438 | 0.1800 | 0.2450 |
| 08/06/20 to 07/07/20 | 0.0382 | 0.1418 | 0.1800 | 0.2450 |
| 08/07/20 to 07/08/20 | 0.1105 | 0.0595 | 0.1700 | 0.2450 |
| 08/08/20 to 07/09/20 | 0.0625 | 0.1175 | 0.1800 | 0.2450 |
| 08/09/20 to 07/10/20 | 0.0043 | 0.1757 | 0.1800 | 0.2450 |
| 08/10/20 to 07/11/20 | 0.0200 | 0.1250 | 0.1450 | 0.2450 |
| 08/11/20 to 07/12/20 | – | 0.1450 | 0.1450 | 0.2450 |
| 08/12/20 to 07/01/21 | – | 0.1450 | 0.1450 | 0.2450 |
| 08/01/21 to 07/02/21 | – | 0.1450 | 0.1450 | 0.2450 |
| 08/02/21 to 07/03/21 | 0.0687 | 0.2830 | 0.3517 | 0.4252 |
| **Total distributions in the period** | | | **2.1817** | **3.1202** |

### Class 1 EUR Hedged – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.4255 | – | 0.4255 | 0.3615 |
| 08/04/20 to 07/05/20 | 0.1594 | – | 0.1594 | 0.4986 |
| 08/05/20 to 07/06/20 | 0.3235 | – | 0.3235 | 0.6440 |
| 08/06/20 to 07/07/20 | 0.2263 | – | 0.2263 | 0.2956 |
| 08/07/20 to 07/08/20 | 0.2358 | – | 0.2358 | 0.1268 |
| 08/08/20 to 07/09/20 | 0.5148 | – | 0.5148 | 0.8773 |
| 08/09/20 to 07/10/20 | 0.0818 | – | 0.0818 | 0.2863 |
| 08/10/20 to 07/11/20 | 0.1993 | – | 0.1993 | 0.2852 |
| 08/11/20 to 07/12/20 | 0.5206 | – | 0.5206 | 0.4158 |
| 08/12/20 to 07/01/21 | 0.1720 | – | 0.1720 | 0.1699 |
| 08/01/21 to 07/02/21 | 0.0514 | – | 0.0514 | 0.1339 |
| 08/02/21 to 07/03/21 | 0.4377 | – | 0.4377 | 0.6059 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2193 | 0.2062 | 0.4255 | 0.3615 |
| 08/04/20 to 07/05/20 | 0.1081 | 0.0513 | 0.1594 | 0.4986 |
| 08/05/20 to 07/06/20 | 0.1024 | 0.2211 | 0.3235 | 0.6440 |
| 08/06/20 to 07/07/20 | 0.0529 | 0.1734 | 0.2263 | 0.2956 |
| 08/07/20 to 07/08/20 | 0.1438 | 0.0920 | 0.2358 | 0.1268 |
| 08/08/20 to 07/09/20 | – | 0.5148 | 0.5148 | 0.8773 |
| 08/09/20 to 07/10/20 | 0.0262 | 0.0556 | 0.0818 | 0.2863 |
| 08/10/20 to 07/11/20 | 0.0155 | 0.1838 | 0.1993 | 0.2852 |
| 08/11/20 to 07/12/20 | 0.2200 | 0.3006 | 0.5206 | 0.4158 |
| 08/12/20 to 07/01/21 | 0.0775 | 0.0945 | 0.1720 | 0.1699 |
| 08/01/21 to 07/02/21 | 0.0514 | – | 0.0514 | 0.1339 |
| 08/02/21 to 07/03/21 | 0.4377 | – | 0.4377 | 0.6059 |
| **Total distributions in the period** | | | **3.3481** | **4.7008** |

### Class 1 EUR Hedged – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3586 | – | 0.3586 | 0.2931 |
| 08/04/20 to 07/05/20 | 0.1354 | – | 0.1354 | 0.4052 |
| 08/05/20 to 07/06/20 | 0.2741 | – | 0.2741 | 0.5256 |
| 08/06/20 to 07/07/20 | 0.1917 | – | 0.1917 | 0.2425 |
| 08/07/20 to 07/08/20 | 0.2001 | – | 0.2001 | 0.1048 |
| 08/08/20 to 07/09/20 | 0.4381 | – | 0.4381 | 0.7232 |
| 08/09/20 to 07/10/20 | 0.0705 | – | 0.0705 | 0.2386 |
| 08/10/20 to 07/11/20 | 0.1712 | – | 0.1712 | 0.2384 |
| 08/11/20 to 07/12/20 | 0.4479 | – | 0.4479 | 0.3472 |
| 08/12/20 to 07/01/21 | 0.1495 | – | 0.1495 | 0.1432 |
| 08/01/21 to 07/02/21 | 0.0458 | – | 0.0458 | 0.1141 |
| 08/02/21 to 07/03/21 | 0.3789 | – | 0.3789 | 0.5081 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.3586 | – | 0.3586 | 0.2931 |
| 08/04/20 to 07/05/20 | 0.1354 | – | 0.1354 | 0.4052 |
| 08/05/20 to 07/06/20 | 0.2741 | – | 0.2741 | 0.5256 |
| 08/06/20 to 07/07/20 | 0.1917 | – | 0.1917 | 0.2425 |
| 08/07/20 to 07/08/20 | 0.2001 | – | 0.2001 | 0.1048 |
| 08/08/20 to 07/09/20 | 0.4381 | – | 0.4381 | 0.7232 |
| 08/09/20 to 07/10/20 | 0.0705 | – | 0.0705 | 0.2386 |
| 08/10/20 to 07/11/20 | 0.1712 | – | 0.1712 | 0.2384 |
| 08/11/20 to 07/12/20 | 0.4479 | – | 0.4479 | 0.3472 |
| 08/12/20 to 07/01/21 | 0.1495 | – | 0.1495 | 0.1432 |
| 08/01/21 to 07/02/21 | 0.0458 | – | 0.0458 | 0.1141 |
| 08/02/21 to 07/03/21 | 0.3789 | – | 0.3789 | 0.5081 |
| **Total distributions in the period** | | | **2.8618** | **3.8840** |

### Class X – Gross income shares*

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.2300 | – | 0.2300 | |
| 08/04/20 to 07/05/20 | 0.2300 | – | 0.2300 | |
| 08/05/20 to 07/06/20 | 0.2300 | – | 0.2300 | – |
| 08/06/20 to 07/07/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/07/20 to 07/08/20 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/08/20 to 07/09/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/09/20 to 07/10/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/10/20 to 07/11/20 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/11/20 to 07/12/20 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/12/20 to 07/01/21 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/01/21 to 07/02/21 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/02/21 to 07/03/21 | 0.5735 | – | 0.5735 | 0.6300 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2300 | – | 0.2300 | |
| 08/04/20 to 07/05/20 | 0.2300 | – | 0.2300 | |
| 08/05/20 to 07/06/20 | 0.2300 | – | 0.2300 | – |
| 08/06/20 to 07/07/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/07/20 to 07/08/20 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/08/20 to 07/09/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/09/20 to 07/10/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/10/20 to 07/11/20 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/11/20 to 07/12/20 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/12/20 to 07/01/21 | – | 0.1550 | 0.1550 | 0.3100 |
| 08/01/21 to 07/02/21 | 0.1550 | – | 0.1550 | 0.3100 |
| 08/02/21 to 07/03/21 | 0.5735 | – | 0.5735 | 0.6300 |
| **Total distributions in the period** | | | **2.7885** | **3.1100** |

### Class X – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.2300 | – | 0.2300 | |
| 08/04/20 to 07/05/20 | 0.2300 | – | 0.2300 | |
| 08/05/20 to 07/06/20 | 0.2300 | – | 0.2300 | – |
| 08/06/20 to 07/07/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/07/20 to 07/08/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/08/20 to 07/09/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/09/20 to 07/10/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/10/20 to 07/11/20 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/11/20 to 07/12/20 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/12/20 to 07/01/21 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/01/21 to 07/02/21 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/02/21 to 07/03/21 | 0.5104 | – | 0.5104 | 0.6422 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2300 | – | 0.2300 | |
| 08/04/20 to 07/05/20 | 0.2300 | – | 0.2300 | |
| 08/05/20 to 07/06/20 | 0.2300 | – | 0.2300 | – |
| 08/06/20 to 07/07/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/07/20 to 07/08/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/08/20 to 07/09/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/09/20 to 07/10/20 | 0.2300 | – | 0.2300 | 0.3100 |
| 08/10/20 to 07/11/20 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/11/20 to 07/12/20 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/12/20 to 07/01/21 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/01/21 to 07/02/21 | 0.2150 | – | 0.2150 | 0.3100 |
| 08/02/21 to 07/03/21 | 0.5104 | – | 0.5104 | 0.6422 |
| **Total distributions in the period** | | | **2.9804** | **3.1222** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3100 | – | 0.3100 | 0.4100 |
| 08/04/20 to 07/05/20 | 0.3100 | – | 0.3100 | 0.4300 |
| 08/05/20 to 07/06/20 | 0.3100 | – | 0.3100 | 0.4200 |
| 08/06/20 to 07/07/20 | 0.3100 | – | 0.3100 | 0.4200 |
| 08/07/20 to 07/08/20 | 0.3100 | – | 0.3100 | 0.4200 |
| 08/08/20 to 07/09/20 | 0.3100 | – | 0.3100 | 0.4200 |
| 08/09/20 to 07/10/20 | 0.3100 | – | 0.3100 | 0.4200 |
| 08/10/20 to 07/11/20 | 0.2550 | – | 0.2550 | 0.4200 |
| 08/11/20 to 07/12/20 | 0.2550 | – | 0.2550 | 0.4200 |
| 08/12/20 to 07/01/21 | 0.2550 | – | 0.2550 | 0.4200 |
| 08/01/21 to 07/02/21 | 0.2550 | – | 0.2550 | 0.4200 |
| 08/02/21 to 07/03/21 | 0.6215 | – | 0.6215 | 0.7924 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1577 | 0.1523 | 0.3100 | 0.4100 |
| 08/04/20 to 07/05/20 | 0.1045 | 0.2055 | 0.3100 | 0.4300 |
| 08/05/20 to 07/06/20 | – | 0.3100 | 0.3100 | 0.4200 |
| 08/06/20 to 07/07/20 | 0.0468 | 0.2632 | 0.3100 | 0.4200 |
| 08/07/20 to 07/08/20 | 0.2045 | 0.1055 | 0.3100 | 0.4200 |
| 08/08/20 to 07/09/20 | – | 0.3100 | 0.3100 | 0.4200 |
| 08/09/20 to 07/10/20 | – | 0.3100 | 0.3100 | 0.4200 |
| 08/10/20 to 07/11/20 | 0.0723 | 0.1827 | 0.2550 | 0.4200 |
| 08/11/20 to 07/12/20 | – | 0.2550 | 0.2550 | 0.4200 |
| 08/12/20 to 07/01/21 | – | 0.2550 | 0.2550 | 0.4200 |
| 08/01/21 to 07/02/21 | – | 0.2550 | 0.2550 | 0.4200 |
| 08/02/21 to 07/03/21 | 0.3620 | 0.2595 | 0.6215 | 0.7924 |
| **Total distributions in the period** | | | **3.8115** | **5.4124** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/04/20 to 07/05/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/05/20 to 07/06/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/06/20 to 07/07/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/07/20 to 07/08/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/08/20 to 07/09/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/09/20 to 07/10/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/10/20 to 07/11/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/11/20 to 07/12/20 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/12/20 to 07/01/21 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/01/21 to 07/02/21 | 0.2750 | – | 0.2750 | 0.3700 |
| 08/02/21 to 07/03/21 | 0.8459 | – | 0.8459 | 1.2318 |

# Threadneedle Monthly Extra Income Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1652 | 0.1098 | 0.2750 | 0.3700 |
| 08/04/20 to 07/05/20 | 0.1414 | 0.1336 | 0.2750 | 0.3700 |
| 08/05/20 to 07/06/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/06/20 to 07/07/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/07/20 to 07/08/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/08/20 to 07/09/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/09/20 to 07/10/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/10/20 to 07/11/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/11/20 to 07/12/20 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/12/20 to 07/01/21 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/01/21 to 07/02/21 | – | 0.2750 | 0.2750 | 0.3700 |
| 08/02/21 to 07/03/21 | 0.1791 | 0.6668 | 0.8459 | 1.2318 |
| **Total distributions in the period** | | | **3.8709** | **5.3018** |

### Class Z EUR Hedged – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3603 | – | 0.3603 | 0.2928 |
| 08/04/20 to 07/05/20 | 0.1387 | – | 0.1387 | 0.4094 |
| 08/05/20 to 07/06/20 | 0.2801 | – | 0.2801 | 0.5302 |
| 08/06/20 to 07/07/20 | 0.1965 | – | 0.1965 | 0.2460 |
| 08/07/20 to 07/08/20 | 0.2060 | – | 0.2060 | 0.1060 |
| 08/08/20 to 07/09/20 | 0.4462 | – | 0.4462 | 0.7310 |
| 08/09/20 to 07/10/20 | 0.0722 | – | 0.0722 | 0.2424 |
| 08/10/20 to 07/11/20 | 0.1753 | – | 0.1753 | 0.2426 |
| 08/11/20 to 07/12/20 | 0.4571 | – | 0.4571 | 0.3514 |
| 08/12/20 to 07/01/21 | 0.1532 | – | 0.1532 | 0.1464 |
| 08/01/21 to 07/02/21 | 0.0470 | – | 0.0470 | 0.1165 |
| 08/02/21 to 07/03/21 | 0.3874 | – | 0.3874 | 0.5173 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.3603 | – | 0.3603 | 0.2928 |
| 08/04/20 to 07/05/20 | 0.1387 | – | 0.1387 | 0.4094 |
| 08/05/20 to 07/06/20 | 0.2801 | – | 0.2801 | 0.5302 |
| 08/06/20 to 07/07/20 | 0.1965 | – | 0.1965 | 0.2460 |
| 08/07/20 to 07/08/20 | 0.2060 | – | 0.2060 | 0.1060 |
| 08/08/20 to 07/09/20 | 0.4462 | – | 0.4462 | 0.7310 |
| 08/09/20 to 07/10/20 | 0.0722 | – | 0.0722 | 0.2424 |
| 08/10/20 to 07/11/20 | 0.1753 | – | 0.1753 | 0.2426 |
| 08/11/20 to 07/12/20 | 0.4571 | – | 0.4571 | 0.3514 |
| 08/12/20 to 07/01/21 | 0.1532 | – | 0.1532 | 0.1464 |
| 08/01/21 to 07/02/21 | 0.0470 | – | 0.0470 | 0.1165 |
| 08/02/21 to 07/03/21 | 0.3874 | – | 0.3874 | 0.5173 |
| **Total distributions in the period** | | | **2.9200** | **3.9320** |

*Group 2: shares purchased during a distribution period.*
**For launch dates, refer to the footnotes after the comparative tables.*

# Threadneedle Monthly Extra Income Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 EUR Hedged – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 77.19 | 78.22 | 77.69 | 115.42 | 117.01 | 122.47 |
| Return before operating charges (p) | 3.96 | 3.21 | 4.70 | 4.85 | 4.80 | 0.96 |
| Operating charges (p) | (0.98) | (1.12) | (1.11) | (1.51) | (1.69) | (1.71) |
| Return after operating charges (p)* | 2.98 | 2.09 | 3.59 | 3.34 | 3.11 | (0.75) |
| Distributions (p) | (2.18) | (3.12) | (3.06) | (3.35) | (4.70) | (4.71) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 77.99 | 77.19 | 78.22 | 115.41 | 115.42 | 117.01 |
| *after direct transaction costs of (p) | 0.05 | 0.02 | 0.01 | 0.08 | 0.03 | 0.02 |
| **Performance** | | | | | | |
| Return after charges (%) | 3.86 | 2.67 | 4.62 | 2.89 | 2.66 | (0.61) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 25,648 | 51,692 | 97,572 | 2,160 | 3,538 | 3,966 |
| Closing number of shares | 32,885,101 | 66,965,303 | 124,744,919 | 1,871,594 | 3,065,112 | 3,389,579 |
| Operating charges (%)** | 1.34 | 1.39 | 1.39 | 1.34 | 1.39 | 1.39 |
| Direct transaction costs (%)*** | 0.07 | 0.03 | 0.01 | 0.07 | 0.03 | 0.01 |
| **Prices** | | | | | | |
| Highest share price (p) | 80.08 | 86.20 | 84.82 | 123.62 | 130.58 | 134.01 |
| Lowest share price (p) | 59.91 | 76.90 | 73.62 | 96.04 | 113.86 | 114.25 |

| | Class 1 EUR Hedged – Accumulation shares | | | Class X – Gross income shares | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[1] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 97.10 | 94.74 | 95.40 | 99.51 | 100.00 |
| Return before operating charges (p) | 4.16 | 3.74 | 0.68 | 5.00 | 2.62 |
| Operating charges (p) | (1.28) | (1.38) | (1.34) | (0.07) | – |
| Return after operating charges (p)* | 2.88 | 2.36 | (0.66) | 4.93 | 2.62 |
| Distributions (p) | (2.86) | (3.88) | (3.75) | (2.79) | (3.11) |
| Retained distributions on accumulation shares (p) | 2.86 | 3.88 | 3.75 | – | – |
| Closing net asset value per share (p) | 99.98 | 97.10 | 94.74 | 101.65 | 99.51 |
| *after direct transaction costs of (p) | 0.07 | 0.03 | 0.02 | 0.07 | 0.03 |
| **Performance** | | | | | |
| Return after charges (%) | 2.97 | 2.49 | (0.69) | 4.95 | 2.62 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 10 | 10 | 10 | 15,523 | 1 |
| Closing number of shares | 10,001 | 10,001 | 10,001 | 15,271,041 | 1,000 |
| Operating charges (%)** | 1.33 | 1.37 | 1.37 | 0.07 | –[†] |
| Direct transaction costs (%)*** | 0.07 | 0.03 | 0.01 | 0.07 | 0.03 |
| **Prices** | | | | | |
| Highest share price (p) | 106.62 | 107.30 | 106.06 | 104.28 | 110.94 |
| Lowest share price (p) | 80.80 | 93.33 | 90.98 | 77.24 | 98.00 |

# Threadneedle Monthly Extra Income Fund

## Comparative Table Disclosure

*(continued)*

| | Class X – Gross accumulation shares | | Class Z – Income shares | | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 102.51 | 100.00 | 134.41 | 135.36 | 133.60 |
| Return before operating charges (p) | 5.43 | 2.57 | 6.84 | 5.50 | 8.04 |
| Operating charges (p) | (0.06) | (0.06) | (0.95) | (1.04) | (1.02) |
| Return after operating charges (p)* | 5.37 | 2.51 | 5.89 | 4.46 | 7.02 |
| Distributions (p) | (2.98) | (3.12) | (3.81) | (5.41) | (5.26) |
| Retained distributions on accumulation shares (p) | 2.98 | 3.12 | – | – | – |
| Closing net asset value per share (p) | 107.88 | 102.51 | 136.49 | 134.41 | 135.36 |
| *after direct transaction costs of (p) | 0.06 | 0.03 | 0.09 | 0.04 | 0.02 |
| **Performance** | | | | | |
| Return after charges (%) | 5.24 | 2.51 | 4.38 | 3.29 | 5.25 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 1 | 25,022 | 168,995 | 180,456 | 196,431 |
| Closing number of shares | 1,001 | 24,410,392 | 123,811,639 | 134,262,752 | 145,120,698 |
| Operating charges (%)** | 0.07 | 0.07[†] | 0.74 | 0.74 | 0.74 |
| Direct transaction costs (%)*** | 0.07 | 0.03 | 0.07 | 0.03 | 0.01 |
| **Prices** | | | | | |
| Highest share price (p) | 109.86 | 112.93 | 140.05 | 149.95 | 146.26 |
| Lowest share price (p) | 79.57 | 98.00 | 104.32 | 133.28 | 127.25 |

| | Class Z – Accumulation shares | | | Class Z EUR Hedged – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 134.68 | 130.50 | 123.96 | 98.78 | 95.77 | 95.83 |
| Return before operating charges (p) | 7.13 | 5.20 | 7.50 | 4.19 | 3.75 | 0.65 |
| Operating charges (p) | (0.96) | (1.02) | (0.96) | (0.72) | (0.74) | (0.71) |
| Return after operating charges (p)* | 6.17 | 4.18 | 6.54 | 3.47 | 3.01 | (0.06) |
| Distributions (p) | (3.87) | (5.30) | (4.97) | (2.92) | (3.93) | (3.76) |
| Retained distributions on accumulation shares (p) | 3.87 | 5.30 | 4.97 | 2.92 | 3.93 | 3.76 |
| Closing net asset value per share (p) | 140.85 | 134.68 | 130.50 | 102.25 | 98.78 | 95.77 |
| *after direct transaction costs of (p) | 0.09 | 0.04 | 0.02 | 0.07 | 0.03 | 0.02 |
| **Performance** | | | | | | |
| Return after charges (%) | 4.58 | 3.20 | 5.28 | 3.51 | 3.14 | (0.06) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 12,872 | 13,930 | 16,860 | 10 | 13 | 13 |
| Closing number of shares | 9,138,872 | 10,343,044 | 12,919,667 | 10,001 | 13,520 | 13,411 |
| Operating charges (%)** | 0.74 | 0.74 | 0.74 | 0.73 | 0.73 | 0.72 |
| Direct transaction costs (%)*** | 0.07 | 0.03 | 0.01 | 0.07 | 0.03 | 0.01 |
| **Prices** | | | | | | |
| Highest share price (p) | 143.59 | 148.52 | 137.74 | 108.95 | 108.74 | 106.87 |
| Lowest share price (p) | 104.53 | 129.28 | 121.33 | 82.19 | 94.38 | 91.41 |

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

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

[§] *Only available to eligible investors.*

[1] *Commenced 9 May 2019.*

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

# Threadneedle Monthly Extra Income Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 1,299 | 1,642 |
| Forward currency contracts | (50) | (225) |
| Other gains | 128 | 61 |
| Transaction costs | (5) | (4) |
| Net capital gains | 1,372 | 1,474 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 5,630 | 10,242 |
| Interest on debt securities | 1,467 | 2,138 |
| Bank interest | 1 | 11 |
| Underwriting commission | – | 6 |
| Total revenue | 7,098 | 12,397 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,441) | (2,205) |
| Registration fees | (237) | (326) |
| | (1,678) | (2,531) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (27) | (37) |
| Safe custody fees | (15) | (18) |
| | (42) | (55) |
| Other expenses: | | |
| Regulatory fees | (6) | (6) |
| Audit fees | (15) | (15) |
| | (21) | (21) |
| Total expenses* | (1,741) | (2,607) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (2) | (1) |
| Total interest payable and similar charges | (2) | (1) |

### 6 TAXATION

| | 2021 £000 | 2020 £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 | 5,355 | 9,789 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (1,071) | (1,958) |
| Effects of: | | |
| Revenue not subject to taxation | 1,102 | 2,025 |
| Excess expenses | (31) | (67) |
| Current tax charge for period (note 6a) | – | – |

The fund has not recognised a deferred tax asset of £726,344 (2020: £695,776) 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:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interim | 5,634 | 10,180 |
| Final | 1,058 | 1,651 |
| | 6,692 | 11,831 |
| Add: Revenue deducted on the cancellation of shares | 167 | 388 |
| Deduct: Revenue received on the creation of shares | (88) | (253) |
| Net distribution for the period | 6,771 | 11,966 |
| Net revenue after taxation | 5,355 | 9,789 |
| Annual management charge to capital | 1,441 | 2,205 |
| Equalisation on conversion | – | 1 |
| Tax relief on capitalised fees | (25) | (29) |
| Total distributions | 6,771 | 11,966 |

Details of the distribution per share are set out in the table on pages 58 to 60.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 153 | 91 |
| Sales awaiting settlement | 289 | – |
| Accrued revenue | 1,495 | 2,215 |
| Total debtors | 1,937 | 2,306 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 10 | 110 |
| Cash and bank balances | 2,254 | 4,717 |
| Total cash and bank balances | 2,264 | 4,827 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (1,272) | (811) |
| Purchases awaiting settlement | (1,043) | (404) |
| Accrued expenses | (15) | (17) |
| Amounts payable to ACD | (159) | (230) |
| Corporation tax payable | (32) | (32) |
| Total other creditors | (2,521) | (1,494) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle Monthly Extra Income Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.15% |
| Class X shares | N/A* |
| Class Z shares | 0.60% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class X shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 61 to 62. The distribution per share class is given in the distribution table on pages 58 to 60.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 66,965,303 |
| Shares issued | 1,099,465 |
| Shares redeemed | (9,958,944) |
| Net conversions | (25,220,723) |
| Closing shares | 32,885,101 |
| **Class 1 EUR Hedged – Income shares** | |
| Opening shares | 3,065,112 |
| Shares issued | 111,780 |
| Shares redeemed | (1,305,298) |
| Net conversions | – |
| Closing shares | 1,871,594 |
| **Class 1 EUR Hedged – Accumulation shares** | |
| Opening shares | 10,001 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 10,001 |
| **Class X – Gross income shares** | |
| Opening shares | 1,000 |
| Shares issued | 432,920 |
| Shares redeemed | (2,180,673) |
| Net conversions | 17,017,794 |
| Closing shares | 15,271,041 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 24,410,392 |
| Shares issued | – |
| Shares redeemed | (24,409,391) |
| Net conversions | – |
| Closing shares | 1,001 |
| **Class Z – Income shares** | |
| Opening shares | 134,262,752 |
| Shares issued | 25,148,549 |
| Shares redeemed | (37,453,141) |
| Net conversions | 1,853,479 |
| Closing shares | 123,811,639 |
| **Class Z – Accumulation shares** | |
| Opening shares | 10,343,044 |
| Shares issued | 788,810 |
| Shares redeemed | (2,021,870) |
| Net conversions | 28,888 |
| Closing shares | 9,138,872 |
| **Class Z EUR Hedged – Accumulation shares** | |
| Opening shares | 13,520 |
| Shares issued | – |
| Shares redeemed | (3,519) |
| Net conversions | – |
| Closing shares | 10,001 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 3.85% and vice versa (2020: 3.55%).
A 1.00% interest rate decrease applied to the fund would result in an estimated increase in net asset value of the fund by 1.69% and vice versa (2020: -1.88%).

**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 |
|---|---|
| **Currency 2021** | **£000** |
| Euro | 2,087 |
| US Dollar | 23 |
| **Currency 2020** | **£000** |
| Euro | 3,167 |
| US Dollar | 167 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

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

| **2021** | **Forward Foreign Exchange Contracts Exposure** |
|---|---|
| **Counterparty** | **£000** |
| Citigroup | 4 |

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

The fund did not hold any collateral received from the fund's counterparties in the current year (2020: £100,000). In the prior year, the collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.
Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Interest rate risk**

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

# Threadneedle Monthly Extra Income Fund

## Notes to the financial statements

*(continued)*

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 377 | 1,790 | 2,265 | 4,432 |
| UK Sterling | 8,441 | 36,285 | 184,415 | 229,141 |
| US Dollar | 415 | 1,152 | 534 | 2,101 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 612 | 2,586 | 4,130 | 7,328 |
| UK Sterling | 11,132 | 50,816 | 215,858 | 277,806 |
| US Dollar | 607 | 2,806 | 265 | 3,678 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (2,345) | (2,345) |
| UK Sterling | – | – | (6,032) | (6,032) |
| US Dollar | – | – | (2,078) | (2,078) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (4,161) | (4,161) |
| UK Sterling | – | – | (6,478) | (6,478) |
| US Dollar | – | – | (3,511) | (3,511) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £11,000 (2020: £149,000) and a liability value of £21,000 (2020: £145,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1 | 180,380 | – | 207,135 | – |
| Level 2 | 44,161 | (21) | 63,400 | (145) |
| | 224,541 | (21) | 270,535 | (145) |

Included within Level 1, are debt securities of £2,046,000 (2020: £481,000). 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 (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Bonds | 27,699 | – | – | – | – |
| Equities | 30,263 | 7 | 0.02 | 139 | 0.46 |
| **Total** | 57,962 | 7 | | 139 | |
| **Gross purchases total:** | 58,108 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Bonds | 43,376 | – | – | – | – |
| Equities | 60,945 | 14 | 0.02 | 1 | 0.00 |
| Corporate actions | 739 | – | – | – | – |
| **Total** | 105,060 | 14 | | 1 | |
| **Total sales net of transaction costs:** | 105,045 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.06% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Bonds | 22,913 | – | – | – | – |
| Equities | 14,235 | 8 | 0.05 | 71 | 0.50 |
| Corporate actions | 738 | – | – | – | – |
| **Total** | 37,886 | 8 | | 71 | |
| **Gross purchases total:** | 37,965 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Bonds | 30,441 | – | – | – | – |
| Equities | 52,491 | 9 | 0.02 | 1 | 0.00 |
| Corporate actions | 171 | – | – | – | – |
| **Total** | 83,103 | 9 | | 1 | |
| **Total sales net of transaction costs:** | 83,093 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.02% |

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% (7 March 2020: 0.32%), being the difference between the respective buying and selling prices for the fund's investments.

# Threadneedle Monthly Extra Income Fund

## Notes to the financial statements

*(continued)*

### 18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 EUR Hedged – Income shares | (20.69) |
| Class Z – Income shares | (13.04) |

# Threadneedle Sterling Corporate Bond Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Sterling Corporate Bond Fund has risen from 65.44p to 65.79p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +2.22% as compared to a median return of +1.80% over the same period. (For information the iBoxx GBP Non-Gilts gave a total return of +1.07% for the same period).

### Market Overview and Portfolio Activity

The year in review was a turbulent period in terms of both world events and financial-market movements. Despite spells of intense volatility, the sterling investment-grade (IG) credit market was little changed in total-return terms. A rise in UK gilt yields (which move inversely to price) was counterbalanced by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

In the first few weeks of the period, spreads widened dramatically as the COVID-19 outbreak approached pandemic status and most countries imposed draconian restrictions to contain it. Meanwhile, central banks and governments unleashed a flood of policy measures in response to the economic aspect of the crisis. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve would include corporate bonds, echoing similar action from the European Central Bank and Bank of England (BoE).

From late March until September, risk assets in general (such as equities and corporate bonds) rallied amid hopes that this stimulus and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, gilt yields remained low for much of this period. Yields were anchored by Brexit fears, quantitative easing (in the UK and elsewhere) and speculation that the BoE might cut rates below zero to revive the economy. Longer-dated yields rose sharply in August, however, and the curve steepened, as the reopening of businesses was reflected in higher inflation, and the market digested increased supply of new long-dated gilts.

In September, however, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and the reimposition of control measures to contain the virus. Meanwhile, political uncertainty was also mounting in relation to the US presidential election and Brexit. This mood continued through much of October, intensifying in the week before the US election. Nevertheless, IG spreads were little altered from the end of the summer.

After this interruption, credit spreads resumed their tightening trend. In the last two months of 2020, investors welcomed a market-friendly outcome in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in Western democracies. Anticipation of another fiscal relief package in the US provided more fuel for the risk-on rally – as did its eventual delivery in December. News of the last-minute Brexit deal also bolstered sentiment as the year drew to a close.

The remainder of the period was characterised by a sharp rise in gilt and other core bond yields, accompanied by a modest tightening in credit spreads. Yields rose along with US inflation expectations as the Democrats took control of the US Senate, paving the way for the even larger injection of fiscal stimulus which has since been signed into law.

Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes – the UK being a notable example – further buoyed risk appetite. Gilt yields in particular were pushed higher as the BoE downplayed the likelihood of negative rates.

Early in the period, we became more constructive on the outlook for the market, especially IG, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase credit risk within the portfolio, mainly via attractively priced new issues. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter of 2020, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well.

As regards specific trades, we participated in several issues in the primary market, the largest of which (in terms of position sizes) included deals from Southern Water Services, ING Groep, National Grid, BP, Credit Suisse and BFCM. In the secondary market, we started new positions in Rabobank, Tencent, BNG Bank, ABN Amro Bank, and Anglo American among others.

On the disposals side, we reduced exposure to some issuers, such as Bunzl, Lloyds Bank, Electricite De France, Severn Trent Utilities and Imperial Brands. We exited others completely, including Pennon Group, NIE, BNP Paribas, Deutsche Telekom, and Orange.

We are cautiously optimistic on the outlook for credit markets. While some difficult months remain before vaccines can turn the tide, a return to something approaching economic normality may be in sight later in the year. In the meantime, the support measures introduced by governments and central banks will help to mitigate the ongoing interruption to economic output and employment.

One area which tempers our optimism is valuation, with sterling IG credit spreads now firmly back inside their 20-year averages. Against this, however, corporate fundamentals have improved in aggregate, as evidenced by better-than-expected corporate results. The outlook for defaults remains relatively subdued, as businesses have shored up their liquidity profiles through government support, primary issuance and capital injections.

At the sector level, we still favour more defensive areas of the market which we think will weather the current tough economic conditions well.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 6,611 | 71,455 |
| Revenue | 3 | 27,798 | 31,099 |
| Expenses | 4 | (3,199) | (3,682) |
| Interest payable and similar charges | 5 | (1,147) | (908) |
| Net revenue before taxation | | 23,452 | 26,509 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 23,452 | 26,509 |
| **Total return before distributions** | | 30,063 | 97,964 |
| Distributions** | 7 | (23,455) | (26,548) |
| **Change in net assets attributable to shareholders from investment activities** | | 6,608 | 71,416 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 1,012,089 | 944,700 |
| **Current assets:** | | | |
| Debtors | 8 | 15,079 | 14,584 |
| Cash and bank balances | 9 | 10,793 | 28,590 |
| Cash equivalents*** | | 29,641 | 2,402 |
| Total assets | | 1,067,602 | 990,276 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (1,162) | (10,068) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (5,083) | (4,474) |
| Distribution payable | | (2,150) | (2,057) |
| Other creditors | 10 | (15,229) | (12,669) |
| Total liabilities | | (23,624) | (29,268) |
| **Net assets attributable to shareholders** | | 1,043,978 | 961,008 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 961,008 | 970,016 |
| Amounts receivable on the issue of shares** | 281,556 | 217,401 |
| Amounts payable on the cancellation of shares** | (220,063) | (315,646) |
| | 61,493 | (98,245) |
| Dilution adjustment | 1,085 | 420 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 6,608 | 71,416 |
| Retained distribution on accumulation shares | 13,782 | 17,390 |
| Unclaimed distributions | 2 | 11 |
| **Closing net assets attributable to shareholders** | 1,043,978 | 961,008 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.3066 | – | 0.3066 | 0.3705 |
| 08/06/20 to 07/09/20 | 0.2694 | – | 0.2694 | 0.3594 |
| 08/09/20 to 07/12/20 | 0.2452 | – | 0.2452 | 0.3037 |
| 08/12/20 to 07/03/21 | 0.2311 | – | 0.2311 | 0.3109 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.1335 | 0.1731 | 0.3066 | 0.3705 |
| 08/06/20 to 07/09/20 | 0.0718 | 0.1976 | 0.2694 | 0.3594 |
| 08/09/20 to 07/12/20 | 0.1891 | 0.0561 | 0.2452 | 0.3037 |
| 08/12/20 to 07/03/21 | 0.1112 | 0.1199 | 0.2311 | 0.3109 |
| **Total distributions in the period** | | | **1.0523** | **1.3445** |

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

# Threadneedle Sterling Corporate Bond Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.5683 | – | 0.5683 | 0.6419 |
| 08/06/20 to 07/09/20 | 0.4787 | – | 0.4787 | 0.6262 |
| 08/09/20 to 07/12/20 | 0.4377 | – | 0.4377 | 0.5325 |
| 08/12/20 to 07/03/21 | 0.4139 | – | 0.4139 | 0.5467 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.3483 | 0.2200 | 0.5683 | 0.6419 |
| 08/06/20 to 07/09/20 | 0.4787 | – | 0.4787 | 0.6262 |
| 08/09/20 to 07/12/20 | 0.0282 | 0.4095 | 0.4377 | 0.5325 |
| 08/12/20 to 07/03/21 | 0.4139 | – | 0.4139 | 0.5467 |
| **Total distributions in the period** | | | **1.8986** | **2.3473** |

### Class 1 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.3207 | – | 0.3207 | 0.3707 |
| 08/06/20 to 07/09/20 | 0.2694 | – | 0.2694 | 0.3596 |
| 08/09/20 to 07/12/20 | 0.2453 | – | 0.2453 | 0.3039 |
| 08/12/20 to 07/03/21 | 0.2312 | – | 0.2312 | 0.3110 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.1010 | 0.2197 | 0.3207 | 0.3707 |
| 08/06/20 to 07/09/20 | 0.0605 | 0.2089 | 0.2694 | 0.3596 |
| 08/09/20 to 07/12/20 | 0.0784 | 0.1669 | 0.2453 | 0.3039 |
| 08/12/20 to 07/03/21 | 0.0841 | 0.1471 | 0.2312 | 0.3110 |
| **Total distributions in the period** | | | **1.0666** | **1.3452** |

### Class 2 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.3717 | – | 0.3717 | 0.4218 |
| 08/06/20 to 07/09/20 | 0.3247 | – | 0.3247 | 0.4121 |
| 08/09/20 to 07/12/20 | 0.2993 | – | 0.2993 | 0.3555 |
| 08/12/20 to 07/03/21 | 0.2854 | – | 0.2854 | 0.3645 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.1843 | 0.1874 | 0.3717 | 0.4218 |
| 08/06/20 to 07/09/20 | 0.1911 | 0.1336 | 0.3247 | 0.4121 |
| 08/09/20 to 07/12/20 | 0.1288 | 0.1705 | 0.2993 | 0.3555 |
| 08/12/20 to 07/03/21 | 0.1714 | 0.1140 | 0.2854 | 0.3645 |
| **Total distributions in the period** | | | **1.2811** | **1.5539** |

### Class 2 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.7596 | – | 0.7596 | 0.8407 |
| 08/06/20 to 07/09/20 | 0.6668 | – | 0.6668 | 0.8268 |
| 08/09/20 to 07/12/20 | 0.6178 | – | 0.6178 | 0.7179 |
| 08/12/20 to 07/03/21 | 0.5916 | – | 0.5916 | 0.7395 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.3357 | 0.4239 | 0.7596 | 0.8407 |
| 08/06/20 to 07/09/20 | 0.3791 | 0.2877 | 0.6668 | 0.8268 |
| 08/09/20 to 07/12/20 | 0.3107 | 0.3071 | 0.6178 | 0.7179 |
| 08/12/20 to 07/03/21 | 0.3686 | 0.2230 | 0.5916 | 0.7395 |
| **Total distributions in the period** | | | **2.6358** | **3.1249** |

### Class L – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.6312 | – | 0.6312 | 0.7124 |
| 08/06/20 to 07/09/20 | 0.5564 | – | 0.5564 | 0.6975 |
| 08/09/20 to 07/12/20 | 0.5145 | – | 0.5145 | 0.6049 |
| 08/12/20 to 07/03/21 | 0.4919 | – | 0.4919 | 0.6203 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.3492 | 0.2820 | 0.6312 | 0.7124 |
| 08/06/20 to 07/09/20 | 0.3189 | 0.2375 | 0.5564 | 0.6975 |
| 08/09/20 to 07/12/20 | 0.2777 | 0.2368 | 0.5145 | 0.6049 |
| 08/12/20 to 07/03/21 | 0.2481 | 0.2438 | 0.4919 | 0.6203 |
| **Total distributions in the period** | | | **2.1940** | **2.6351** |

### Class L – Accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.6947 | – | 0.6947 | 0.7646 |
| 08/06/20 to 07/09/20 | 0.6161 | – | 0.6161 | 0.7538 |
| 08/09/20 to 07/12/20 | 0.5727 | – | 0.5727 | 0.6580 |
| 08/12/20 to 07/03/21 | 0.5501 | – | 0.5501 | 0.6782 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.4888 | 0.2059 | 0.6947 | 0.7646 |
| 08/06/20 to 07/09/20 | 0.3827 | 0.2334 | 0.6161 | 0.7538 |
| 08/09/20 to 07/12/20 | 0.1768 | 0.3959 | 0.5727 | 0.6580 |
| 08/12/20 to 07/03/21 | 0.2889 | 0.2612 | 0.5501 | 0.6782 |
| **Total distributions in the period** | | | **2.4336** | **2.8546** |

### Class L – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.6310 | – | 0.6310 | 0.7124 |
| 08/06/20 to 07/09/20 | 0.5563 | – | 0.5563 | 0.6975 |
| 08/09/20 to 07/12/20 | 0.5145 | – | 0.5145 | 0.6048 |
| 08/12/20 to 07/03/21 | 0.4919 | – | 0.4919 | 0.6203 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.5582 | 0.0728 | 0.6310 | 0.7124 |
| 08/06/20 to 07/09/20 | 0.3834 | 0.1729 | 0.5563 | 0.6975 |
| 08/09/20 to 07/12/20 | 0.2186 | 0.2959 | 0.5145 | 0.6048 |
| 08/12/20 to 07/03/21 | 0.1850 | 0.3069 | 0.4919 | 0.6203 |
| **Total distributions in the period** | | | **2.1937** | **2.6350** |

### Class X – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.8356 | – | 0.8356 | 0.8763 |
| 08/06/20 to 07/09/20 | 0.7173 | – | 0.7173 | 0.8635 |
| 08/09/20 to 07/12/20 | 0.6697 | – | 0.6697 | 0.7619 |
| 08/12/20 to 07/03/21 | 0.6458 | – | 0.6458 | 0.7826 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.5212 | 0.3144 | 0.8356 | 0.8763 |
| 08/06/20 to 07/09/20 | 0.5657 | 0.1516 | 0.7173 | 0.8635 |
| 08/09/20 to 07/12/20 | 0.6697 | – | 0.6697 | 0.7619 |
| 08/12/20 to 07/03/21 | 0.6458 | – | 0.6458 | 0.7826 |
| **Total distributions in the period** | | | **2.8684** | **3.2843** |

### Class X – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/06/20 | 0.8912 | – | 0.8912 | 0.9624 |
| 08/06/20 to 07/09/20 | 0.8173 | – | 0.8173 | 0.9560 |
| 08/09/20 to 07/12/20 | 0.7676 | – | 0.7676 | 0.8499 |
| 08/12/20 to 07/03/21 | 0.7444 | – | 0.7444 | 0.8782 |
| **Group 2** | | | | |
| 08/03/20 to 07/06/20 | 0.3768 | 0.5144 | 0.8912 | 0.9624 |
| 08/06/20 to 07/09/20 | 0.3871 | 0.4302 | 0.8173 | 0.9560 |
| 08/09/20 to 07/12/20 | 0.3335 | 0.4341 | 0.7676 | 0.8499 |
| 08/12/20 to 07/03/21 | 0.4247 | 0.3197 | 0.7444 | 0.8782 |
| **Total distributions in the period** | | | **3.2205** | **3.6465** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Sterling Corporate Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 65.22 | 60.70 | 60.96 | 115.36 | 105.14 | 103.01 |
| Return before operating charges (p) | 1.74 | 6.42 | 1.77 | 3.10 | 11.21 | 3.04 |
| Operating charges (p) | (0.57) | (0.56) | (0.53) | (1.02) | (0.99) | (0.91) |
| Return after operating charges (p)* | 1.17 | 5.86 | 1.24 | 2.08 | 10.22 | 2.13 |
| Distributions (p) | (1.05) | (1.34) | (1.50) | (1.90) | (2.35) | (2.56) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.90 | 2.35 | 2.56 |
| Closing net asset value per share (p) | 65.34 | 65.22 | 60.70 | 117.44 | 115.36 | 105.14 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 1.79 | 9.65 | 2.03 | 1.80 | 9.72 | 2.07 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 19,404 | 36,714 | 37,608 | 578 | 983 | 338 |
| Closing number of shares | 29,698,100 | 56,294,088 | 61,959,400 | 491,882 | 851,994 | 321,385 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 67.98 | 65.67 | 61.56 | 121.75 | 115.60 | 105.47 |
| Lowest share price (p) | 56.37 | 60.91 | 59.64 | 99.71 | 105.50 | 102.22 |

| | Class 1 – Gross income shares[§] | | | Class 2 – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 65.25 | 60.73 | 60.99 | 65.32 | 60.79 | 61.05 |
| Return before operating charges (p) | 1.75 | 6.43 | 1.78 | 1.75 | 6.43 | 1.78 |
| Operating charges (p) | (0.57) | (0.56) | (0.54) | (0.37) | (0.35) | (0.34) |
| Return after operating charges (p)* | 1.18 | 5.87 | 1.24 | 1.38 | 6.08 | 1.44 |
| Distributions (p) | (1.07) | (1.35) | (1.50) | (1.28) | (1.55) | (1.70) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 65.36 | 65.25 | 60.73 | 65.42 | 65.32 | 60.79 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 1.81 | 9.67 | 2.03 | 2.11 | 10.00 | 2.36 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 9,393 | 11,204 | 16,187 | 88,617 | 87,594 | 182,457 |
| Closing number of shares | 14,370,829 | 17,170,705 | 26,652,455 | 135,449,966 | 134,102,799 | 300,126,582 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 | 0.56 | 0.56 | 0.56 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 68.00 | 65.70 | 61.59 | 68.08 | 65.81 | 61.69 |
| Lowest share price (p) | 56.40 | 60.94 | 59.67 | 56.47 | 61.00 | 59.74 |

# Threadneedle Sterling Corporate Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 – Gross accumulation shares[§] | | | Class L – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 133.38 | 121.16 | 118.32 | 106.39 | 99.01 | 99.44 |
| Return before operating charges (p) | 3.59 | 12.93 | 3.51 | 2.85 | 10.50 | 2.90 |
| Operating charges (p) | (0.75) | (0.71) | (0.67) | (0.49) | (0.48) | (0.45) |
| Return after operating charges (p)* | 2.84 | 12.22 | 2.84 | 2.36 | 10.02 | 2.45 |
| Distributions (p) | (2.64) | (3.12) | (3.34) | (2.19) | (2.64) | (2.88) |
| Retained distributions on accumulation shares (p) | 2.64 | 3.12 | 3.34 | – | – | – |
| Closing net asset value per share (p) | 136.22 | 133.38 | 121.16 | 106.56 | 106.39 | 99.01 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 2.13 | 10.09 | 2.40 | 2.22 | 10.12 | 2.46 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 178,298 | 230,284 | 347,689 | 204,353 | 223,040 | 72,668 |
| Closing number of shares | 130,886,372 | 172,650,413 | 286,961,969 | 191,766,646 | 209,642,635 | 73,391,811 |
| Operating charges (%)** | 0.56 | 0.56 | 0.56 | 0.46 | 0.46 | 0.46 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 141.15 | 133.65 | 121.54 | 110.90 | 107.22 | 100.50 |
| Lowest share price (p) | 115.30 | 121.58 | 117.70 | 91.97 | 99.36 | 97.30 |

| | Class L – Accumulation shares | | | Class L – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 117.10 | 106.26 | 103.67 | 106.39 | 99.01 | 99.44 |
| Return before operating charges (p) | 3.16 | 11.36 | 3.07 | 2.85 | 10.50 | 2.90 |
| Operating charges (p) | (0.54) | (0.52) | (0.48) | (0.49) | (0.48) | (0.46) |
| Return after operating charges (p)* | 2.62 | 10.84 | 2.59 | 2.36 | 10.02 | 2.44 |
| Distributions (p) | (2.43) | (2.85) | (3.03) | (2.19) | (2.64) | (2.87) |
| Retained distributions on accumulation shares (p) | 2.43 | 2.85 | 3.03 | – | – | – |
| Closing net asset value per share (p) | 119.72 | 117.10 | 106.26 | 106.56 | 106.39 | 99.01 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 2.24 | 10.20 | 2.50 | 2.22 | 10.12 | 2.45 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 9,974 | 11,165 | 10,788 | 4,409 | 6,511 | 6,954 |
| Closing number of shares | 8,331,690 | 9,534,762 | 10,151,572 | 4,137,941 | 6,120,554 | 7,023,159 |
| Operating charges (%)** | 0.46 | 0.46 | 0.46 | 0.46 | 0.46 | 0.46 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 124.02 | 117.33 | 106.60 | 110.90 | 107.22 | 100.49 |
| Lowest share price (p) | 101.23 | 106.63 | 103.20 | 91.97 | 99.35 | 97.29 |

# Threadneedle Sterling Corporate Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class X – Gross income shares[§] | | | Class X – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 114.51 | 106.57 | 107.03 | 129.50 | 117.05 | 113.73 |
| Return before operating charges (p) | 3.09 | 11.29 | 3.12 | 3.50 | 12.52 | 3.39 |
| Operating charges (p) | (0.07) | (0.07) | (0.06) | (0.08) | (0.07) | (0.07) |
| Return after operating charges (p)* | 3.02 | 11.22 | 3.06 | 3.42 | 12.45 | 3.32 |
| Distributions (p) | (2.87) | (3.28) | (3.52) | (3.22) | (3.65) | (3.79) |
| Retained distributions on accumulation shares (p) | – | – | – | 3.22 | 3.65 | 3.79 |
| Closing net asset value per share (p) | 114.66 | 114.51 | 106.57 | 132.92 | 129.50 | 117.05 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 2.64 | 10.53 | 2.86 | 2.64 | 10.64 | 2.92 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 123,861 | 264 | 245 | 405,091 | 353,249 | 295,082 |
| Closing number of shares | 108,026,368 | 230,128 | 230,128 | 304,761,989 | 272,782,869 | 252,109,463 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 119.37 | 115.51 | 108.25 | 137.61 | 129.74 | 117.41 |
| Lowest share price (p) | 99.01 | 106.94 | 104.74 | 111.97 | 117.45 | 113.49 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle Sterling Corporate Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (13,433) | 87,563 |
| Derivative contracts | 13,357 | (13,644) |
| Forward currency contracts | 2,819 | (1,283) |
| Other gains/(losses) | 3,870 | (1,179) |
| Transaction costs | (2) | (2) |
| Net capital gains | 6,611 | 71,455 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 27,758 | 30,959 |
| Interest on short term investments | – | 19 |
| Bank interest | 40 | 121 |
| Total revenue | 27,798 | 31,099 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (2,598) | (3,090) |
| Registration fees | (394) | (392) |
| | (2,992) | (3,482) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (127) | (120) |
| Safe custody fees | (63) | (62) |
| | (190) | (182) |
| Other expenses: | | |
| Regulatory fees | (6) | (7) |
| Audit fees | (11) | (11) |
| | (17) | (18) |
| Total expenses* | (3,199) | (3,682) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (1) | (7) |
| Derivative expense | (1,146) | (901) |
| Total interest payable and similar charges | (1,147) | (908) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £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 | 23,452 | 26,509 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (4,690) | (5,302) |
| Effects of: | | |
| Distributions treated as tax deductible* | 4,691 | 5,310 |
| Conversion transfer from capital* | (1) | (8) |
| Current tax charge for period (note 6a) | – | – |

**For details on restatement please refer to note 18.*

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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 18,430 | 20,251 |
| Final | 5,241 | 5,799 |
| | 23,671 | 26,050 |
| Add: Revenue deducted on the cancellation of shares* | 595 | 1,302 |
| Deduct: Revenue received on the creation of shares* | (811) | (804) |
| Net distribution for the period | 23,455 | 26,548 |
| Net revenue after taxation | 23,452 | 26,509 |
| Equalisation on conversion* | 3 | 39 |
| Total distributions | 23,455 | 26,548 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 67 to 68.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 1,108 | 852 |
| Accrued revenue | 13,971 | 13,732 |
| Total debtors | 15,079 | 14,584 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 9,004 | 16,208 |
| Cash and bank balances | 1,789 | 12,382 |
| | 10,793 | 28,590 |
| Cash overdrafts at broker | (5,083) | (4,474) |
| Total cash and bank balances | 5,710 | 24,116 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (7,293) | (6,269) |
| Purchases awaiting settlement | (7,635) | (6,047) |
| Accrued expenses | (25) | (25) |
| Amounts payable to ACD | (276) | (328) |
| Total other creditors | (15,229) | (12,669) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle Sterling Corporate Bond Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 0.75% |
| Class 2 shares | 0.50% |
| Class L shares | 0.40% |
| Class X shares | N/A* |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class L shares | 0.035% |
| Class X shares | 0.035% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 69 to 71. The distribution per share class is given in the distribution table on pages 67 to 68.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 56,294,088 |
| Shares issued | 2,229,699 |
| Shares redeemed | (4,645,100) |
| Net conversions | (24,180,587) |
| Closing shares | 29,698,100 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 851,994 |
| Shares issued | 309,495 |
| Shares redeemed | (500,374) |
| Net conversions | (169,233) |
| Closing shares | 491,882 |
| **Class 1 – Gross income shares** | |
| Opening shares | 17,170,705 |
| Shares issued | 720,924 |
| Shares redeemed | (3,477,897) |
| Net conversions | (42,903) |
| Closing shares | 14,370,829 |
| **Class 2 – Income shares** | |
| Opening shares | 134,102,799 |
| Shares issued | 6,716,456 |
| Shares redeemed | (13,392,708) |
| Net conversions | 8,023,419 |
| Closing shares | 135,449,966 |
| **Class 2 – Gross accumulation shares** | |
| Opening shares | 172,650,413 |
| Shares issued | 44,121,270 |
| Shares redeemed | (86,032,003) |
| Net conversions | 146,692 |
| Closing shares | 130,886,372 |
| **Class L – Income shares** | |
| Opening shares | 209,642,635 |
| Shares issued | 14,941,514 |
| Shares redeemed | (32,929,250) |
| Net conversions | 111,747 |
| Closing shares | 191,766,646 |
| **Class L – Accumulation shares** | |
| Opening shares | 9,534,762 |
| Shares issued | 399,035 |
| Shares redeemed | (1,602,107) |
| Net conversions | – |
| Closing shares | 8,331,690 |
| **Class L – Gross income shares** | |
| Opening shares | 6,120,554 |
| Shares issued | 46,856 |
| Shares redeemed | (1,847,415) |
| Net conversions | (182,054) |
| Closing shares | 4,137,941 |
| **Class X – Gross income shares** | |
| Opening shares | 230,128 |
| Shares issued | 113,722,543 |
| Shares redeemed | (15,206,323) |
| Net conversions | 9,280,020 |
| Closing shares | 108,026,368 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 272,782,869 |
| Shares issued | 58,397,114 |
| Shares redeemed | (26,417,994) |
| Net conversions | – |
| Closing shares | 304,761,989 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 6.91% and vice versa (2020: 7.01%).

**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 2021** | **£000** |
| Euro | 57 |
| US Dollar | 93 |
| **Currency 2020** | **£000** |
| Euro | (5,815) |
| US Dollar | 159 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

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

| 2021 | Futures and Options Exposure | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|---|
| **Counterparty** | **£000** | **£000** | **£000** |
| Barclays | – | 7 | – |
| HSBC | – | 72 | – |
| UBS | 1,252 | 533 | – |

| 2020 | Futures and Options Exposure | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|---|
| **Counterparty** | **£000** | **£000** | **£000** |
| Bank of Scotland | – | 11 | – |
| Barclays | – | – | 1,910 |

The fund held £900,000 (2020: £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.

# Threadneedle Sterling Corporate Bond Fund

## Notes to the financial statements

*(continued)*

**Analysis of investments by credit ratings**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AAA | 80,006 | 7.69 | 10,079 | 1.07 |
| Aaa | – | – | 5,782 | 0.62 |
| AA+ | 8,999 | 0.86 | 8,894 | 0.95 |
| Aa1 | 2,913 | 0.28 | – | – |
| AA | 18,510 | 1.78 | 20,596 | 2.20 |
| Aa2u | – | – | 38,611 | 4.12 |
| AA- | 7,582 | 0.73 | 8,727 | 0.93 |
| Aa3u | 48,589 | 4.67 | – | – |
| A+ | 29,424 | 2.83 | 32,391 | 3.46 |
| A | 31,651 | 3.04 | 33,523 | 3.58 |
| A2 | 3,834 | 0.37 | – | – |
| A- | 43,868 | 4.22 | 133,390 | 14.23 |
| A3 | 3,127 | 0.29 | 2,982 | 0.32 |
| BBB+ | 281,939 | 27.10 | 213,796 | 22.82 |
| Baa1 | 5,118 | 0.49 | 14,774 | 1.58 |
| BBB | 211,301 | 20.31 | 213,310 | 22.76 |
| Baa2 | 15,295 | 1.47 | 16,144 | 1.72 |
| BBB- | 92,353 | 8.88 | 114,304 | 12.20 |
| Baa3 | 12,523 | 1.20 | 4,862 | 0.52 |
| BB+ | 57,246 | 5.50 | 32,364 | 3.45 |
| BB | 18,172 | 1.75 | 6,136 | 0.65 |
| Ba2 | 2,131 | 0.20 | – | – |
| BB- | 669 | 0.06 | 5,522 | 0.59 |
| B+ | 1,619 | 0.16 | – | – |
| CCC+ | – | – | 590 | 0.06 |
| Not Rated* | 33,322 | 3.20 | 25,571 | 2.73 |
| Liquidity Funds | 29,641 | 2.85 | 2,402 | 0.26 |
| Derivatives** | 703 | 0.07 | (7,716) | (0.82) |
| | 1,040,535 | 100.00 | 937,034 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

***The derivative positions do not have a significant impact on the risk profile.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 18,232 | 52,511 | 2,719 | 73,462 |
| UK Sterling | 112,847 | 813,386 | 142,035 | 1,068,268 |
| US Dollar | 12,268 | 41,381 | 10,033 | 63,682 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 11,197 | 37,686 | 5,416 | 54,299 |
| UK Sterling | 104,201 | 753,180 | 125,772 | 983,153 |
| US Dollar | 4,810 | 62,266 | 3,160 | 70,236 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (73,405) | (73,405) |
| UK Sterling | – | – | (24,440) | (24,440) |
| US Dollar | (5,083) | – | (58,506) | (63,589) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | (432) | – | (59,682) | (60,114) |
| UK Sterling | – | – | (16,489) | (16,489) |
| US Dollar | (4,042) | – | (66,035) | (70,077) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**Derivative risks**

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

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £1,865,000 (2020: £2,352,000) and a liability value of £1,162,000 (2020: £10,068,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 132,714 | – | 47,283 | (5,966) |
| Level 2 | 909,014 | (1,162) | 899,815 | (4,102) |
| Level 3 | 2 | – | 4 | – |
| | 1,041,730 | (1,162) | 947,102 | (10,068) |

Included within Level 1, are debt securities of £131,461,000 (2020: £47,283,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

# Threadneedle Sterling Corporate Bond Fund

## Notes to the financial statements

*(continued)*

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £656,855,441 (2020: £490,948,039) and £569,658,194 (2020: £557,517,039) respectively. Collective investment schemes purchases and sales amounted to £298,037,928 (2020: £134,085,431) and £270,800,000 (2020: £141,700,000) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £1,013,454 (2020: £1,125,429) 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 £20,537 (2020: £13,965).

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

At the balance sheet date, the portfolio dealing spread was 0.68% (7 March 2020: 0.32%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (26,517) | (31) | (26,548) |
| **Net impact** | | (31) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 395,445 | (178,044) | 217,401 |
| Amounts payable on the cancellation of shares | (493,721) | 178,075 | (315,646) |
| | (98,276) | 31 | (98,245) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 71,447 | (31) | 71,416 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Distributions treated as tax deductible | 5,303 | 7 | 5,310 |
| Conversion transfer from capital | (1) | (7) | (8) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,483 | (181) | 1,302 |
| Deduct: Revenue received on the creation of shares | (1,016) | 212 | (804) |
| **Net impact** | | 31 | |
| Equalisation on conversion | 9 | 30 | 39 |
| Undistributed revenue carried forward | (1) | 1 | – |
| **Net impact** | | 31 | |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 28 June 2021 as a percentage of the closing NAV for share classes with significant movements. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 – Accumulation shares | (60.87) |
| Class L – Gross income shares | (32.50) |
| Class X – Gross income shares | (17.70) |

# Threadneedle Sterling Bond Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the FTSE Actuaries UK Conventional Gilts All Stock Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and will invest at least 80% of its assets in UK government bonds (gilts).

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Sterling Bond Fund has fallen from 64.66p to 59.92p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -5.22% as compared to a median return of -4.63% over the same period. (For information the FTSE Actuaries UK Conventional Gilts All Stocks Index gave a total return of -4.22% for the same period).

### Market Overview and Portfolio Activity

The period under review was one of considerable volatility for financial markets in general, driven mainly by the development of the COVID-19 pandemic and the response of massive monetary and fiscal stimulus, and UK government bonds were no exception. Over the review term as a whole, the yield on benchmark 10-year gilts rose 43 basis points to 0.73%.

Gilt yields fell at the start of the period as the escalating pandemic drove a rush for the safety of government debt, and generally remained low in absolute terms over the rest of 2020. Uncertainty about the outlook for a post-Brexit trade deal with the EU also supported bond prices, until an agreement was announced on Christmas Eve. On the other side, there were bouts of weakness driven by breakthroughs in developing COVID-19 vaccines and associated optimism about a rebound in economic growth. After the new year started, however, a reflationary mindset took hold among investors as mass vaccinations progressed, and the US unveiled a large new fiscal-stimulus proposal. This sparked broad selling of sovereign debt that dragged gilt yields notably higher into the end of the review period.

Like the other leading central banks, the Bank of England (BoE) was active in responding to the pandemic, not least in cutting its key interest rate twice in March 2020 to a record low of 0.1%. The BoE also announced £200bn of monetary stimulus, which was subsequently increased by £250bn in two steps. Meanwhile, the government borrowed money at an unprecedented pace to pay for a variety of pandemic support programmes and fiscal stimulus measures. However, investors seemingly looked past this in the context of the pandemic, as the UK issued gilts at a negative yield for the first time ever in May. In terms of the economy, a composite index of UK services and manufacturing activity quickly bounced back from April's record low and re-entered expansionary territory in July. Although the measure indicated contraction in November and January as lockdown measures prevailed, it was near the line separating growth and shrinkage when the review period ended.

In terms of activity, we maintained a longer duration position (which measures the portfolio's sensitivity to changes in interest rates) relative to the benchmark over the review period. The portfolio started with a duration of 0.2 years long relative to the index. On 11 March, we added exposure to the 15-25 year area.

Portfolio activity was fairly quiet in April and May. Trading in June included adding some exposure to 2061 bonds as 30-year gilt yields hit our target of 0.65%. We also switched some exposure to gilts maturing in 2049 into 2061 bonds at the best level since the latter's issuance in May. We then reduced duration after the BoE unexpectedly slowed the pace of monthly gilt purchases.

Early in July, we increased holdings of 15- and 30-year gilts. Later, we added to the 40-year area. In August, we added to bonds maturing in 2037, and made a variety of switches, such as selling 2026 gilts against 2028 issues.

September saw little activity in terms of duration changes as yields retraced half of August's sell-off until the final day of the month. We switched various issues into the new gilt maturing in 2035, which offered an attractive yield pickup over similar existing, higher-coupon issues and raised the running yield on the portfolio.

Over the first half of October, we added duration in the 15-year area by selling gilts maturing in 2034 into gilts maturing in 2035. Late in the month, we bought 30-year bonds as gilts sold off in line with US Treasuries ahead of the US presidential election. In early November, gilts rallied hard due to the BoE's announcement of additional monetary support. We sold 30-year and ultra-long bonds, and subsequently repurchased them after yields had increased by 10 basis points.

We made a number of duration-management trades in December as yields moved through their recent trading range, providing opportunities for tactical adjustments. The portfolio finished the year with relative duration of 0.8 years long.

On the first trading day of January, we reduced duration by selling 2041, 2050 and 2061 gilts, as the 30-year yield touched 0.71%. In other activity during the month, we added to duration by purchasing 2041 bonds as the 30-year yield hit 0.93% and switched existing higher-coupon gilts into the new 2046 issue in a duration-neutral trade.

At the start of February, we increased duration via 2050 gilts as yields climbed to our target. However, we soon reversed this as hawkish hints from the BoE pushed yields higher, and we trimmed duration further the following day, selling ultra-longs as the sell-off continued. Mid-month, as 30-year yields breached 1.20%, we reduced duration by selling 2041, 2050 and 2061 gilts. Conversely, we added to duration by purchasing 2028 and 2050 bonds on 24 February, as the 30 year yield had reached 1.36% – its highest open since March 2020.

At the end of the period, relative duration was 0.55 years long, broken down as follows: flat in 0-3 years; -0.20 (contribution to duration) in 3-7 years; 0.15 in 7-15 years; 0.35 in 15-25 years; and 0.25 in ultra-longs.

As regards the outlook for gilts, yields have moved higher across the curve as the vaccine roll out continues and the BoE sees less downside risks to the economy going forward. From here, yields are likely to remain contained by expectations of a less easy fiscal stance from the government, and the scarring economic impact of increased remote-working. The BoE will have the ability to adopt negative interest rates later in the year, but internal members of the Monetary Policy Committee appear less supportive of the additional monetary tool.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital (losses)/gains | 2 | (39,276) | 58,024 |
| Revenue | 3 | 3,150 | 5,258 |
| Expenses | 4 | (1,395) | (1,527) |
| Net revenue before taxation | | 1,755 | 3,731 |
| Taxation | 5 | – | – |
| Net revenue after taxation | | 1,755 | 3,731 |
| **Total return before distributions** | | (37,521) | 61,755 |
| Distributions** | 6 | (2,768) | (4,897) |
| **Change in net assets attributable to shareholders from investment activities** | | (40,289) | 56,858 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 557,668 | 528,134 |
| **Current assets:** | | | |
| Debtors | 7 | 7,517 | 13,453 |
| Cash and bank balances | | 584 | 5,719 |
| Cash equivalents*** | | 2,423 | 1,913 |
| Total assets | | 568,192 | 549,219 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Distribution payable | | (166) | (321) |
| Other creditors | 8 | (3,082) | (11,584) |
| Total liabilities | | (3,248) | (11,905) |
| **Net assets attributable to shareholders** | | 564,944 | 537,314 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 537,314 | 451,225 |
| Amounts receivable on the issue of shares** | 211,045 | 178,325 |
| Amounts payable on the cancellation of shares** | (145,684) | (153,448) |
| | 65,361 | 24,877 |
| Dilution adjustment | 63 | 51 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | (40,289) | 56,858 |
| Retained distribution on accumulation shares | 2,495 | 4,303 |
| **Closing net assets attributable to shareholders** | 564,944 | 537,314 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 16.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 - Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.2039 | – | 0.2039 | 0.3357 |
| 08/09/20 to 07/03/21 | 0.1290 | – | 0.1290 | 0.2698 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.1047 | 0.0992 | 0.2039 | 0.3357 |
| 08/09/20 to 07/03/21 | 0.0690 | 0.0600 | 0.1290 | 0.2698 |
| **Total distributions in the period** | | | **0.3329** | **0.6055** |

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

# Threadneedle Sterling Bond Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 - Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.5063 | – | 0.5063 | 0.7302 |
| 08/09/20 to 07/03/21 | 0.2843 | – | 0.2843 | 0.5901 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.3560 | 0.1503 | 0.5063 | 0.7302 |
| 08/09/20 to 07/03/21 | 0.1322 | 0.1521 | 0.2843 | 0.5901 |
| **Total distributions in the period** | | | **0.7906** | **1.3203** |

### Class X - Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4407 | – | 0.4407 | 0.7225 |
| 08/09/20 to 07/03/21 | 0.2855 | – | 0.2855 | 0.5716 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.4407 | – | 0.4407 | 0.7225 |
| 08/09/20 to 07/03/21 | 0.2855 | – | 0.2855 | 0.5716 |
| **Total distributions in the period** | | | **0.7262** | **1.2941** |

### Class X - Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4139 | – | 0.4139 | 0.6602 |
| 08/09/20 to 07/03/21 | 0.2686 | – | 0.2686 | 0.5380 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.1632 | 0.2507 | 0.4139 | 0.6602 |
| 08/09/20 to 07/03/21 | 0.1026 | 0.1660 | 0.2686 | 0.5380 |
| **Total distributions in the period** | | | **0.6825** | **1.1982** |

### Class Z - Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.3767 | – | 0.3767 | 0.6233 |
| 08/09/20 to 07/03/21 | 0.2326 | – | 0.2326 | 0.4953 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.2248 | 0.1519 | 0.3767 | 0.6233 |
| 08/09/20 to 07/03/21 | 0.1179 | 0.1147 | 0.2326 | 0.4953 |
| **Total distributions in the period** | | | **0.6093** | **1.1186** |

### Class Z - Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4142 | – | 0.4142 | 0.6872 |
| 08/09/20 to 07/03/21 | 0.2596 | – | 0.2596 | 0.5489 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.1088 | 0.3054 | 0.4142 | 0.6872 |
| 08/09/20 to 07/03/21 | 0.1428 | 0.1168 | 0.2596 | 0.5489 |
| **Total distributions in the period** | | | **0.6738** | **1.2361** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Sterling Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 64.33 | 57.42 | 56.13 | 141.27 | 124.89 | 120.55 |
| Return before operating charges (p) | (3.91) | 7.83 | 2.32 | (8.60) | 17.08 | 4.99 |
| Operating charges (p) | (0.34) | (0.31) | (0.30) | (0.74) | (0.70) | (0.65) |
| Return after operating charges (p)* | (4.25) | 7.52 | 2.02 | (9.34) | 16.38 | 4.34 |
| Distributions (p) | (0.33) | (0.61) | (0.73) | (0.79) | (1.32) | (1.57) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.79 | 1.32 | 1.57 |
| Closing net asset value per share (p) | 59.75 | 64.33 | 57.42 | 131.93 | 141.27 | 124.89 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (6.61) | 13.10 | 3.60 | (6.61) | 13.12 | 3.60 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 69,066 | 67,039 | 283,655 | 52,907 | 79,842 | 30,437 |
| Closing number of shares | 115,581,647 | 104,215,490 | 494,003,665 | 40,101,826 | 56,515,332 | 24,370,959 |
| Operating charges (%)** | 0.53 | 0.53 | 0.53 | 0.53 | 0.53 | 0.53 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 67.00 | 64.66 | 57.96 | 147.14 | 141.41 | 125.28 |
| Lowest share price (p) | 58.89 | 57.16 | 54.89 | 129.71 | 124.32 | 118.65 |

| | Class X – Gross income shares[§] | | | Class X – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 132.85 | 118.04 | 114.87 | 125.41 | 110.35 | 105.99 |
| Return before operating charges (p) | (8.10) | 16.16 | 4.75 | (7.66) | 15.13 | 4.43 |
| Operating charges (p) | (0.07) | (0.06) | (0.02) | (0.07) | (0.07) | (0.07) |
| Return after operating charges (p)* | (8.17) | 16.10 | 4.73 | (7.73) | 15.06 | 4.36 |
| Distributions (p) | (0.73) | (1.29) | (1.56) | (0.68) | (1.20) | (1.41) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.68 | 1.20 | 1.41 |
| Closing net asset value per share (p) | 123.95 | 132.85 | 118.04 | 117.68 | 125.41 | 110.35 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (6.15) | 13.64 | 4.12 | (6.16) | 13.65 | 4.11 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 20 | 22 | 3 | 297,887 | 287,782 | 64,523 |
| Closing number of shares | 16,495 | 16,495 | 3,000 | 253,133,204 | 229,463,782 | 58,471,904 |
| Operating charges (%)** | 0.05 | 0.05 | 0.02 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 138.36 | 133.54 | 119.15 | 130.62 | 125.54 | 110.67 |
| Lowest share price (p) | 122.07 | 117.51 | 112.64 | 115.24 | 109.85 | 104.63 |

# Threadneedle Sterling Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 125.05 | 111.56 | 109.00 | 139.14 | 123.00 | 118.71 |
| Return before operating charges (p) | (7.60) | 15.23 | 4.50 | (8.48) | 16.83 | 4.93 |
| Operating charges (p) | (0.62) | (0.62) | (0.58) | (0.69) | (0.69) | (0.64) |
| Return after operating charges (p)* | (8.22) | 14.61 | 3.92 | (9.17) | 16.14 | 4.29 |
| Distributions (p) | (0.61) | (1.12) | (1.36) | (0.67) | (1.24) | (1.49) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.67 | 1.24 | 1.49 |
| Closing net asset value per share (p) | 116.22 | 125.05 | 111.56 | 129.97 | 139.14 | 123.00 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (6.57) | 13.10 | 3.60 | (6.59) | 13.12 | 3.61 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 8,515 | 10,002 | 10,042 | 136,549 | 92,627 | 62,565 |
| Closing number of shares | 7,326,625 | 7,998,506 | 9,001,019 | 105,058,554 | 66,572,658 | 50,864,249 |
| Operating charges (%)** | 0.50 | 0.53 | 0.53 | 0.50 | 0.53 | 0.53 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 130.24 | 125.66 | 112.59 | 144.91 | 139.27 | 123.39 |
| Lowest share price (p) | 114.52 | 111.05 | 106.62 | 127.78 | 122.44 | 116.86 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle Sterling Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL (LOSSES)/GAINS

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (39,274) | 58,026 |
| Transaction costs | (2) | (2) |
| Net capital (losses)/gains | (39,276) | 58,024 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 3,140 | 5,217 |
| Bank interest | 10 | 41 |
| Total revenue | 3,150 | 5,258 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,013) | (1,151) |
| Registration fees | (281) | (281) |
| | (1,294) | (1,432) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (63) | (58) |
| Safe custody fees | (21) | (20) |
| | (84) | (78) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (10) | (10) |
| | (17) | (17) |
| Total expenses* | (1,395) | (1,527) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | Restated 2020* £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 | 1,755 | 3,731 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (351) | (746) |
| Effects of: | | |
| Excess expenses* | 351 | 749 |
| Conversion transfer from capital* | – | (3) |
| Current tax charge for period (note 5a) | – | – |

**For details on restatement please refer to note 16.*

The fund has not recognised a deferred tax asset of £4,611,622 (2020: £4,962,862) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 1,662 | 2,825 |
| Final | 1,233 | 2,255 |
| | 2,895 | 5,080 |
| Add: Revenue deducted on the cancellation of shares* | 148 | 390 |
| Deduct: Revenue received on the creation of shares* | (275) | (573) |
| Net distribution for the period | 2,768 | 4,897 |
| Net revenue after taxation | 1,755 | 3,731 |
| Annual management charge to capital | 1,013 | 1,151 |
| Equalisation on conversion* | – | 15 |
| Total distributions | 2,768 | 4,897 |

**For details on restatement please refer to note 16.*

Details of the distribution per share are set out in the table on pages 76 to 77.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 3,182 | 10,998 |
| Sales awaiting settlement | 821 | – |
| Accrued revenue | 3,514 | 2,455 |
| Total debtors | 7,517 | 13,453 |

### 8 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (1,253) | (1,963) |
| Purchases awaiting settlement | (1,689) | (9,488) |
| Accrued expenses | (15) | (15) |
| Amounts payable to ACD | (125) | (118) |
| Total other creditors | (3,082) | (11,584) |

### 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 Sterling Bond Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 0.45% |
| Class X shares | N/A* |
| Class Z shares | 0.30% |
| **Registration fees** | |
| Class 1 shares | 0.060% |
| Class X shares | 0.035% |
| Class Z shares | 0.090% |

# Threadneedle Sterling Bond 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 78 to 79. The distribution per share class is given in the distribution table on pages 76 to 77.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 104,215,490 |
| Shares issued | 42,234,699 |
| Shares redeemed | (30,386,506) |
| Net conversions | (482,036) |
| Closing shares | 115,581,647 |
| **Class 1 – Gross accumulation shares** | |
| Opening shares | 56,515,332 |
| Shares issued | 40,161,955 |
| Shares redeemed | (56,573,219) |
| Net conversions | (2,242) |
| Closing shares | 40,101,826 |
| **Class X – Gross income shares** | |
| Opening shares | 16,495 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 16,495 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 229,463,782 |
| Shares issued | 41,602,971 |
| Shares redeemed | (17,933,549) |
| Net conversions | – |
| Closing shares | 253,133,204 |
| **Class Z – Income shares** | |
| Opening shares | 7,998,506 |
| Shares issued | 1,322,333 |
| Shares redeemed | (2,242,178) |
| Net conversions | 247,964 |
| Closing shares | 7,326,625 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 66,572,658 |
| Shares issued | 53,968,069 |
| Shares redeemed | (15,484,449) |
| Net conversions | 2,276 |
| Closing shares | 105,058,554 |

### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 12.71% and vice versa (2020: 13.29%).

**Currency exposures**

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2020: same).

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: 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**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AAA | 17,332 | 3.10 | 19,419 | 3.66 |
| Aaa | 10,405 | 1.86 | 4,697 | 0.89 |
| AA+ | 6,860 | 1.22 | 6,882 | 1.30 |
| AA | 3,215 | 0.57 | 1,673 | 0.31 |
| Aa2u | – | – | 391,698 | 73.90 |
| AA- | – | – | 2,422 | 0.46 |
| Aa3u | 178,791 | 31.92 | – | – |
| A+ | 4,766 | 0.85 | – | – |
| Not Rated* | 336,299 | 60.04 | 101,343 | 19.12 |
| Liquidity Funds | 2,423 | 0.44 | 1,913 | 0.36 |
| | 560,091 | 100.00 | 530,047 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 11,583 | 549,091 | 7,518 | 568,192 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 8,973 | 526,793 | 13,453 | 549,219 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (3,248) | (3,248) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (11,905) | (11,905) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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 Sterling Bond Fund

## Notes to the financial statements

*(continued)*

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 523,319 | – | 500,361 | – |
| Level 2 | 36,772 | – | 29,686 | – |
| | 560,091 | – | 530,047 | – |

Included within Level 1, are debt securities of £523,319,000 (2020: £500,361,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £933,845,737 (2020: £1,104,614,588) and £859,710,745 (2020: £1,075,758,063) respectively. Collective investment schemes purchases and sales amounted to £97,509,832 (2020: £26,512,732) and £97,000,000 (2020: £24,600,000) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.10% (7 March 2020: 0.20%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | 4,882 | 15 | 4,897 |
| **Net impact** | | 15 | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 416,158 | (237,833) | 178,325 |
| Amounts payable on the cancellation of shares | (391,296) | 237,848 | (153,448) |
| | 24,862 | 15 | 24,877 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 56,873 | (15) | 56,858 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 5 TAXATION** | | | |
| Excess expenses | 746 | 3 | 749 |
| Conversion transfer from capital | – | (3) | (3) |
| **Net impact** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 6 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,175 | (785) | 390 |
| Deduct: Revenue received on the creation of shares | (1,373) | 800 | (573) |
| **Net impact** | | 15 | |
| Equalisation on conversion | – | 15 | 15 |

### 17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class Z – Income shares | (11.49) |
| Class Z – Gross accumulation shares | (24.03) |

# Threadneedle Sterling Short-Term Money Market Fund*

## Investment Report

### Investment Objective and Policy

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

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

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

### Performance of Net Income Class 1 Shares**

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Sterling Short – Term Money Market Fund has fallen from 100.07p to 99.71p.

The total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -0.01%. (Source: Threadneedle, bid-bid, net income reinvested.) For information the 1 Month GBP London Interbank Bid Rate (LIBID) Index gave a total return of -0.03% for the same period.

### Market Overview and Portfolio Activity

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

Over the period under review, we kept the fund relatively short and broadly unchanged. At the time of writing, the weighted average maturity of the fund is approximately 53 days and the weighted average yield is 0.03%. The fund is invested approximately 58% in bank-issued certificates of deposit, 27% in short-dated bank deposits (including 3% in AAA-rated external liquidity funds), 11% in Euro Commercial Paper (ECP) and 4% in UK Treasury bonds, Treasury bills, and Treasury notes which are all government-issued fixed income securities that are deemed safe and secure. Treasury bonds mature in 30 years and offer investors the highest interest payments bi-annually. Treasury bills have the shortest maturity terms from four weeks to a year.

The period was dominated by the impact of the COVID-19 pandemic on economies across the globe. Governments and central banks adopted unprecedented levels of support to soften the economic blow.

In the UK, the Bank of England (BoE) began by reducing official interest rates from 0.75% to 0.25% following an emergency meeting on 11 March, with a view to supporting businesses and consumers through lowering the cost of borrowing. A range of additional stimulus measures were also introduced. In March, Andrew Bailey took over as governor of the BoE, as Mark Carney's term of office drew to a close. On 19 March, UK interest rates were cut to a record low of 0.10% to further lessen the economic shock from COVID-19. Investors subsequently speculated as to whether interest rates could be lowered again, with a possible move into negative territory. In the event, rates were left unchanged at 0.10% for the remainder of the reporting period and the BoE announced a range of additional support measures.

The BoE's policies included the expansion of the bank's bond-buying (quantitative easing) programme, with purchases of both UK government securities (gilts) and non-financial sterling investment-grade corporate bonds. The UK government's huge range of stimulus policies have included paying a substantial proportion of furloughed employees' wages. There have also been specific measures to support those sectors hit particularly hard by COVID-19 lockdowns, such as hospitality, tourism and housing.

The spread of COVID-19 delivered a sharp shock to the UK economy. For 2020 as a whole, GDP was down by a record 9.9%, as repeated lockdowns and other restrictions took their toll on economic activity. On the political front, Brexit fears continued to simmer for much of the period. However, a trade deal was finally concluded between the UK and EU in late December, just ahead of the expiry of the transition period.

Towards the end of 2020, sentiment was boosted by the success of several clinical trials for coronavirus vaccines, and the UK government has rapidly rolled out a programme of inoculations. Such has been the success of this programme, that the government recently announced a roadmap out of the current lockdown. With expectations of a return to 'normality' by mid-summer, this has brought the prospect of a swifter economic recovery.

The value of sterling has risen, given the UK's brighter economic prospects as well as indications from the BoE that it is unlikely to adopt negative interest rates in the near future. However, there are concerns that inflation could pick up as the economy recovers, and may exceed the BoE's 2% target later in 2021. The BoE's chief economist, who sits on the rate-setting Monetary Policy Committee, has stated that inflation risks are skewed to the upside.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020*** £000 |
|---|---|---|---|
| Income | | | |
| Net capital losses | 2 | (54) | (109) |
| Revenue | 3 | 778 | 3,842 |
| Expenses | 4 | (461) | (698) |
| Interest payable and similar charges | 5 | – | (1) |
| Net revenue before taxation | | 317 | 3,143 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 317 | 3,143 |
| **Total return before distributions** | | 263 | 3,034 |
| Distributions*** | 7 | (457) | (3,255) |
| **Change in net assets attributable to shareholders from investment activities** | | (194) | (221) |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 276,492 | 337,301 |
| **Current assets:** | | | |
| Debtors | 8 | 20 | 568 |
| Cash and bank balances | | 86,037 | 74,284 |
| Cash equivalents**** | | 11,528 | 34,386 |
| Total assets | | 374,077 | 446,539 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Distribution payable | | – | (344) |
| Other creditors | 9 | (15,807) | (16,057) |
| Total liabilities | | (15,807) | (16,401) |
| **Net assets attributable to shareholders** | | 358,270 | 430,138 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020*** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 430,138 | 486,897 |
| Amounts receivable on the issue of shares*** | 356,791 | 373,261 |
| Amounts payable on the cancellation of shares*** | (428,747) | (432,136) |
| | (71,956) | (58,875) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)*** | (194) | (221) |
| Retained distribution on accumulation shares | 282 | 2,337 |
| **Closing net assets attributable to shareholders** | 358,270 | 430,138 |

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.0711 | – | 0.0711 | 0.2710 |
| 08/09/20 to 07/03/21 | – | – | – | 0.2665 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.0074 | 0.0637 | 0.0711 | 0.2710 |
| 08/09/20 to 07/03/21 | – | – | – | 0.2665 |
| **Total distributions in the period** | | | **0.0711** | **0.5375** |

#### Class 2 – Accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.0848 | – | 0.0848 | 0.2857 |
| 08/09/20 to 07/03/21 | – | – | – | 0.2808 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.0255 | 0.0593 | 0.0848 | 0.2857 |
| 08/09/20 to 07/03/21 | – | – | – | 0.2808 |
| **Total distributions in the period** | | | **0.0848** | **0.5665** |

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

***In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

****For details on restatement please refer to note 17.*

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

# Threadneedle Sterling Short-Term Money Market Fund

## DISTRIBUTION TABLE

*(continued)*

### Class X – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.1628 | – | 0.1628 | 0.3644 |
| 08/09/20 to 07/03/21 | 0.0085 | – | 0.0085 | 0.3539 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.0433 | 0.1195 | 0.1628 | 0.3644 |
| 08/09/20 to 07/03/21 | – | 0.0085 | 0.0085 | 0.3539 |
| **Total distributions in the period** | | | **0.1713** | **0.7183** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Sterling Short-Term Money Market Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 99.81 | 99.84 | 99.81 | 101.07 | 100.54 | 100.06 |
| Return before operating charges (p) | 0.20 | 0.74 | 0.68 | 0.21 | 0.74 | 0.69 |
| Operating charges (p) | (0.23) | (0.23) | (0.23) | (0.21) | (0.21) | (0.21) |
| Return after operating charges (p)* | (0.03) | 0.51 | 0.45 | – | 0.53 | 0.48 |
| Distributions (p) | (0.07) | (0.54) | (0.42) | (0.08) | (0.57) | (0.44) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.08 | 0.57 | 0.44 |
| Closing net asset value per share (p) | 99.71 | 99.81 | 99.84 | 101.07 | 101.07 | 100.54 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (0.03) | 0.51 | 0.45 | – | 0.53 | 0.48 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 138,717 | 128,807 | 314,520 | 50,877 | 62,775 | 49,689 |
| Closing number of shares | 139,121,016 | 129,056,186 | 315,022,373 | 50,337,149 | 62,108,332 | 49,424,514 |
| Operating charges (%)** | 0.23 | 0.23 | 0.23 | 0.21 | 0.21 | 0.21 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 99.89 | 100.10 | 100.10 | 101.17 | 101.09 | 100.54 |
| Lowest share price (p) | 99.71 | 99.84 | 99.82 | 101.07 | 100.54 | 100.06 |

| | Class X – Gross accumulation shares[§] | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 101.95 | 101.25 | 100.62 |
| Return before operating charges (p) | 0.21 | 0.76 | 0.69 |
| Operating charges (p) | (0.06) | (0.06) | (0.06) |
| Return after operating charges (p)* | 0.15 | 0.70 | 0.63 |
| Distributions (p) | (0.17) | (0.72) | (0.60) |
| Retained distributions on accumulation shares (p) | 0.17 | 0.72 | 0.60 |
| Closing net asset value per share (p) | 102.10 | 101.95 | 101.25 |
| *after direct transaction costs of (p) | – | – | – |
| **Performance** | | | |
| Return after charges (%) | 0.15 | 0.69 | 0.63 |
| **Other information** | | | |
| Closing net asset value (£000) | 168,676 | 238,556 | 122,688 |
| Closing number of shares | 165,211,005 | 234,002,057 | 121,172,112 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | – | – |
| **Prices** | | | |
| Highest share price (p) | 102.11 | 101.96 | 101.25 |
| Lowest share price (p) | 101.95 | 101.25 | 100.63 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle Sterling Short-Term Money Market Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (54) | (108) |
| Transaction costs | – | (1) |
| Net capital losses | (54) | (109) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 711 | 3,239 |
| Interest on short term investments | 25 | 379 |
| Bank interest | 42 | 224 |
| Total revenue | 778 | 3,842 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (256) | (381) |
| Registration fees | (142) | (227) |
| | (398) | (608) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (39) | (61) |
| Safe custody fees | (15) | (20) |
| | (54) | (81) |
| Other expenses: | | |
| Audit fees | (9) | (9) |
| | (9) | (9) |
| Total expenses* | (461) | (698) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (1) |
| Total interest payable and similar charges | – | (1) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £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 | 317 | 3,143 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (63) | (629) |
| Effects of: | | |
| Distributions treated as tax deductible* | 63 | 651 |
| Conversion transfer from capital* | – | (22) |
| Current tax charge for period (note 6a) | – | – |

**For details on restatement please refer to note 17.*

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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 332 | 1,736 |
| Final | 14 | 1,346 |
| | 346 | 3,082 |
| Add: Revenue deducted on the cancellation of shares* | 337 | 692 |
| Deduct: Revenue received on the creation of shares* | (226) | (519) |
| Net distribution for the period | 457 | 3,255 |
| Net revenue after taxation | 317 | 3,143 |
| Equalisation on conversion* | – | 112 |
| Shortfall transfer from capital to revenue | 140 | – |
| Total distributions | 457 | 3,255 |

**For details on restatement please refer to note 17.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 83 to 84.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 6 | 320 |
| Accrued revenue | 14 | 248 |
| Total debtors | 20 | 568 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (761) | – |
| Purchases awaiting settlement | (14,992) | (15,994) |
| Accrued expenses | (12) | (13) |
| Amounts payable to ACD | (42) | (50) |
| Total other creditors | (15,807) | (16,057) |

### 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 Sterling Short-Term Money Market Fund

## Notes to the financial statements

*(continued)*

### 12 SHAREHOLDER FUNDS

Threadneedle Sterling Short-Term Money Market Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 0.15%* |
| Class 2 shares | 0.15% |
| Class X shares | N/A** |
| **Registration fees** | |
| Class 1 shares | 0.060% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 85. The distribution per share class is given in the distribution table on pages 83 to 84. All classes have the same rights on winding up.

**The lower annual management charge of 0.15% is charged at the ACD's discretion subject to market conditions and can be increased to a maximum of the 0.5% fee disclosed in the prospectus.*

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 129,056,186 |
| Shares issued | 80,670,387 |
| Shares redeemed | (70,605,557) |
| Net conversions | – |
| Closing shares | 139,121,016 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 62,108,332 |
| Shares issued | 39,811,272 |
| Shares redeemed | (51,582,455) |
| Net conversions | – |
| Closing shares | 50,337,149 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 234,002,057 |
| Shares issued | 231,437,258 |
| Shares redeemed | (300,228,310) |
| Net conversions | – |
| Closing shares | 165,211,005 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 0.16% and vice versa (2020: 0.12%).

**Currency exposures**

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2020: same).

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 86,037 | 288,020 | 20 | 374,077 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 74,284 | 371,687 | 568 | 446,539 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (15,807) | (15,807) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (16,401) | (16,401) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 288,020 | – | 371,687 | – |
| | 288,020 | – | 371,687 | – |

Included within Level 1, are debt securities of £14,999,000 (2020: £76,328,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £915,639,002 (2020: £1,630,679,987) and £976,570,464 (2020: £1,670,647,000) respectively. Collective investment schemes purchases and sales amounted to £38,141,390 (2020: £27,712,667) and £61,000,000 (2020: £16,500,000) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.01% (7 March 2020: 0.01%), being the difference between the respective buying and selling prices for the fund's investments.

# Threadneedle Sterling Short-Term Money Market Fund

## Notes to the financial statements

*(continued)*

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (3,143) | (112) | (3,255) |
| **Net impact** | | (112) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 612,588 | (239,327) | 373,261 |
| Amounts payable on the cancellation of shares | (671,575) | 239,439 | (432,136) |
| | (58,987) | 112 | (58,875) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (109) | (112) | (221) |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Distributions treated as tax deductible | 629 | 22 | 651 |
| Conversion transfer from capital | – | (22) | (22) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,025 | (333) | 692 |
| Deduct: Revenue received on the creation of shares | (964) | 445 | (519) |
| **Net impact** | | 112 | |
| Equalisation on conversion | – | 112 | 112 |

# Threadneedle European Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle European Fund has risen 242.25p to 282.30p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +16.67% as compared to a median return of +15.43% over the same period. (For information the FTSE World Europe ex UK Index returned +14.44% over the same period).

### Market Overview and Portfolio Activity

The year was dominated by concerns over the repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments.

Equities rallied from a sharp slump as optimism grew that these support measures would eventually reignite growth. Vaccine rollouts later provided grounds for optimism that the virus could be curbed, although mutant strains emerged, which will require additional research.

The pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter of 2020. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly. Later, signs emerged that economies were recovering, although progress was interrupted by fresh lockdowns as the virus flared up again, and new variants surfaced. Meanwhile, many companies withdrew earnings guidance and cut dividends.

Stimulus measures included a €750 billion EU pandemic recovery fund, to be financed by joint borrowing for the first time ever. In the US, the newly elected President Biden proposed a $1.9 trillion support package. The US Federal Reserve is currently sanguine that the economy will not overheat, but bond yields spiked higher in early 2021 as inflationary expectations mounted. While the surge in yields boosted financial stocks, it also generated bouts of weakness in the technology sector. Inflationary concerns were echoed in Europe too.

New holdings included Eurofins Scientific, PUMA and Akzo Nobel. Capital raising strengthens Eurofins Scientific's balance sheet and gives greater flexibility in uncertain times. The laboratory testing firm is at the forefront of antibody tests for COVID-19 and has been approached by governments as public bodies lack adequate capacity. Paints business Akzo Nobel is a high-quality cyclical stock which had been left behind as the market focused on long-term compounding growth companies, where valuations had become stretched. An aggressive growth strategy is paying off for sportswear firm PUMA, with results set to recover sharply after the COVID-19 impact, helped by operational efficiencies and a successful online offering.

Sales included SAP; while the software firm expects robust growth from transition to the cloud, short-term financial results will be affected by the change in strategy, which took the market by surprise.

The potential for a post-virus recovery is building confidence, though some sectors will be under strain for years to come, and inflationary pressures may surface. COVID-19 still dominates sentiment; the second wave has meant a return of lockdowns and travel restrictions, although successful vaccination programmes should mean the worst is over by the summer.

A fraught end to the US election left the Democrats with tentative control of the Senate as well as the House and the presidency – so a return to Obama-like policies should follow. Markets will take heart as this means fiscal and monetary policy aimed at stimulating growth, which should be mirrored in Europe too. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Brexit is at last agreed, which should be well received. Negotiations were bad-tempered and some practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

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

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 138,213 | 77,171 |
| Revenue | 3 | 17,050 | 25,413 |
| Expenses | 4 | (5,970) | (6,920) |
| Interest payable and similar charges | 5 | (2) | (8) |
| Net revenue before taxation | | 11,078 | 18,485 |
| Taxation | 6 | (2,167) | (3,217) |
| Net revenue after taxation | | 8,911 | 15,268 |
| **Total return before distributions** | | 147,124 | 92,439 |
| Distributions** | 7 | (9,031) | (13,780) |
| **Change in net assets attributable to shareholders from investment activities** | | 138,093 | 78,659 |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 874,598 | 960,392 |
| **Current assets:** | | | |
| Debtors | 8 | 25,162 | 13,971 |
| Cash and bank balances | 9 | 27,361 | 10,374 |
| Cash equivalents*** | | 3,016 | 11,207 |
| Total assets | | 930,137 | 995,944 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (7) | (7,625) |
| **Creditors:** | | | |
| Distribution payable | | (13) | (19) |
| Other creditors | 10 | (49,616) | (1,361) |
| Total liabilities | | (49,636) | (9,005) |
| **Net assets attributable to shareholders** | | 880,501 | 986,939 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 986,939 | 1,070,849 |
| Amounts receivable on the issue of shares** | 131,568 | 175,639 |
| Amounts payable on the cancellation of shares** | (383,025) | (350,126) |
| | (251,457) | (174,487) |
| Dilution adjustment | 116 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 138,093 | 78,659 |
| Retained distribution on accumulation shares | 6,810 | 11,918 |
| **Closing net assets attributable to shareholders** | 880,501 | 986,939 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

### Class 1 – Accumulation shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 1.0466).*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.4183 | – | 1.4183 | 2.8307 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 1.4183 | 1.4183 | 2.8307 |
| **Total distributions in the period** | | | **1.4183** | **2.8307** |

### Class D – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.3003 | – | 2.3003 | 4.6772 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 2.3003 | 2.3003 | 4.6772 |
| **Total distributions in the period** | | | **2.3003** | **4.6772** |

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

# Threadneedle European Fund

## DISTRIBUTION TABLE

*(continued)*

### Class L – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.9880 | – | 1.9880 | 2.9790 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.2689 | 1.7191 | 1.9880 | 2.9790 |
| **Total distributions in the period** | | | **1.9880** | **2.9790** |

### Class L – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.8636 | – | 2.8636 | 4.2315 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.6268 | 2.2368 | 2.8636 | 4.2315 |
| **Total distributions in the period** | | | **2.8636** | **4.2315** |

### Class L GBP – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.7710 | – | 1.7710 | 2.6551 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 1.7710 | 1.7710 | 2.6551 |
| **Total distributions in the period** | | | **1.7710** | **2.6551** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.2908 | – | 2.2908 | 2.9110 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 1.1311 | 1.1597 | 2.2908 | 2.9110 |
| **Total distributions in the period** | | | **2.2908** | **2.9110** |

### Class X2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 9.0774 | – | 9.0774 | 11.5353 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 2.2747 | 6.8027 | 9.0774 | 11.5353 |
| **Total distributions in the period** | | | **9.0774** | **11.5353** |

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

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.5731 | – | 1.5731 | 0.3165 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.5735 | 0.9996 | 1.5731 | 0.3165 |
| **Total distributions in the period** | | | **1.5731** | **0.3165** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.0304 | – | 1.0304 | 1.7836 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 1.0304 | 1.0304 | 1.7836 |
| **Total distributions in the period** | | | **1.0304** | **1.7836** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.3939 | – | 1.3939 | 2.3791 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.3326 | 1.0613 | 1.3939 | 2.3791 |
| **Total distributions in the period** | | | **1.3939** | **2.3791** |

*Group 2: shares purchased during a distribution period.*
**For launch dates, refer to the footnotes after the comparative tables.*

# Threadneedle European Fund

## Comparative Table Disclosure

| | Class 1 – Accumulation shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 242.17 | 223.73 | 227.50 | 276.50 | 253.95 | 256.75 |
| Return before operating charges (p) | 41.77 | 22.46 | (0.06) | 47.85 | 25.58 | (0.07) |
| Operating charges (p) | (4.27) | (4.02) | (3.71) | (3.20) | (3.03) | (2.73) |
| Return after operating charges (p)* | 37.50 | 18.44 | (3.77) | 44.65 | 22.55 | (2.80) |
| Distributions (p) | – | (1.05) | (1.87) | (1.42) | (2.83) | (3.59) |
| Retained distributions on accumulation shares (p) | – | 1.05 | 1.87 | 1.42 | 2.83 | 3.59 |
| Closing net asset value per share (p) | 279.67 | 242.17 | 223.73 | 321.15 | 276.50 | 253.95 |
| *after direct transaction costs of (p) | 0.41 | 0.56 | 0.28 | 0.47 | 0.65 | 0.31 |
| **Performance** | | | | | | |
| Return after charges (%) | 15.48 | 8.24 | (1.66) | 16.15 | 8.88 | (1.09) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 75,363 | 87,885 | 313,643 | 408,444 | 350,728 | 344,321 |
| Closing number of shares | 26,946,769 | 36,290,245 | 140,189,774 | 127,181,112 | 126,847,064 | 135,583,758 |
| Operating charges (%)** | 1.63 | 1.64 | 1.63 | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | 0.15 | 0.23 | 0.12 | 0.15 | 0.23 | 0.12 |
| **Prices** | | | | | | |
| Highest share price (p) | 295.33 | 272.38 | 246.95 | 338.82 | 310.90 | 279.48 |
| Lowest share price (p) | 189.23 | 222.04 | 204.62 | 216.08 | 252.04 | 232.00 |

| | Class D – Accumulation shares | | | Class L – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 463.82 | 426.06 | 430.82 | 197.72 | 183.51 | 188.20 |
| Return before operating charges (p) | 80.09 | 42.90 | (0.13) | 34.31 | 18.44 | (0.06) |
| Operating charges (p) | (5.27) | (5.14) | (4.63) | (1.32) | (1.25) | (1.15) |
| Return after operating charges (p)* | 74.82 | 37.76 | (4.76) | 32.99 | 17.19 | (1.21) |
| Distributions (p) | (2.30) | (4.68) | (5.95) | (1.99) | (2.98) | (3.48) |
| Retained distributions on accumulation shares (p) | 2.30 | 4.68 | 5.95 | – | – | – |
| Closing net asset value per share (p) | 538.64 | 463.82 | 426.06 | 228.72 | 197.72 | 183.51 |
| *after direct transaction costs of (p) | 0.77 | 1.09 | 0.53 | 0.34 | 0.46 | 0.23 |
| **Performance** | | | | | | |
| Return after charges (%) | 16.13 | 8.86 | (1.10) | 16.69 | 9.37 | (0.64) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 497 | 997 | 951 | 92 | 104 | 205 |
| Closing number of shares | 92,251 | 214,870 | 223,169 | 40,352 | 52,639 | 111,918 |
| Operating charges (%)** | 1.07 | 1.07 | 1.07 | 0.61 | 0.61 | 0.61 |
| Direct transaction costs (%)*** | 0.15 | 0.23 | 0.12 | 0.15 | 0.23 | 0.12 |
| **Prices** | | | | | | |
| Highest share price (p) | 568.29 | 521.52 | 468.92 | 243.21 | 225.63 | 205.30 |
| Lowest share price (p) | 362.47 | 422.85 | 389.24 | 154.53 | 182.10 | 170.67 |

# Threadneedle European Fund

## Comparative Table Disclosure

*(continued)*

| | Class L – Accumulation shares | | | Class L GBP – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 285.04 | 260.68 | 262.36 | 176.22 | 163.56 | 166.53 |
| Return before operating charges (p) | 49.43 | 26.15 | (0.07) | 30.59 | 16.45 | 1.22 |
| Operating charges (p) | (1.90) | (1.79) | (1.61) | (1.18) | (1.13) | (1.04) |
| Return after operating charges (p)* | 47.53 | 24.36 | (1.68) | 29.41 | 15.32 | 0.18 |
| Distributions (p) | (2.86) | (4.23) | (4.85) | (1.77) | (2.66) | (3.15) |
| Retained distributions on accumulation shares (p) | 2.86 | 4.23 | 4.85 | – | – | – |
| Closing net asset value per share (p) | 332.57 | 285.04 | 260.68 | 203.86 | 176.22 | 163.56 |
| *after direct transaction costs of (p) | 0.49 | 0.67 | 0.32 | 0.30 | 0.42 | 0.21 |
| **Performance** | | | | | | |
| Return after charges (%) | 16.67 | 9.34 | (0.64) | 16.69 | 9.37 | 0.11 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 1,621 | 1,482 | 1,573 | 474 | 360 | 383 |
| Closing number of shares | 487,544 | 519,784 | 603,578 | 232,278 | 204,457 | 234,420 |
| Operating charges (%)** | 0.61 | 0.61 | 0.61 | 0.61 | 0.61 | 0.61 |
| Direct transaction costs (%)*** | 0.15 | 0.23 | 0.12 | 0.15 | 0.23 | 0.12 |
| **Prices** | | | | | | |
| Highest share price (p) | 350.63 | 320.50 | 286.20 | 216.79 | 201.10 | 181.26 |
| Lowest share price (p) | 222.78 | 258.72 | 237.93 | 137.73 | 162.31 | 152.16 |

| | Class X – Accumulation shares | | | Class X2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 142.40 | 129.50 | 129.62 | 564.28 | 513.14 | 513.63 |
| Return before operating charges (p) | 24.76 | 12.99 | (0.04) | 98.07 | 51.48 | (0.18) |
| Operating charges (p) | (0.09) | (0.09) | (0.08) | (0.36) | (0.34) | (0.31) |
| Return after operating charges (p)* | 24.67 | 12.90 | (0.12) | 97.71 | 51.14 | (0.49) |
| Distributions (p) | (2.29) | (2.91) | (3.12) | (9.08) | (11.54) | (12.36) |
| Retained distributions on accumulation shares (p) | 2.29 | 2.91 | 3.12 | 9.08 | 11.54 | 12.36 |
| Closing net asset value per share (p) | 167.07 | 142.40 | 129.50 | 661.99 | 564.28 | 513.14 |
| *after direct transaction costs of (p) | 0.24 | 0.33 | 0.16 | 0.94 | 1.29 | 0.63 |
| **Performance** | | | | | | |
| Return after charges (%) | 17.32 | 9.96 | (0.09) | 17.32 | 9.97 | (0.10) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 115,914 | 303,748 | 210,531 | 14,565 | 43,655 | 179,035 |
| Closing number of shares | 69,382,657 | 213,300,518 | 162,578,165 | 2,200,213 | 7,736,439 | 34,889,972 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | 0.15 | 0.23 | 0.12 | 0.15 | 0.23 | 0.12 |
| **Prices** | | | | | | |
| Highest share price (p) | 175.99 | 160.05 | 141.77 | 697.36 | 634.22 | 561.76 |
| Lowest share price (p) | 111.32 | 128.52 | 118.06 | 441.10 | 509.29 | 467.84 |

# Threadneedle European Fund

## Comparative Table Disclosure

*(continued)*

| | Class X GBP Hedged – Gross accumulation shares[§] | | Class Z – Income shares | | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 100.18 | 100.00 | 146.36 | 135.84 | 139.31 |
| Return before operating charges (p) | 17.66 | 0.21 | 25.35 | 13.66 | (0.05) |
| Operating charges (p) | (0.06) | (0.03) | (1.41) | (1.36) | (1.23) |
| Return after operating charges (p)* | 17.60 | 0.18 | 23.94 | 12.30 | (1.28) |
| Distributions (p) | (1.57) | (0.32) | (1.03) | (1.78) | (2.19) |
| Retained distributions on accumulation shares (p) | 1.57 | 0.32 | – | – | – |
| Closing net asset value per share (p) | 117.78 | 100.18 | 169.27 | 146.36 | 135.84 |
| *after direct transaction costs of (p) | 0.17 | 0.25 | 0.25 | 0.35 | 0.17 |
| **Performance** | | | | | |
| Return after charges (%) | 17.57 | 0.18 | 16.36 | 9.05 | (0.92) |
| **Other information** | | | | | |
| Closing net asset value (£000) | 220,930 | 175,444 | 1,338 | 1,004 | 567 |
| Closing number of shares | 187,580,116 | 175,127,274 | 790,547 | 686,124 | 417,059 |
| Operating charges (%)** | 0.06 | 0.06[†] | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.15 | 0.23 | 0.15 | 0.23 | 0.12 |
| **Prices** | | | | | |
| Highest share price (p) | 122.46 | 117.11 | 179.62 | 166.58 | 151.76 |
| Lowest share price (p) | 74.71 | 99.88 | 114.38 | 134.80 | 126.05 |

| | Class Z – Accumulation shares | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 197.77 | 181.32 | 183.00 |
| Return before operating charges (p) | 34.26 | 18.25 | (0.06) |
| Operating charges (p) | (1.92) | (1.80) | (1.62) |
| Return after operating charges (p)* | 32.34 | 16.45 | (1.68) |
| Distributions (p) | (1.39) | (2.38) | (2.88) |
| Retained distributions on accumulation shares (p) | 1.39 | 2.38 | 2.88 |
| Closing net asset value per share (p) | 230.11 | 197.77 | 181.32 |
| *after direct transaction costs of (p) | 0.34 | 0.46 | 0.22 |
| **Performance** | | | |
| Return after charges (%) | 16.35 | 9.07 | (0.92) |
| **Other information** | | | |
| Closing net asset value (£000) | 41,263 | 21,532 | 19,640 |
| Closing number of shares | 17,931,454 | 10,887,328 | 10,831,823 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.15 | 0.23 | 0.12 |
| **Prices** | | | |
| Highest share price (p) | 242.71 | 222.35 | 199.36 |
| Lowest share price (p) | 154.56 | 179.95 | 165.58 |

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

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

[§] *Only available to eligible investors.*

[1] *Commenced 8 October 2019.*

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

# Threadneedle European Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 133,956 | 78,551 |
| Forward currency contracts | 4,331 | (1,439) |
| Other (losses)/gains | (61) | 74 |
| Transaction costs | (13) | (15) |
| Net capital gains | 138,213 | 77,171 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | – | 1,522 |
| Overseas dividends | 16,509 | 23,845 |
| Interest on short term investments | – | 1 |
| Bank interest | 541 | 45 |
| Total revenue | 17,050 | 25,413 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (5,359) | (6,214) |
| Registration fees | (420) | (502) |
| | (5,779) | (6,716) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (114) | (124) |
| Safe custody fees | (59) | (62) |
| | (173) | (186) |
| Other expenses: | | |
| Regulatory fees | (8) | (7) |
| Audit fees | (10) | (11) |
| | (18) | (18) |
| Total expenses* | (5,970) | (6,920) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (2) | (8) |
| Total interest payable and similar charges | (2) | (8) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (2,167) | (3,217) |
| Total current tax (note 6b) | (2,167) | (3,217) |
| Total tax charge for the period | (2,167) | (3,217) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 11,078 | 18,485 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (2,216) | (3,697) |
| Effects of: | | |
| Revenue not subject to taxation | 3,158 | 5,055 |
| Overseas taxes | (2,167) | (3,217) |
| Excess expenses* | (935) | (1,175) |
| Conversion transfer from capital* | (7) | (183) |
| Current tax charge for period (note 6a) | (2,167) | (3,217) |

**For details on restatement please refer to note 18.*

The fund has not recognised a deferred tax asset of £14,589,354 (2020: £13,654,111) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 6,823 | 11,937 |
| | 6,823 | 11,937 |
| Add: Revenue deducted on the cancellation of shares* | 3,095 | 3,319 |
| Deduct: Revenue received on the creation of shares* | (887) | (1,476) |
| Net distribution for the period | 9,031 | 13,780 |
| Net revenue after taxation | 8,911 | 15,268 |
| Equalisation on conversion* | 36 | (1,488) |
| Shortfall transfer from capital to revenue | 84 | – |
| Total distributions | 9,031 | 13,780 |

**For details on restatement please refer to note 18.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 89 to 90.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 876 | 4,987 |
| Sales awaiting settlement | 21,078 | 5,777 |
| Accrued revenue | 426 | 173 |
| Foreign withholding tax recoverable | 2,782 | 3,034 |
| Total debtors | 25,162 | 13,971 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | – | 6,660 |
| Cash and bank balances | 27,361 | 3,714 |
| Total cash and bank balances | 27,361 | 10,374 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (30,103) | (679) |
| Purchases awaiting settlement | (18,825) | – |
| Accrued expenses | (24) | (27) |
| Amounts payable to ACD | (587) | (579) |
| Corporation tax payable | (77) | (76) |
| Total other creditors | (49,616) | (1,361) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle European Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.50% |
| Class 2 shares | 1.00% |
| Class D shares | 0.90% |
| Class L shares | 0.55% |
| Class X shares | N/A* |
| Class X2 shares | N/A* |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class D shares | 0.150% |
| Class L shares | 0.035% |
| Class X shares | 0.035% |
| Class X2 shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 91 to 93. The distribution per share class is given in the distribution table on pages 89 to 90.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Accumulation shares** | |
| Opening shares | 36,290,245 |
| Shares issued | 3,025,468 |
| Shares redeemed | (6,238,214) |
| Net conversions | (6,130,730) |
| Closing shares | 26,946,769 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 126,847,064 |
| Shares issued | 23,320,748 |
| Shares redeemed | (22,986,700) |
| Net conversions | – |
| Closing shares | 127,181,112 |
| **Class D – Accumulation shares** | |
| Opening shares | 214,870 |
| Shares issued | 1,349 |
| Shares redeemed | (7,874) |
| Net conversions | (116,094) |
| Closing shares | 92,251 |
| **Class L – Income shares** | |
| Opening shares | 52,639 |
| Shares issued | 4,133 |
| Shares redeemed | (16,420) |
| Net conversions | – |
| Closing shares | 40,352 |
| **Class L – Accumulation shares** | |
| Opening shares | 519,784 |
| Shares issued | 3,965 |
| Shares redeemed | (36,205) |
| Net conversions | – |
| Closing shares | 487,544 |
| **Class L GBP – Income shares** | |
| Opening shares | 204,457 |
| Shares issued | 27,821 |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 232,278 |

| | 2021 |
|---|---|
| **Class X – Accumulation shares** | |
| Opening shares | 213,300,518 |
| Shares issued | 3,434,127 |
| Shares redeemed | (147,351,988) |
| Net conversions | – |
| Closing shares | 69,382,657 |
| **Class X2 – Accumulation shares** | |
| Opening shares | 7,736,439 |
| Shares issued | 2,585,212 |
| Shares redeemed | (2,034,822) |
| Net conversions | (6,086,616) |
| Closing shares | 2,200,213 |
| **Class X GBP Hedged – Gross accumulation shares** | |
| Opening shares | 175,127,274 |
| Shares issued | 33,461,000 |
| Shares redeemed | (56,627,991) |
| Net conversions | 35,619,833 |
| Closing shares | 187,580,116 |
| **Class Z – Income shares** | |
| Opening shares | 686,124 |
| Shares issued | 265,772 |
| Shares redeemed | (161,349) |
| Net conversions | – |
| Closing shares | 790,547 |
| **Class Z – Accumulation shares** | |
| Opening shares | 10,887,328 |
| Shares issued | 1,269,174 |
| Shares redeemed | (1,984,689) |
| Net conversions | 7,759,641 |
| Closing shares | 17,931,454 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.09% and vice versa (2020: 5.08%).

**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 2021** | **£000** |
| Danish Krone | 37,278 |
| Euro | 464,106 |
| Norwegian Krone | 22,525 |
| Swedish Krona | 46,407 |
| Swiss Franc | 82,995 |
| US Dollar | 80 |
| **Currency 2020** | **£000** |
| Danish Krone | 48,766 |
| Euro | 481,852 |
| Norwegian Krone | 21,108 |
| Swedish Krona | 59,339 |
| Swiss Franc | 166,215 |
| US Dollar | 236 |

**Currency sensitivity analysis**

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

# Threadneedle European Fund

## Notes to the financial statements

*(continued)*

| Currency 2021 | Currency movement % | Fund movement % |
|---|---|---|
| Euro | 1.08 | 0.57 |

| Currency 2020 | Currency movement % | Fund movement % |
|---|---|---|
| Euro | 1.19 | 0.58 |
| Swiss Franc | 7.83 | 1.32 |

**Credit/Counterparty exposure**

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

| 2021 Counterparty | Forward Foreign Exchange Contracts Exposure £000 | Collateral Pledged £000 |
|---|---|---|
| J.P. Morgan | 552 | – |

| 2020 Counterparty | Forward Foreign Exchange Contracts Exposure £000 | Collateral Pledged £000 |
|---|---|---|
| J.P. Morgan | – | 6,660 |
| Lloyds | 1 | – |

The fund held £480,000 (2020: £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 7 March was:

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | 52,566 | 52,566 |
| Euro | – | – | 721,657 | 721,657 |
| Norwegian Krone | 905 | – | 21,620 | 22,525 |
| Swedish Krona | – | – | 46,407 | 46,407 |
| Swiss Franc | – | – | 82,995 | 82,995 |
| UK Sterling | 26,456 | 3,016 | 259,861 | 289,333 |
| US Dollar | – | – | 80 | 80 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | 48,766 | 48,766 |
| Euro | 170 | – | 695,179 | 695,349 |
| Norwegian Krone | – | – | 21,108 | 21,108 |
| Swedish Krona | – | – | 59,339 | 59,339 |
| Swiss Franc | 670 | – | 165,545 | 166,215 |
| UK Sterling | 9,534 | 11,207 | 210,864 | 231,605 |
| US Dollar | – | – | 236 | 236 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | (15,288) | (15,288) |
| Euro | – | – | (257,551) | (257,551) |
| UK Sterling | – | – | (62,223) | (62,223) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (213,497) | (213,497) |
| UK Sterling | – | – | (22,182) | (22,182) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £560,000 (2020: £525,000) and a liability value of £7,000 (2020: £7,625,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 877,054 | – | 971,074 | – |
| Level 2 | 560 | (7) | 525 | (7,625) |
| | 877,614 | (7) | 971,599 | (7,625) |

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 687,883 | 413 | 0.06 | 591 | 0.09 |
| Collective investment schemes | 180,009 | – | – | – | – |
| Corporate actions | 1,381 | – | – | – | – |
| **Total** | 869,273 | 413 | | 591 | |
| **Gross purchases total:** | 870,277 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 909,952 | 478 | 0.05 | – | – |
| Collective investment schemes | 188,200 | – | – | – | – |
| Corporate actions | 533 | – | – | – | – |
| **Total** | 1,098,685 | 478 | | – | |
| **Total sales net of transaction costs:** | 1,098,207 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.09% |
| Taxes: | 0.06% |

# Threadneedle European Fund

## Notes to the financial statements

*(continued)*

**7 March 2020**

| Purchases | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 970,183 | 583 | 0.06 | 1,141 | 0.12 |
| Collective investment schemes | 102,517 | – | – | – | – |
| Corporate actions | 5,145 | – | – | – | – |
| **Total** | 1,077,845 | 583 | | 1,141 | |
| **Gross purchases total:** | 1,079,569 | | | | |

| Sales | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 1,158,835 | 625 | 0.05 | 1 | 0.00 |
| Collective investment schemes | 91,310 | – | – | – | – |
| **Total** | 1,250,145 | 625 | | 1 | |
| **Total sales net of transaction costs:** | 1,249,519 | | | | |

| **Transaction costs as a percentage of average Net Assets** | |
|---|---|
| Commissions: | 0.12% |
| Taxes: | 0.11% |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.09% (7 March 2020: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (12,867) | (913) | (13,780) |
| **Net impact** | | (913) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 391,037 | (215,398) | 175,639 |
| Amounts payable on the cancellation of shares | (566,437) | 216,311 | (350,126) |
| | (175,400) | 913 | (174,487) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 79,572 | (913) | 78,659 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (1,358) | 183 | (1,175) |
| Conversion transfer from capital | – | (183) | (183) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 5,490 | (2,171) | 3,319 |
| Deduct: Revenue received on the creation of shares | (4,560) | 3,084 | (1,476) |
| **Net impact** | | 913 | |
| Equalisation on conversion | (2,401) | 913 | (1,488) |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 28 June 2021 as a percentage of the closing NAV for share classes with significant movements. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 2 – Accumulation shares | (12.80) |
| Class L – Income shares | (24.24) |
| Class X2 – Accumulation shares | (13.01) |
| Class X GBP Hedged – Gross accumulation shares | (16.40) |

# Threadneedle European Select Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the FTSE World Europe ex UK Index.

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle European Select Fund has risen from 320.52p to 374.84p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +20.10% as compared to a median return of +15.43% over the same period. (For information the FTSE World Europe ex UK Index returned +14.44% over the same period).

### Market Overview and Portfolio Activity

The year was dominated by concerns over the repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments.

Equities rallied from a sharp slump as optimism grew that these support measures would eventually reignite growth. Vaccine rollouts later provided grounds for optimism that the virus could be curbed, although mutant strains emerged, which will require additional research.

The pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter of 2020. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly. Later, signs emerged that economies were recovering, although progress was interrupted by fresh lockdowns as the virus flared up again, and new variants surfaced. Meanwhile, many companies withdrew earnings guidance and cut dividends.

Stimulus measures included a €750 billion EU pandemic recovery fund, to be financed by joint borrowing for the first time ever. In the US, the newly elected President Biden proposed a $1.9 trillion support package. The US Federal Reserve is currently sanguine that the economy will not overheat, but bond yields spiked higher in early 2021 as inflationary expectations mounted. While the surge in yields boosted financial stocks, it also generated bouts of weakness in the technology sector. Inflationary concerns were echoed in Europe too.

New holdings included Siemens Healthineers, STMicroelectronics and Zalando. Siemens Healthineers is a world-leading hospital technology business; barriers to entry are high, which is likely to sustain market share and pricing, and there are encouraging opportunities in diagnostics. STMicroelectronics is a specialist in microprocessors and sensors used in auto and consumer electronics. Restructuring in recent years has focused on niches (where the firm has high market share) and manufacturing, with a likely boost to future margins, growth and returns. Zalando has a fast-growing European platform for online retail – scale gives substantial advantages and enables high and sustainable margins.

Sales included RELX (information and analytics); much of the company's business has been resilient, but the exhibitions division is suffering heavily owing to the virus-related lockdowns.

The potential for a post-virus recovery is building confidence, though some sectors will be under strain for years to come, and inflationary pressures may surface. COVID-19 still dominates sentiment; the second wave has meant a return of lockdowns and travel restrictions, although successful vaccination programmes should mean the worst is over by the summer.

A fraught end to the US election left the Democrats with tentative control of the Senate as well as the House and the presidency – so a return to Obama-like policies should follow. Markets will take heart as this means fiscal and monetary policy aimed at stimulating growth, which should be mirrored in Europe too. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Brexit is at last agreed, which should be well received. Negotiations were bad-tempered and some practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

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

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 251,481 | 161,132 |
| Revenue | 3 | 23,457 | 33,469 |
| Expenses | 4 | (15,808) | (15,517) |
| Interest payable and similar charges | 5 | (31) | (46) |
| Net revenue before taxation | | 7,618 | 17,906 |
| Taxation | 6 | (2,785) | (4,793) |
| Net revenue after taxation | | 4,833 | 13,113 |
| **Total return before distributions** | | 256,314 | 174,245 |
| Distributions** | 7 | (5,902) | (13,192) |
| **Change in net assets attributable to shareholders from investment activities** | | 250,412 | 161,053 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 1,655,933 | 1,548,295 |
| **Current assets:** | | | |
| Debtors | 8 | 14,974 | 5,767 |
| Cash and bank balances | 9 | 3,806 | 320 |
| Cash equivalents*** | | 12,218 | 34,198 |
| Total assets | | 1,686,931 | 1,588,580 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (2) | (336) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (631) | – |
| Distribution payable | | (688) | (1,760) |
| Other creditors | 10 | (16,055) | (3,424) |
| Total liabilities | | (17,376) | (5,520) |
| **Net assets attributable to shareholders** | | 1,669,555 | 1,583,060 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 1,583,060 | 1,527,014 |
| Amounts receivable on the issue of shares** | 125,962 | 115,681 |
| Amounts payable on the cancellation of shares** | (294,404) | (231,432) |
| | (168,442) | (115,751) |
| Dilution adjustment | 40 | 47 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 250,412 | 161,053 |
| Retained distribution on accumulation shares | 4,485 | 10,697 |
| **Closing net assets attributable to shareholders** | 1,669,555 | 1,583,060 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.1703).*

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.3937).*

**Class 2 – Income shares**

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.3191 | – | 0.3191 | 1.3761 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.3191 | 0.3191 | 1.3761 |
| **Total distributions in the period** | | | **0.3191** | **1.3761** |

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

# Threadneedle European Select Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.5724 | – | 0.5724 | 2.4728 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.5724 | 0.5724 | 2.4728 |
| **Total distributions in the period** | | | **0.5724** | **2.4728** |

### Class 2 USD Hedged – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.3632 | – | 0.3632 | 1.1135 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.3632 | 0.3632 | 1.1135 |
| **Total distributions in the period** | | | **0.3632** | **1.1135** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.9659 | – | 1.9659 | 2.5741 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.0534 | 1.9125 | 1.9659 | 2.5741 |
| **Total distributions in the period** | | | **1.9659** | **2.5741** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.6968 | – | 0.6968 | 1.4949 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.6968 | 0.6968 | 1.4949 |
| **Total distributions in the period** | | | **0.6968** | **1.4949** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.9088 | – | 0.9088 | 1.9319 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.9088 | 0.9088 | 1.9319 |
| **Total distributions in the period** | | | **0.9088** | **1.9319** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle European Select Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 EUR – Income shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 136.76 | 123.25 | 126.83 | 132.95 |
| Return before operating charges (p) | 23.85 | 15.92 | (0.88) | (9.75) |
| Operating charges (p) | (2.44) | (2.24) | (2.07) | (0.70) |
| Return after operating charges (p)* | 21.41 | 13.68 | (2.95) | (10.45) |
| Distributions (p) | – | (0.17) | (0.63) | (0.97) |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 158.17 | 136.76 | 123.25 | 121.53 |
| *after direct transaction costs of (p) | 0.14 | 0.14 | 0.07 | 0.04 |
| **Performance** | | | | |
| Return after charges (%) | 15.66 | 11.10 | (2.33) | (7.86) |
| **Other information** | | | | |
| Closing net asset value (£000) | 360 | 433 | 347 | – |
| Closing number of shares | 227,584 | 316,472 | 281,501 | – |
| Operating charges (%)** | 1.60 | 1.60 | 1.62 | – |
| Direct transaction costs (%)*** | 0.09 | 0.10 | 0.06 | – |
| **Prices** | | | | |
| Highest share price (p) | 171.75 | 151.51 | 138.89 | 138.89 |
| Lowest share price (p) | 110.56 | 122.28 | 114.20 | 119.08 |

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 320.42 | 288.40 | 295.27 | 309.51 |
| Return before operating charges (p) | 55.88 | 37.24 | (2.10) | (24.96) |
| Operating charges (p) | (5.72) | (5.22) | (4.77) | (1.64) |
| Return after operating charges (p)* | 50.16 | 32.02 | (6.87) | (26.60) |
| Distributions (p) | – | (0.39) | (1.47) | (2.26) |
| Retained distributions on accumulation shares (p) | – | 0.39 | 1.47 | 2.26 |
| Closing net asset value per share (p) | 370.58 | 320.42 | 288.40 | 282.91 |
| *after direct transaction costs of (p) | 0.32 | 0.33 | 0.17 | 0.08 |
| **Performance** | | | | |
| Return after charges (%) | 15.65 | 11.10 | (2.33) | (8.59) |
| **Other information** | | | | |
| Closing net asset value (£000) | 201,491 | 247,767 | 266,743 | – |
| Closing number of shares | 54,371,743 | 77,326,044 | 92,488,996 | – |
| Operating charges (%)** | 1.60 | 1.60 | 1.61 | – |
| Direct transaction costs (%)*** | 0.09 | 0.10 | 0.06 | – |
| **Prices** | | | | |
| Highest share price (p) | 402.40 | 354.52 | 323.33 | 323.33 |
| Lowest share price (p) | 259.04 | 286.13 | 265.85 | 277.23 |

# Threadneedle European Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class 1 USD – Accumulation shares 09/11/2018[1] | Class 1 SGD Hedged – Accumulation shares 09/11/2018[2] |
|---|---|---|
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 309.51 | 165.60 |
| Return before operating charges (p) | (24.96) | 4.00 |
| Operating charges (p) | (1.64) | (1.89) |
| Return after operating charges (p)* | (26.60) | 2.11 |
| Distributions (p) | (2.26) | (1.28) |
| Retained distributions on accumulation shares (p) | 2.26 | 1.28 |
| Closing net asset value per share (p) | 282.91 | 167.71 |
| *after direct transaction costs of (p) | 0.08 | 0.09 |
| **Performance** | | |
| Return after charges (%) | (8.59) | 1.27 |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 323.33 | 187.16 |
| Lowest share price (p) | 277.23 | 161.68 |

| | Class 1 USD Hedged – Accumulation shares 09/11/2018[2] | Class 2 – Income shares 07/03/2021 | 07/03/2020 | 07/03/2019 |
|---|---|---|---|---|
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 136.89 | 203.65 | 183.54 | 188.89 |
| Return before operating charges (p) | 10.67 | 35.57 | 23.70 | (1.37) |
| Operating charges (p) | (1.61) | (2.39) | (2.21) | (2.01) |
| Return after operating charges (p)* | 9.06 | 33.18 | 21.49 | (3.38) |
| Distributions (p) | (1.05) | (0.32) | (1.38) | (1.97) |
| Retained distributions on accumulation shares (p) | 1.05 | – | – | – |
| Closing net asset value per share (p) | 145.95 | 236.51 | 203.65 | 183.54 |
| *after direct transaction costs of (p) | 0.08 | 0.21 | 0.21 | 0.11 |
| **Performance** | | | | |
| Return after charges (%) | 6.62 | 16.29 | 11.71 | (1.79) |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 822 | 962 | 1,233 |
| Closing number of shares | – | 347,446 | 472,420 | 671,722 |
| Operating charges (%)** | – | 1.05 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | – | 0.09 | 0.10 | 0.06 |
| **Prices** | | | | |
| Highest share price (p) | 160.91 | 256.95 | 226.68 | 207.38 |
| Lowest share price (p) | 133.26 | 164.66 | 182.10 | 170.82 |

# Threadneedle European Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 EUR – Income shares | Class 2 – Accumulation shares | | |
|---|---|---|---|---|
| | 09/11/2018[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 198.30 | 365.35 | 327.03 | 333.00 |
| Return before operating charges (p) | (13.78) | 63.83 | 42.26 | (2.42) |
| Operating charges (p) | (0.70) | (4.31) | (3.94) | (3.55) |
| Return after operating charges (p)* | (14.48) | 59.52 | 38.32 | (5.97) |
| Distributions (p) | (2.16) | (0.57) | (2.47) | (3.47) |
| Retained distributions on accumulation shares (p) | – | 0.57 | 2.47 | 3.47 |
| Closing net asset value per share (p) | 181.66 | 424.87 | 365.35 | 327.03 |
| *after direct transaction costs of (p) | 0.05 | 0.37 | 0.37 | 0.20 |
| **Performance** | | | | |
| Return after charges (%) | (7.30) | 16.29 | 11.72 | (1.79) |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 206,081 | 193,003 | 195,428 |
| Closing number of shares | – | 48,504,932 | 52,827,073 | 59,757,401 |
| Operating charges (%)** | – | 1.05 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | – | 0.09 | 0.10 | 0.06 |
| **Prices** | | | | |
| Highest share price (p) | 207.38 | 460.96 | 403.90 | 365.60 |
| Lowest share price (p) | 177.97 | 295.41 | 324.46 | 301.13 |

| | Class 2 EUR – Accumulation shares | Class 2 USD Hedged – Accumulation shares | | |
|---|---|---|---|---|
| | 09/11/2018[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 349.58 | 176.92 | 154.61 | 139.61 |
| Return before operating charges (p) | (28.10) | 22.44 | 24.22 | 16.60 |
| Operating charges (p) | (1.23) | (2.03) | (1.91) | (1.60) |
| Return after operating charges (p)* | (29.33) | 20.41 | 22.31 | 15.00 |
| Distributions (p) | (3.81) | (0.36) | (1.11) | (1.45) |
| Retained distributions on accumulation shares (p) | 3.81 | 0.36 | 1.11 | 1.45 |
| Closing net asset value per share (p) | 320.25 | 197.33 | 176.92 | 154.61 |
| *after direct transaction costs of (p) | 0.09 | 0.17 | 0.18 | 0.09 |
| **Performance** | | | | |
| Return after charges (%) | (8.39) | 11.54 | 14.43 | 10.74 |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 3,549 | 6,287 | 15,308 |
| Closing number of shares | – | 1,798,466 | 3,554,014 | 9,901,087 |
| Operating charges (%)** | – | 1.05 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | – | 0.09 | 0.10 | 0.06 |
| **Prices** | | | | |
| Highest share price (p) | 365.60 | 209.75 | 204.57 | 164.57 |
| Lowest share price (p) | 313.74 | 144.79 | 154.67 | 135.99 |

# Threadneedle European Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class X – Accumulation shares | | | Class Z – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 152.98 | 135.59 | 136.69 | 163.88 | 147.71 | 152.02 |
| Return before operating charges (p) | 26.80 | 17.48 | (1.02) | 28.65 | 19.06 | (1.11) |
| Operating charges (p) | (0.09) | (0.09) | (0.08) | (1.49) | (1.40) | (1.27) |
| Return after operating charges (p)* | 26.71 | 17.39 | (1.10) | 27.16 | 17.66 | (2.38) |
| Distributions (p) | (1.97) | (2.57) | (2.80) | (0.70) | (1.49) | (1.93) |
| Retained distributions on accumulation shares (p) | 1.97 | 2.57 | 2.80 | – | – | – |
| Closing net asset value per share (p) | 179.69 | 152.98 | 135.59 | 190.34 | 163.88 | 147.71 |
| *after direct transaction costs of (p) | 0.15 | 0.15 | 0.08 | 0.17 | 0.17 | 0.09 |
| **Performance** | | | | | | |
| Return after charges (%) | 17.46 | 12.83 | (0.80) | 16.57 | 11.96 | (1.57) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 40,928 | 67,644 | 106,330 | 187,750 | 192,153 | 142,693 |
| Closing number of shares | 22,776,848 | 44,216,778 | 78,419,864 | 98,639,630 | 117,252,943 | 96,604,604 |
| Operating charges (%)** | 0.05 | 0.06 | 0.06 | 0.81 | 0.83 | 0.83 |
| Direct transaction costs (%)*** | 0.09 | 0.10 | 0.06 | 0.09 | 0.10 | 0.06 |
| **Prices** | | | | | | |
| Highest share price (p) | 194.67 | 168.91 | 150.79 | 207.18 | 182.78 | 167.08 |
| Lowest share price (p) | 123.73 | 134.53 | 124.60 | 132.51 | 146.55 | 137.72 |

| | Class Z – Accumulation shares | | | Class Z EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 213.70 | 190.87 | 193.92 | 203.70 |
| Return before operating charges (p) | 37.35 | 24.63 | (1.43) | (16.37) |
| Operating charges (p) | (1.95) | (1.80) | (1.62) | (0.56) |
| Return after operating charges (p)* | 35.40 | 22.83 | (3.05) | (16.93) |
| Distributions (p) | (0.91) | (1.93) | (2.46) | (2.53) |
| Retained distributions on accumulation shares (p) | 0.91 | 1.93 | 2.46 | 2.53 |
| Closing net asset value per share (p) | 249.10 | 213.70 | 190.87 | 186.77 |
| *after direct transaction costs of (p) | 0.22 | 0.22 | 0.11 | 0.05 |
| **Performance** | | | | |
| Return after charges (%) | 16.57 | 11.96 | (1.57) | (8.31) |
| **Other information** | | | | |
| Closing net asset value (£000) | 1,028,574 | 874,811 | 798,932 | – |
| Closing number of shares | 412,913,280 | 409,368,215 | 418,570,008 | – |
| Operating charges (%)** | 0.81 | 0.83 | 0.83 | – |
| Direct transaction costs (%)*** | 0.09 | 0.10 | 0.06 | – |
| **Prices** | | | | |
| Highest share price (p) | 270.16 | 236.19 | 213.13 | 213.13 |
| Lowest share price (p) | 172.80 | 189.37 | 175.68 | 182.96 |

# Threadneedle European Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z USD – Accumulation shares |
|---|---|
| | 09/11/2018[1] |
| **Change in net assets per share** | |
| Opening net asset value per share (p) | 203.70 |
| Return before operating charges (p) | (16.37) |
| Operating charges (p) | (0.56) |
| Return after operating charges (p)* | (16.93) |
| Distributions (p) | (2.53) |
| Retained distributions on accumulation shares (p) | 2.53 |
| Closing net asset value per share (p) | 186.77 |
| *after direct transaction costs of (p) | 0.05 |
| **Performance** | |
| Return after charges (%) | (8.31) |
| **Other information** | |
| Closing net asset value (£000) | – |
| Closing number of shares | – |
| Operating charges (%)** | – |
| Direct transaction costs (%)*** | – |
| **Prices** | |
| Highest share price (p) | 213.13 |
| Lowest share price (p) | 182.96 |

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

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

[1] *Commenced 15 June 2018 and closed 9 November 2018.*

[2] *Closed 9 November 2018.*

# Threadneedle European Select Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 251,934 | 162,133 |
| Forward currency contracts | (386) | (871) |
| Other losses | (64) | (127) |
| Transaction costs | (3) | (3) |
| Net capital gains | 251,481 | 161,132 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 22,631 | 33,467 |
| Bank interest | 826 | 2 |
| Total revenue | 23,457 | 33,469 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (14,688) | (14,216) |
| Registration fees | (800) | (958) |
| | (15,488) | (15,174) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (205) | (195) |
| Safe custody fees | (101) | (88) |
| Revenue collection expenses | – | (46) |
| | (306) | (329) |
| Other expenses: | | |
| Regulatory fees | (5) | (5) |
| Audit fees | (9) | (9) |
| | (14) | (14) |
| Total expenses* | (15,808) | (15,517) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (31) | (46) |
| Total interest payable and similar charges | (31) | (46) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (2,785) | (4,793) |
| Total current tax (note 6b) | (2,785) | (4,793) |
| Total tax charge for the period | (2,785) | (4,793) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 7,618 | 17,906 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (1,524) | (3,581) |
| Effects of: | | |
| Revenue not subject to taxation | 4,312 | 6,650 |
| Overseas taxes | (2,785) | (4,793) |
| Excess expenses* | (2,753) | (3,053) |
| Conversion transfer from capital* | (35) | (16) |
| Current tax charge for period (note 6a) | (2,785) | (4,793) |

**For details on restatement please refer to note 18.*

The fund has not recognised a deferred tax asset of £27,199,372 (2020: £24,446,068) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 5,173 | 12,457 |
| | 5,173 | 12,457 |
| Add: Revenue deducted on the cancellation of shares* | 1,232 | 1,707 |
| Deduct: Revenue received on the creation of shares* | (503) | (972) |
| Net distribution for the period | 5,902 | 13,192 |
| Net revenue after taxation | 4,833 | 13,113 |
| Equalisation on conversion* | 176 | 79 |
| Shortfall transfer from capital to revenue | 893 | – |
| Total distributions | 5,902 | 13,192 |

**For details on restatement please refer to note 18.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 98 to 99.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 2,277 | 1,017 |
| Sales awaiting settlement | 8,107 | – |
| Accrued revenue | 376 | 243 |
| Foreign withholding tax recoverable | 4,214 | 4,507 |
| Total debtors | 14,974 | 5,767 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 26 | 218 |
| Cash and bank balances | 3,780 | 102 |
| | 3,806 | 320 |
| Bank overdrafts | (631) | – |
| Total cash and bank balances | 3,175 | 320 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (2,427) | (1,837) |
| Purchases awaiting settlement | (12,083) | – |
| Accrued expenses | (36) | (35) |
| Amounts payable to ACD | (1,509) | (1,552) |
| Total other creditors | (16,055) | (3,424) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle European Select Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.50% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 1 shares | 0.080% |
| Class 2 shares | 0.030% |
| Class X shares | 0.030% |
| Class Z shares | 0.030% |

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 100 to 104. The distribution per share class is given in the distribution table on pages 98 to 99.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 316,472 |
| Shares issued | 2,693 |
| Shares redeemed | (13,127) |
| Net conversions | (78,454) |
| Closing shares | 227,584 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 77,326,044 |
| Shares issued | 2,964,226 |
| Shares redeemed | (5,088,369) |
| Net conversions | (20,830,158) |
| Closing shares | 54,371,743 |
| **Class 2 – Income shares** | |
| Opening shares | 472,420 |
| Shares issued | 4,074 |
| Shares redeemed | (129,048) |
| Net conversions | – |
| Closing shares | 347,446 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 52,827,073 |
| Shares issued | 6,263,153 |
| Shares redeemed | (8,741,244) |
| Net conversions | (1,844,050) |
| Closing shares | 48,504,932 |
| **Class 2 USD Hedged – Accumulation shares** | |
| Opening shares | 3,554,014 |
| Shares issued | 319,755 |
| Shares redeemed | (2,075,303) |
| Net conversions | – |
| Closing shares | 1,798,466 |
| **Class X – Accumulation shares** | |
| Opening shares | 44,216,778 |
| Shares issued | 547,035 |
| Shares redeemed | (21,986,965) |
| Net conversions | – |
| Closing shares | 22,776,848 |
| **Class Z – Income shares** | |
| Opening shares | 117,252,943 |
| Shares issued | 8,981,137 |
| Shares redeemed | (27,866,543) |
| Net conversions | 272,093 |
| Closing shares | 98,639,630 |

| | 2021 |
|---|---|
| **Class Z – Accumulation shares** | |
| Opening shares | 409,368,215 |
| Shares issued | 30,564,864 |
| Shares redeemed | (61,133,445) |
| Net conversions | 34,113,646 |
| Closing shares | 412,913,280 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.54% and vice versa (2020: 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 |
|---|---|
| **Currency 2021** | **£000** |
| Danish Krone | 111,685 |
| Euro | 1,188,866 |
| Swedish Krona | 99,844 |
| Swiss Franc | 263,117 |
| US Dollar | 3,495 |
| **Currency 2020** | **£000** |
| Danish Krone | 107,291 |
| Euro | 1,142,865 |
| Swedish Krona | 83,478 |
| Swiss Franc | 211,826 |
| US Dollar | 41,424 |

**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 2021** | **%** | **%** |
| Euro | 1.08 | 0.77 |
| Swiss Franc | 5.80 | 0.91 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | **%** | **%** |
| Euro | 1.19 | 0.86 |
| Swiss Franc | 7.83 | 1.05 |

**Credit/Counterparty exposure**

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

| **2021** | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| J.P. Morgan | 62 | 26 |

| **2020** | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| J.P. Morgan | – | 218 |
| Lloyds | 1 | – |

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

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Interest rate risk**

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

# Threadneedle European Select Fund

## Notes to the financial statements

*(continued)*

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | 122,709 | 122,709 |
| Euro | 3,806 | 12,218 | 1,176,542 | 1,192,566 |
| Swedish Krona | – | – | 99,844 | 99,844 |
| Swiss Franc | – | – | 263,117 | 263,117 |
| UK Sterling | – | – | 8,897 | 8,897 |
| US Dollar | – | – | 3,683 | 3,683 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | 107,291 | 107,291 |
| Euro | 250 | – | 1,150,830 | 1,151,080 |
| Swedish Krona | – | – | 83,478 | 83,478 |
| Swiss Franc | – | – | 211,826 | 211,826 |
| UK Sterling | 70 | – | 1,566 | 1,636 |
| US Dollar | – | – | 42,125 | 42,125 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | (11,024) | (11,024) |
| Euro | – | – | (3,700) | (3,700) |
| UK Sterling | (631) | – | (5,718) | (6,349) |
| US Dollar | – | – | (188) | (188) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (8,215) | (8,215) |
| UK Sterling | – | – | (5,460) | (5,460) |
| US Dollar | – | – | (701) | (701) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £64,000 (2020: £29,000) and a liability value of £2,000 (2020: £336,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 1,668,087 | – | 1,582,464 | – |
| Level 2 | 64 | (2) | 29 | (336) |
| | 1,668,151 | (2) | 1,582,493 | (336) |

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 728,582 | 465 | 0.06 | 515 | 0.07 |
| Collective investment schemes | 109,569 | – | – | – | – |
| **Total** | 838,151 | 465 | | 515 | |
| **Gross purchases total:** | 839,131 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 876,521 | 571 | 0.07 | 1 | – |
| Collective investment schemes | 131,682 | – | – | – | – |
| Corporate actions | 876 | – | – | – | – |
| **Total** | 1,009,079 | 571 | | 1 | |
| **Total sales net of transaction costs:** | 1,008,507 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.06% |
| Taxes: | 0.03% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 649,992 | 409 | 0.06 | 727 | 0.11 |
| Collective investment schemes | 170,732 | – | – | – | – |
| Corporate actions | 8,288 | – | – | – | – |
| **Total** | 829,012 | 409 | | 727 | |
| **Gross purchases total:** | 830,148 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 779,386 | 495 | 0.06 | 1 | 0.00 |
| Collective investment schemes | 136,502 | – | – | – | – |
| **Total** | 915,888 | 495 | | 1 | |
| **Total sales net of transaction costs:** | 915,392 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.06% |
| Taxes: | 0.04% |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (7 March 2020: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

# Threadneedle European Select Fund

## Notes to the financial statements

*(continued)*

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (13,123) | (69) | (13,192) |
| **Net impact** | | (69) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 132,400 | (16,719) | 115,681 |
| Amounts payable on the cancellation of shares | (248,220) | 16,788 | (231,432) |
| | (115,820) | 69 | (115,751) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 161,122 | (69) | 161,053 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (3,067) | 14 | (3,053) |
| Conversion transfer from capital | (2) | (14) | (16) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,842 | (135) | 1,707 |
| Deduct: Revenue received on the creation of shares | (1,176) | 204 | (972) |
| **Net impact** | | 69 | |
| Equalisation on conversion | 10 | 69 | 79 |

# Threadneedle European Smaller Companies Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle European Smaller Companies Fund has risen from 852.89p to 1,104.41p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +30.86% as compared to a median return of +31.56% over the same period. (For information the EMIX Smaller European Companies Ex UK Index returned +28.99% over the same period).

### Market Overview and Portfolio Activity

The year was dominated by concerns over the repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments.

Equities rallied from a sharp slump as optimism grew that these support measures would eventually reignite growth. Vaccine rollouts later provided grounds for optimism that the virus could be curbed, although mutant strains emerged, which will require additional research.

The pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter of 2020. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly. Later, signs emerged that economies were recovering, although progress was interrupted by fresh lockdowns as the virus flared up again, and new variants surfaced. Meanwhile, many companies withdrew earnings guidance and cut dividends.

Stimulus measures included a €750 billion EU pandemic recovery fund, to be financed by joint borrowing for the first time ever. In the US, the newly elected President Biden proposed a $1.9 trillion support package. The US Federal Reserve is currently sanguine that the economy will not overheat, but bond yields spiked higher in early 2021 as inflationary expectations mounted. While the surge in yields boosted financial stocks, it also generated bouts of weakness in the technology sector. Inflationary concerns were echoed in Europe too.

New holdings included ASM International, Stillfront and CANCOM. ASM International is a leader in single wafer ALD (atomic layer disposition) technology for manufacturing semiconductors. Stillfront is an attractively valued gaming business, with a successful acquisition strategy – bolt-ons create synergies. CANCOM specialises in IT backup, archiving and security. The company has seen strong growth, particularly in the high-margin cloud business. Recent expansion into Slovakia helps reduce the company's cost base.

Following a period of good returns, we trimmed several holdings including Sartorius (pharmaceutical and laboratory equipment).

The potential for a post-virus recovery is building confidence, though some sectors will be under strain for years to come, and inflationary pressures may surface. COVID-19 still dominates sentiment; the second wave has meant a return of lockdowns and travel restrictions, although successful vaccination programmes should mean the worst is over by the summer.

A fraught end to the US election left the Democrats with tentative control of the Senate as well as the House and the presidency – so a return to Obama-like policies should follow. Markets will take heart as this means fiscal and monetary policy aimed at stimulating growth, which should be mirrored in Europe too. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Brexit is at last agreed, which should be well received. Negotiations were bad-tempered and some practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

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

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 103,747 | 16,199 |
| Revenue | 3 | 4,680 | 8,693 |
| Expenses | 4 | (4,377) | (4,546) |
| Interest payable and similar charges | 5 | (18) | (9) |
| Net revenue before taxation | | 285 | 4,138 |
| Taxation | 6 | (506) | (1,170) |
| Net (expense)/revenue after taxation | | (221) | 2,968 |
| **Total return before distributions** | | 103,526 | 19,167 |
| Distributions** | 7 | (416) | (2,973) |
| **Change in net assets attributable to shareholders from investment activities** | | 103,110 | 16,194 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 458,768 | 376,600 |
| **Current assets:** | | | |
| Debtors | 8 | 1,988 | 1,260 |
| Cash and bank balances | | 3,040 | 469 |
| Cash equivalents*** | | 2,739 | 2,627 |
| Total assets | | 466,535 | 380,956 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Distribution payable | | (12) | (108) |
| Other creditors | 9 | (3,473) | (2,068) |
| Total liabilities | | (3,485) | (2,176) |
| **Net assets attributable to shareholders** | | 463,050 | 378,780 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 378,780 | 451,479 |
| Amounts receivable on the issue of shares** | 46,133 | 25,983 |
| Amounts payable on the cancellation of shares** | (65,385) | (117,221) |
| | (19,252) | (91,238) |
| Dilution adjustment | 19 | 15 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 103,110 | 16,194 |
| Retained distribution on accumulation shares | 393 | 2,330 |
| **Closing net assets attributable to shareholders** | 463,050 | 378,780 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 1 EUR – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 2 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 6.1303).*

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

# Threadneedle European Smaller Companies Fund

## DISTRIBUTION TABLE

*(continued)*

### Class X – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.0652 | – | 1.0652 | 1.1621 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 1.0652 | – | 1.0652 | 1.1621 |
| **Total distributions in the period** | | | **1.0652** | **1.1621** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.1646 | – | 0.1646 | 1.5091 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.1646 | 0.1646 | 1.5091 |
| **Total distributions in the period** | | | **0.1646** | **1.5091** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.1831 | – | 0.1831 | 1.6774 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.1831 | 0.1831 | 1.6774 |
| **Total distributions in the period** | | | **0.1831** | **1.6774** |

*Group 2: shares purchased during a distribution period.*
**For launch dates, refer to the footnotes after the comparative tables.*

# Threadneedle European Smaller Companies Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 EUR – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019[1] |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 828.00 | 803.52 | 846.11 | 828.00 | 803.52 | 892.73 |
| Return before operating charges (p) | 245.82 | 39.13 | (27.05) | 245.78 | 39.11 | (77.99) |
| Operating charges (p) | (16.30) | (14.65) | (14.41) | (16.26) | (14.63) | (10.10) |
| Return after operating charges (p)* | 229.52 | 24.48 | (41.46) | 229.52 | 24.48 | (88.09) |
| Distributions (p) | – | – | (1.13) | – | – | (1.12) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 1,057.52 | 828.00 | 803.52 | 1,057.52 | 828.00 | 803.52 |
| *after direct transaction costs of (p) | 0.30 | 0.26 | 0.71 | 0.30 | 0.26 | 0.70 |
| **Performance** | | | | | | |
| Return after charges (%) | 27.72 | 3.05 | (4.90) | 27.72 | 3.05 | (9.87) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 560 | 437 | 436 | 29,891 | 27,557 | 34,005 |
| Closing number of shares | 52,934 | 52,838 | 54,266 | 2,826,542 | 3,328,151 | 4,231,965 |
| Operating charges (%)** | 1.67 | 1.67 | 1.69 | 1.67 | 1.67 | 1.67[†] |
| Direct transaction costs (%)*** | 0.03 | 0.03 | 0.08 | 0.03 | 0.03 | 0.08 |
| **Prices** | | | | | | |
| Highest share price (p) | 1,168.12 | 939.93 | 921.17 | 1,168.12 | 939.93 | 921.17 |
| Lowest share price (p) | 650.30 | 795.58 | 726.80 | 650.30 | 795.57 | 726.80 |

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 23/11/2018[3] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 852.01 | 826.82 | 869.42 | 917.33 |
| Return before operating charges (p) | 252.83 | 40.25 | (27.84) | (97.91) |
| Operating charges (p) | (16.66) | (15.06) | (14.76) | (5.66) |
| Return after operating charges (p)* | 236.17 | 25.19 | (42.60) | (103.57) |
| Distributions (p) | – | – | (1.15) | (4.07) |
| Retained distributions on accumulation shares (p) | – | – | 1.15 | 4.07 |
| Closing net asset value per share (p) | 1,088.18 | 852.01 | 826.82 | 789.16 |
| *after direct transaction costs of (p) | 0.31 | 0.27 | 0.73 | 0.27 |
| **Performance** | | | | |
| Return after charges (%) | 27.72 | 3.05 | (4.90) | (11.60) |
| **Other information** | | | | |
| Closing net asset value (£000) | 44,007 | 43,766 | 83,057 | – |
| Closing number of shares | 4,044,114 | 5,136,755 | 10,045,388 | – |
| Operating charges (%)** | 1.67 | 1.68 | 1.69 | – |
| Direct transaction costs (%)*** | 0.03 | 0.03 | 0.08 | – |
| **Prices** | | | | |
| Highest share price (p) | 1,201.99 | 967.19 | 946.55 | 946.55 |
| Lowest share price (p) | 669.15 | 818.74 | 746.83 | 789.16 |

# Threadneedle European Smaller Companies Fund

## Comparative Table Disclosure

*(continued)*

| | Class 1 CHF Hedged – Accumulation shares | Class 2 – Accumulation shares | | |
|---|---|---|---|---|
| | 23/11/2018[3] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 143.32 | 971.66 | 937.14 | 979.38 |
| Return before operating charges (p) | (8.50) | 289.15 | 45.39 | (31.76) |
| Operating charges (p) | (1.26) | (12.18) | (10.87) | (10.48) |
| Return after operating charges (p)* | (9.76) | 276.97 | 34.52 | (42.24) |
| Distributions (p) | (0.64) | – | (6.13) | (7.25) |
| Retained distributions on accumulation shares (p) | 0.64 | – | 6.13 | 7.25 |
| Closing net asset value per share (p) | 133.56 | 1,248.63 | 971.66 | 937.14 |
| *after direct transaction costs of (p) | 0.06 | 0.35 | 0.31 | 0.82 |
| **Performance** | | | | |
| Return after charges (%) | (6.81) | 28.50 | 3.68 | (4.31) |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 114,992 | 93,939 | 108,819 |
| Closing number of shares | – | 9,209,419 | 9,667,973 | 11,611,884 |
| Operating charges (%)** | – | 1.06 | 1.06 | 1.07 |
| Direct transaction costs (%)*** | – | 0.03 | 0.03 | 0.08 |
| **Prices** | | | | |
| Highest share price (p) | 159.99 | 1,378.78 | 1,102.12 | 1,069.41 |
| Lowest share price (p) | 133.56 | 763.24 | 927.99 | 845.43 |

| | Class 2 EUR – Accumulation shares | Class X – Gross accumulation shares[5] | |
|---|---|---|---|
| | 23/11/2018[3] | 07/03/2021 | 07/03/2020[2] |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 1,035.08 | 99.83 | 100.00 |
| Return before operating charges (p) | (138.13) | 29.81 | (0.12) |
| Operating charges (p) | (4.07) | (0.07) | (0.05) |
| Return after operating charges (p)* | (142.20) | 29.74 | (0.17) |
| Distributions (p) | (8.93) | (1.07) | (1.16) |
| Retained distributions on accumulation shares (p) | 8.93 | 1.07 | 1.16 |
| Closing net asset value per share (p) | 892.88 | 129.57 | 99.83 |
| *after direct transaction costs of (p) | 0.31 | 0.04 | 0.03 |
| **Performance** | | | |
| Return after charges (%) | (13.74) | 29.79 | (0.17) |
| **Other information** | | | |
| Closing net asset value (£000) | – | 28,737 | 31,433 |
| Closing number of shares | – | 22,178,624 | 31,487,779 |
| Operating charges (%)** | – | 0.06 | 0.06[†] |
| Direct transaction costs (%)*** | – | 0.03 | 0.03 |
| **Prices** | | | |
| Highest share price (p) | 1,069.41 | 143.00 | 113.08 |
| Lowest share price (p) | 892.88 | 78.43 | 98.75 |

# Threadneedle European Smaller Companies Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z EUR – Income shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 23/11/2018[3] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 183.96 | 178.56 | 188.06 | 198.85 |
| Return before operating charges (p) | 54.76 | 8.62 | (6.14) | (24.59) |
| Operating charges (p) | (1.91) | (1.71) | (1.64) | (0.62) |
| Return after operating charges (p)* | 52.85 | 6.91 | (7.78) | (25.21) |
| Distributions (p) | (0.16) | (1.51) | (1.72) | (1.97) |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 236.65 | 183.96 | 178.56 | 171.67 |
| *after direct transaction costs of (p) | 0.07 | 0.06 | 0.16 | 0.06 |
| **Performance** | | | | |
| Return after charges (%) | 28.73 | 3.87 | (4.14) | (12.68) |
| **Other information** | | | | |
| Closing net asset value (£000) | 17,225 | 13,174 | 21,697 | – |
| Closing number of shares | 7,278,481 | 7,161,109 | 12,151,117 | – |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 | – |
| Direct transaction costs (%)*** | 0.03 | 0.03 | 0.08 | – |
| **Prices** | | | | |
| Highest share price (p) | 261.47 | 210.32 | 205.52 | 205.52 |
| Lowest share price (p) | 144.51 | 176.80 | 162.57 | 171.67 |

| | Class Z – Accumulation shares | | | Class Z EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 23/11/2018[3] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 206.00 | 198.32 | 206.89 | 218.76 |
| Return before operating charges (p) | 61.34 | 9.59 | (6.75) | (29.19) |
| Operating charges (p) | (2.15) | (1.91) | (1.82) | (0.71) |
| Return after operating charges (p)* | 59.19 | 7.68 | (8.57) | (29.90) |
| Distributions (p) | (0.18) | (1.68) | (1.89) | (2.16) |
| Retained distributions on accumulation shares (p) | 0.18 | 1.68 | 1.89 | 2.16 |
| Closing net asset value per share (p) | 265.19 | 206.00 | 198.32 | 188.86 |
| *after direct transaction costs of (p) | 0.08 | 0.06 | 0.17 | 0.06 |
| **Performance** | | | | |
| Return after charges (%) | 28.73 | 3.87 | (4.14) | (13.67) |
| **Other information** | | | | |
| Closing net asset value (£000) | 227,638 | 168,474 | 203,465 | – |
| Closing number of shares | 85,840,588 | 81,782,838 | 102,592,660 | – |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 | – |
| Direct transaction costs (%)*** | 0.03 | 0.03 | 0.08 | – |
| **Prices** | | | | |
| Highest share price (p) | 292.80 | 233.59 | 226.10 | 226.10 |
| Lowest share price (p) | 161.82 | 196.39 | 178.85 | 188.86 |

# Threadneedle European Smaller Companies Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z CHF Hedged – Accumulation shares 23/11/2018[3] |
|---|---|
| **Change in net assets per share** | |
| Opening net asset value per share (p) | 146.30 |
| Return before operating charges (p) | (8.47) |
| Operating charges (p) | (0.68) |
| Return after operating charges (p)* | (9.15) |
| Distributions (p) | (1.51) |
| Retained distributions on accumulation shares (p) | 1.51 |
| Closing net asset value per share (p) | 137.15 |
| *after direct transaction costs of (p) | 0.06 |
| **Performance** | |
| Return after charges (%) | (6.25) |
| **Other information** | |
| Closing net asset value (£000) | – |
| Closing number of shares | – |
| Operating charges (%)** | – |
| Direct transaction costs (%)*** | – |
| **Prices** | |
| Highest share price (p) | 163.94 |
| Lowest share price (p) | 137.15 |

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

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

[5] *Only available to eligible investors.*

[1] *Commenced 15 June 2018.*

[2] *Commenced 9 May 2019.*

[3] *Closed 23 November 2018.*

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

# Threadneedle European Smaller Companies Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 103,714 | 16,312 |
| Forward currency contracts | (77) | (44) |
| Other gains/(losses) | 114 | (66) |
| Transaction costs | (4) | (3) |
| Net capital gains | 103,747 | 16,199 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 4,554 | 8,693 |
| Bank interest | 126 | – |
| Total revenue | 4,680 | 8,693 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (3,873) | (4,029) |
| Registration fees | (403) | (417) |
| | (4,276) | (4,446) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (52) | (52) |
| Safe custody fees | (33) | (32) |
| | (85) | (84) |
| Other expenses: | | |
| Regulatory fees | (9) | (8) |
| Audit fees | (7) | (8) |
| | (16) | (16) |
| Total expenses* | (4,377) | (4,546) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (18) | (9) |
| Total interest payable and similar charges | (18) | (9) |

### 6 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (506) | (1,170) |
| Total current tax (note 6b) | (506) | (1,170) |
| Total tax charge for the period | (506) | (1,170) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 285 | 4,138 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (57) | (828) |
| Effects of: | | |
| Revenue not subject to taxation | 879 | 1,731 |
| Overseas taxes | (506) | (1,170) |
| Excess expenses | (819) | (903) |
| Conversion transfer from capital | (3) | – |
| Current tax charge for period (note 6a) | (506) | (1,170) |

The fund has not recognised a deferred tax asset of £9,382,169 (2020: £8,562,972) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 405 | 2,438 |
| | 405 | 2,438 |
| Add: Revenue deducted on the cancellation of shares* | 145 | 718 |
| Deduct: Revenue received on the creation of shares* | (134) | (183) |
| Net distribution for the period | 416 | 2,973 |
| Net (expense)/revenue after taxation | (221) | 2,968 |
| Equalisation on conversion* | 14 | (6) |
| Shortfall transfer from capital to revenue | 623 | 11 |
| Total distributions | 416 | 2,973 |

**For details on restatement please refer to note 17.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 109 to 110.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 978 | 348 |
| Foreign withholding tax recoverable | 1,010 | 912 |
| Total debtors | 1,988 | 1,260 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (1,022) | (1,269) |
| Purchases awaiting settlement | (1,972) | (380) |
| Accrued expenses | (14) | (14) |
| Amounts payable to ACD | (465) | (405) |
| Total other creditors | (3,473) | (2,068) |

### 10 DILUTION ADJUSTMENT

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

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

### 12 SHAREHOLDER FUNDS

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

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

# Threadneedle European Smaller Companies Fund

## Notes to the financial statements

*(continued)*

**Registration fees**

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 111 to 114. The distribution per share class is given in the distribution table on pages 109 to 110.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 52,838 |
| Shares issued | 2,812 |
| Shares redeemed | (2,142) |
| Net conversions | (574) |
| Closing shares | 52,934 |
| **Class 1 EUR – Income shares** | |
| Opening shares | 3,328,151 |
| Shares issued | 180,578 |
| Shares redeemed | (682,187) |
| Net conversions | – |
| Closing shares | 2,826,542 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 5,136,755 |
| Shares issued | 226,621 |
| Shares redeemed | (552,875) |
| Net conversions | (766,387) |
| Closing shares | 4,044,114 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 9,667,973 |
| Shares issued | 785,399 |
| Shares redeemed | (953,383) |
| Net conversions | (290,570) |
| Closing shares | 9,209,419 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 31,487,779 |
| Shares issued | – |
| Shares redeemed | (9,309,155) |
| Net conversions | – |
| Closing shares | 22,178,624 |
| **Class Z – Income shares** | |
| Opening shares | 7,161,109 |
| Shares issued | 2,267,928 |
| Shares redeemed | (2,264,116) |
| Net conversions | 113,560 |
| Closing shares | 7,278,481 |
| **Class Z – Accumulation shares** | |
| Opening shares | 81,782,838 |
| Shares issued | 11,732,706 |
| Shares redeemed | (12,106,222) |
| Net conversions | 4,431,266 |
| Closing shares | 85,840,588 |

## 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.47% and vice versa (2020: 5.16%).

**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 2021** | **£000** |
| Danish Krone | 15,370 |
| Euro | 354,475 |
| Swedish Krona | 30,596 |
| Swiss Franc | 62,995 |
| **Currency 2020** | **£000** |
| Danish Krone | 14,628 |
| Euro | 293,051 |
| Swedish Krona | 24,203 |
| Swiss Franc | 48,295 |
| US Dollar | 25 |

**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 2021** | **%** | **%** |
| Euro | 1.08 | 0.83 |
| Swiss Franc | 5.80 | 0.79 |
| | **Currency movement** | **Fund movement** |
| **Currency 2020** | **%** | **%** |
| Euro | 1.19 | 0.92 |
| Swiss Franc | 7.83 | 1.00 |

**Credit/Counterparty exposure**

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

| 2021 | Forward Foreign Exchange Contracts Exposure |
|---|---|
| **Counterparty** | **£000** |
| Bank of Scotland | 1 |

As at the prior balance sheet date there was no derivative exposure or collateral to disclose.
The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.
Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Interest rate risk**

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | 15,370 | 15,370 |
| Euro | 2,825 | 2,739 | 350,988 | 356,552 |
| Swedish Krona | – | – | 30,596 | 30,596 |
| Swiss Franc | – | – | 62,995 | 62,995 |
| UK Sterling | 215 | – | 1,083 | 1,298 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | 14,628 | 14,628 |
| Euro | 419 | 2,627 | 290,385 | 293,431 |
| Swedish Krona | – | – | 24,203 | 24,203 |
| Swiss Franc | – | – | 48,295 | 48,295 |
| UK Sterling | 25 | – | 349 | 374 |
| US Dollar | 25 | – | – | 25 |

# Threadneedle European Smaller Companies Fund

## Notes to the financial statements

*(continued)*

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (2,077) | (2,077) |
| UK Sterling | – | – | (1,684) | (1,684) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (380) | (380) |
| UK Sterling | – | – | (1,796) | (1,796) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £1,000 (2020: £Nil) and a liability value of £Nil (2020: £Nil).

### 14 FAIR VALUE DISCLOSURE

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

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

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

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

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 461,506 | – | 379,227 | – |
| Level 2 | 1 | – | – | – |
| | 461,507 | – | 379,227 | – |

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 70,763 | 42 | 0.06 | 29 | 0.04 |
| Collective investment schemes | 21,584 | – | – | – | – |
| Corporate actions | 322 | – | – | – | – |
| **Total** | 92,669 | 42 | | 29 | |
| **Gross purchases total:** | 92,740 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 92,362 | 62 | 0.07 | – | – |
| Collective investment schemes | 21,299 | – | – | – | – |
| Corporate actions | 575 | – | – | – | – |
| **Total** | 114,236 | 62 | | – | |
| **Total sales net of transaction costs:** | 114,174 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.02% |
| Taxes: | 0.01% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 46,221 | 22 | 0.05 | 24 | 0.05 |
| Collective investment schemes | 21,929 | – | – | – | – |
| Corporate actions | 1,366 | – | – | – | – |
| **Total** | 69,516 | 22 | | 24 | |
| **Gross purchases total:** | 69,562 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 139,073 | 83 | 0.06 | – | – |
| Collective investment schemes | 20,410 | – | – | – | – |
| **Total** | 159,483 | 83 | | – | |
| **Total sales net of transaction costs:** | 159,400 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.02% |
| Taxes: | 0.01% |

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 0.18% (7 March 2020: 0.19%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (2,980) | 7 | (2,973) |
| **Net impact** | | 7 | |

# Threadneedle European Smaller Companies Fund

## Notes to the financial statements

*(continued)*

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 48,632 | (22,649) | 25,983 |
| Amounts payable on the cancellation of shares | (139,863) | 22,642 | (117,221) |
| | (91,231) | (7) | (91,238) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 16,187 | 7 | 16,194 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 891 | (173) | 718 |
| Deduct: Revenue received on the creation of shares | (349) | 166 | (183) |
| **Net impact** | | (7) | |
| Equalisation on conversion | 1 | (7) | (6) |

# Threadneedle European Bond Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the Twelve months to 7 March 2021, the published share price of the Threadneedle European Bond Fund has fallen from 84.55p to 83.29p.

The sterling total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +1.96%. For information the ICE BofA Pan-Europe Broad Market Index returned -0.06% over the same period.

### Market Overview and Portfolio Activity

The period under review was one of considerable volatility for financial assets generally, due mainly to developments concerning COVID-19 and the related global wave of monetary and fiscal stimulus, and European government bonds were no exception.

Yields on benchmark 10-year German bunds hit a record low at the start of the review term as the escalating pandemic and lockdown measures brought cities, regions and even countries to a near halt, prompting a rush by investors for the safety of government debt. Yields generally remained low in absolute terms throughout the period, helped by substantial monetary stimulus, although there were bouts of weakness. Among these, bunds fell in May as a ruling by Germany's highest court called into question the Bundesbank's authority to buy bonds as part of a stimulus programme. The market was in the red again in August as global equities rose for a fifth straight month following the pandemic-induced slump earlier in the year.

However, conditions for bonds deteriorated in the new year as a US fiscal-stimulus package worth $1.9tn neared approval, feeding both anticipation of a strong rebound in global growth and concern about possible inflationary effects. This prompted investors to move out of sovereign issues, and yields climbed sharply into the end of the review term. Yields on 10-year bunds were higher over the period as a whole and underperformed eurozone periphery debt markets, which rallied as the European Central Bank (ECB) ramped up its bond purchases. Italy also outperformed as Mario Draghi, former president of the ECB, was appointed prime minister in February.

As indicated, the leading central banks were very accommodative during the review term, and this included the ECB. The central bank announced a €750bn programme of bond purchases in March, which was subsequently increased by €1.1tn. Other measures included buying commercial paper and expanding cheap funding for banks to spur lending. Elsewhere, the Federal Reserve cut its key interest rate back to near zero and unveiled measures including a $700bn round of fresh monetary stimulus. The Bank of England cut its policy rate to a record low and announced a £200bn debt-buying programme, later expanded by £250bn.

Within sovereigns, we increased exposure to Spain, France, the Netherlands and Slovenia. We initiated a small position in Austria via its newly issued century bond. We realised some gains in Italy following the spread compression of these bonds over German bunds in 2020. The holdings in the UK and Germany were also reduced. We sold out of Ireland and Belgium.

Within agency/quasi-sovereign debt, new additions included FADE (a securitisation platform sponsored by the Spanish government) and French government-backed agency Société du Grand Paris. We also initiated positions in the Societe du Grand Paris, Italian development bank CDP (Cassa Depositi e Prestiti), Hungarian state-owned credit institution MFB and the International Bank for Reconstruction and Development. We bought a new social bond issued as part of EU SURE – the programme to protect jobs threatened by the pandemic. We topped up our holdings in state-owned railway companies Adif Alta Velocidad (Spain) and SNCF (France). The allocation to the European Investment Bank was reduced.

In corporate bonds, we took advantage of the dramatic widening in spreads in March to start to cover our underweight here, and increased exposure over the period. In the primary market, we took part in several new issues from financials such as Nordea Bank, Nationwide, ING, OP Corporate Bank and Wells Fargo. New positions in other sectors included beverage firm Anheuser-Busch InBev.

In the secondary market, new additions included BNG Bank and Unédic; the latter manages France's unemployment insurance scheme. We topped up holdings including Aroundtown and Cadent Finance. Sales included RELX, Deutsche Telekom and French banking group BPCE.

As the world economy emerges from the shadow of COVID-19, market pricing will aim to reconcile a very buoyant recovery in services activity during the initial phase of reopening with a medium- and long-term outlook that is far less certain.

Inflation should recover from historic lows in the coming months mainly thanks to base effects. But demand-led price pressure remains elusive and should keep the ECB's policy stance highly accommodative.

Hopes for a return to a higher growth path (and, thus, a sustainably higher level of real interest rates) rest on the ability of governments to bring about a permanent shift towards more expansive fiscal policy.

We reserve judgement on the success of this project, which makes us inclined to become more positive towards duration in portfolios when longer-dated yields approach estimates of 'neutral' interest rates.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital (losses)/gains | 2 | (1,473) | 10,560 |
| Revenue | 3 | 1,288 | 1,306 |
| Expenses | 4 | (1,330) | (1,069) |
| Interest payable and similar charges | 5 | (457) | (661) |
| Net expense before taxation | | (499) | (424) |
| Taxation | 6 | – | – |
| Net expense after taxation | | (499) | (424) |
| **Total return before distributions** | | (1,972) | 10,136 |
| Distributions** | 7 | (646) | (490) |
| **Change in net assets attributable to shareholders from investment activities** | | (2,618) | 9,646 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 136,543 | 119,532 |
| **Current assets:** | | | |
| Debtors | 8 | 1,709 | 13,406 |
| Cash and bank balances | 9 | 4,467 | 6,037 |
| Cash equivalents*** | | 4 | 5,341 |
| Total assets | | 142,723 | 144,316 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (1,566) | (1,380) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (1) | – |
| Distribution payable | | (40) | (24) |
| Other creditors | 10 | (1,821) | (8,977) |
| Total liabilities | | (3,428) | (10,381) |
| **Net assets attributable to shareholders** | | 139,295 | 133,935 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 133,935 | 95,502 |
| Amounts receivable on the issue of shares** | 162,999 | 50,086 |
| Amounts payable on the cancellation of shares** | (155,980) | (21,811) |
| | 7,019 | 28,275 |
| Dilution adjustment | 411 | 41 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | (2,618) | 9,646 |
| Retained distribution on accumulation shares | 548 | 471 |
| **Closing net assets attributable to shareholders** | 139,295 | 133,935 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.2369 | – | 0.2369 | 0.2793 |
| 08/09/20 to 07/03/21 | 0.1492 | – | 0.1492 | 0.1289 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.0809 | 0.1560 | 0.2369 | 0.2793 |
| 08/09/20 to 07/03/21 | 0.0879 | 0.0613 | 0.1492 | 0.1289 |
| **Total distributions in the period** | | | **0.3861** | **0.4082** |

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

# Threadneedle European Bond Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4738 | – | 0.4738 | 0.5560 |
| 08/09/20 to 07/03/21 | 0.2993 | – | 0.2993 | 0.2574 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.2673 | 0.2065 | 0.4738 | 0.5560 |
| 08/09/20 to 07/03/21 | 0.1023 | 0.1970 | 0.2993 | 0.2574 |
| **Total distributions in the period** | | | **0.7731** | **0.8134** |

### Class 2 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4994 | – | 0.4994 | 0.5720 |
| 08/09/20 to 07/03/21 | 0.3411 | – | 0.3411 | 0.2956 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.0795 | 0.4199 | 0.4994 | 0.5720 |
| 08/09/20 to 07/03/21 | 0.2775 | 0.0636 | 0.3411 | 0.2956 |
| **Total distributions in the period** | | | **0.8405** | **0.8676** |

### Class X – Gross accumulation shares*

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.3506 | – | 0.3506 | 0.2512 |
| 08/09/20 to 07/03/21 | 0.2389 | – | 0.2389 | 0.2059 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.2002 | 0.1504 | 0.3506 | 0.2512 |
| 08/09/20 to 07/03/21 | 0.2389 | – | 0.2389 | 0.2059 |
| **Total distributions in the period** | | | **0.5895** | **0.4571** |

### Class Z – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.3479 | – | 0.3479 | 0.4082 |
| 08/09/20 to 07/03/21 | 0.2197 | – | 0.2197 | 0.1888 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.0856 | 0.2623 | 0.3479 | 0.4082 |
| 08/09/20 to 07/03/21 | 0.0859 | 0.1338 | 0.2197 | 0.1888 |
| **Total distributions in the period** | | | **0.5676** | **0.5970** |

### Class Z – Gross accumulation shares*

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.3264 | – | 0.3264 | |
| 08/09/20 to 07/03/21 | 0.2039 | – | 0.2039 | 0.0060 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.2150 | 0.1114 | 0.3264 | |
| 08/09/20 to 07/03/21 | 0.0634 | 0.1405 | 0.2039 | 0.0060 |
| **Total distributions in the period** | | | **0.5303** | **0.0060** |

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle European Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 84.31 | 76.83 | 78.88 | 168.62 | 152.91 | 155.38 |
| Return before operating charges (p) | 0.09 | 8.82 | (0.35) | 0.15 | 17.58 | (0.70) |
| Operating charges (p) | (0.97) | (0.93) | (0.90) | (1.94) | (1.87) | (1.77) |
| Return after operating charges (p)* | (0.88) | 7.89 | (1.25) | (1.79) | 15.71 | (2.47) |
| Distributions (p) | (0.39) | (0.41) | (0.80) | (0.77) | (0.81) | (1.58) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.77 | 0.81 | 1.58 |
| Closing net asset value per share (p) | 83.04 | 84.31 | 76.83 | 166.83 | 168.62 | 152.91 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (1.04) | 10.27 | (1.58) | (1.06) | 10.27 | (1.59) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 9,717 | 11,379 | 15,474 | 99,965 | 109,637 | 71,593 |
| Closing number of shares | 11,702,099 | 13,497,535 | 20,141,055 | 59,918,886 | 65,020,428 | 46,821,469 |
| Operating charges (%)** | 1.12 | 1.15 | 1.15 | 1.13 | 1.15 | 1.15 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 90.86 | 88.25 | 79.74 | 182.23 | 175.64 | 157.90 |
| Lowest share price (p) | 82.06 | 76.58 | 75.76 | 164.12 | 152.41 | 150.04 |

| | Class 2 – Gross accumulation shares[§] | | | Class X – Gross accumulation shares[§] | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[†] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 157.00 | 141.57 | 143.04 | 109.55 | 100.00 |
| Return before operating charges (p) | 0.14 | 16.29 | (0.62) | 0.08 | 9.62 |
| Operating charges (p) | (0.94) | (0.86) | (0.85) | (0.09) | (0.07) |
| Return after operating charges (p)* | (0.80) | 15.43 | (1.47) | (0.01) | 9.55 |
| Distributions (p) | (0.84) | (0.87) | (1.56) | (0.59) | (0.46) |
| Retained distributions on accumulation shares (p) | 0.84 | 0.87 | 1.56 | 0.59 | 0.46 |
| Closing net asset value per share (p) | 156.20 | 157.00 | 141.57 | 109.54 | 109.55 |
| *after direct transaction costs of (p) | – | – | – | – | – |
| **Performance** | | | | | |
| Return after charges (%) | (0.51) | 10.90 | (1.03) | (0.01) | 9.55 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 966 | 596 | 4,011 | 16,226 | 7,900 |
| Closing number of shares | 618,590 | 379,409 | 2,833,571 | 14,813,205 | 7,210,639 |
| Operating charges (%)** | 0.57 | 0.56 | 0.60 | 0.08 | 0.08[†] |
| Direct transaction costs (%)*** | – | – | – | – | – |
| **Prices** | | | | | |
| Highest share price (p) | 170.40 | 163.03 | 146.04 | 119.36 | 113.44 |
| Lowest share price (p) | 152.91 | 141.13 | 138.58 | 106.75 | 100.00 |

# Threadneedle European Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z – Gross accumulation shares[§] | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[2] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 123.67 | 112.12 | 114.54 | 106.09 | 100.00 |
| Return before operating charges (p) | 0.11 | 12.93 | (0.52) | 0.10 | 6.11 |
| Operating charges (p) | (0.82) | (0.78) | (0.74) | (0.67) | (0.02) |
| Return after operating charges (p)* | (0.71) | 12.15 | (1.26) | (0.57) | 6.09 |
| Distributions (p) | (0.57) | (0.60) | (1.16) | (0.53) | (0.01) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.53 | 0.01 |
| Closing net asset value per share (p) | 122.39 | 123.67 | 112.12 | 105.52 | 106.09 |
| *after direct transaction costs of (p) | – | – | – | – | – |
| **Performance** | | | | | |
| Return after charges (%) | (0.57) | 10.84 | (1.10) | (0.54) | 6.09 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 12,409 | 4,422 | 4,424 | 12 | 1 |
| Closing number of shares | 10,139,410 | 3,575,833 | 3,945,786 | 11,500 | 1,000 |
| Operating charges (%)** | 0.65 | 0.65 | 0.65 | 0.63 | 0.45[†] |
| Direct transaction costs (%)*** | – | – | – | – | – |
| **Prices** | | | | | |
| Highest share price (p) | 133.78 | 129.08 | 116.27 | 115.13 | 106.22 |
| Lowest share price (p) | 120.43 | 111.77 | 110.35 | 103.31 | 100.00 |

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

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

*[§]Only available to eligible investors.*

*[1]Commenced 9 May 2019.*

*[2]Commenced 18 February 2020.*

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

# Threadneedle European Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL (LOSSES)/GAINS

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (2,612) | 9,561 |
| Derivative contracts | 977 | 868 |
| Forward currency contracts | 242 | (27) |
| Other (losses)/gains | (77) | 159 |
| Transaction costs | (3) | (1) |
| Net capital (losses)/gains | (1,473) | 10,560 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 1,288 | 1,301 |
| Bank interest | – | 5 |
| Total revenue | 1,288 | 1,306 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,145) | (922) |
| Registration fees | (138) | (105) |
| | (1,283) | (1,027) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (16) | (12) |
| Safe custody fees | (16) | (13) |
| | (32) | (25) |
| Other expenses: | | |
| Regulatory fees | (6) | (8) |
| Audit fees | (9) | (9) |
| | (15) | (17) |
| Total expenses* | (1,330) | (1,069) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (16) | (20) |
| Derivative expense | (441) | (641) |
| Total interest payable and similar charges | (457) | (661) |

### 6 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Total current tax (note 6b) | – | – |
| Total tax charge for the period | – | – |
| **b) Factors affecting taxation charge for period** | | |
| Net expense before taxation | (499) | (424) |
| Net expense before taxation multiplied by the standard rate of corporation tax of 20% | 100 | 85 |
| Effects of: | | |
| Excess expenses | (100) | (85) |
| Current tax charge for period (note 6a) | – | – |

The fund has not recognised a deferred tax asset of £2,532,350 (2020: £2,432,609) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 385 | 338 |
| Final | 256 | 208 |
| | 641 | 546 |
| Add: Revenue deducted on the cancellation of shares* | 189 | 26 |
| Deduct: Revenue received on the creation of shares* | (184) | (82) |
| Net distribution for the period | 646 | 490 |
| Net expense after taxation | (499) | (424) |
| Annual management charge to capital | 1,145 | 922 |
| Equalisation on conversion* | – | (8) |
| Total distributions | 646 | 490 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 119 to 120.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 440 | 10,477 |
| Sales awaiting settlement | 671 | 2,225 |
| Accrued revenue | 598 | 704 |
| Total debtors | 1,709 | 13,406 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 1,858 | 2,164 |
| Cash and bank balances | 2,609 | 3,873 |
| | 4,467 | 6,037 |
| Cash overdrafts at broker | (1) | – |
| Total cash and bank balances | 4,466 | 6,037 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (177) | (173) |
| Purchases awaiting settlement | (1,512) | (8,683) |
| Accrued expenses | (9) | (9) |
| Amounts payable to ACD | (123) | (112) |
| Total other creditors | (1,821) | (8,977) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle European Bond Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 0.95% |
| Class 2 shares | 0.50% |
| Class X shares | N/A* |
| Class Z shares | 0.50% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 121 to 122. The distribution per share class is given in the distribution table on pages 119 to 120.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 13,497,535 |
| Shares issued | 2,811,220 |
| Shares redeemed | (4,087,902) |
| Net conversions | (518,754) |
| Closing shares | 11,702,099 |
| **Class 1 – Gross accumulation shares** | |
| Opening shares | 65,020,428 |
| Shares issued | 70,042,947 |
| Shares redeemed | (75,144,489) |
| Net conversions | – |
| Closing shares | 59,918,886 |
| **Class 2 – Gross accumulation shares** | |
| Opening shares | 379,409 |
| Shares issued | 12,910,727 |
| Shares redeemed | (12,671,546) |
| Net conversions | – |
| Closing shares | 618,590 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 7,210,639 |
| Shares issued | 8,145,666 |
| Shares redeemed | (543,100) |
| Net conversions | – |
| Closing shares | 14,813,205 |
| **Class Z – Income shares** | |
| Opening shares | 3,575,833 |
| Shares issued | 7,607,306 |
| Shares redeemed | (1,397,037) |
| Net conversions | 353,308 |
| Closing shares | 10,139,410 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 1,000 |
| Shares issued | 13,243 |
| Shares redeemed | (2,743) |
| Net conversions | – |
| Closing shares | 11,500 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 8.64% and vice versa (2020: 9.19%).

**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 2021** | **£000** |
| Euro | 114,802 |
| Swedish Krona | 505 |
| US Dollar | 9 |
| **Currency 2020** | **£000** |
| Euro | 101,483 |
| Swedish Krona | 489 |
| US Dollar | 11 |

**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 2021** | **%** | **%** |
| Euro | 1.08 | 0.89 |
| | **Currency movement** | **Fund movement** |
| **Currency 2020** | **%** | **%** |
| Euro | 1.19 | 0.90 |

**Credit/Counterparty exposure**

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

| **2021** | Futures and Options Exposure | Forward Foreign Exchange Contracts Exposure |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Barclays | – | 28 |
| Lloyds | – | 8 |
| UBS | 28 | 1 |

| **2020** | Futures and Options Exposure | Forward Foreign Exchange Contracts Exposure |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Barclays | – | 335 |
| Lloyds | – | 11 |

The fund held £9,000 (2020: £340,000) 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**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AAA | 3,524 | 2.61 | 4,114 | 3.33 |
| Aaae | 550 | 0.41 | – | – |
| Aaau | 301 | 0.22 | 632 | 0.51 |
| AA+ | 720 | 0.53 | 135 | 0.11 |
| Aa1 | – | – | 930 | 0.75 |
| AA | 2,930 | 2.17 | 2,513 | 2.04 |
| Aa2 | 5,660 | 4.19 | 865 | 0.70 |
| Aa2u | 2,080 | 1.54 | 30,932 | 25.05 |
| AA- | 5,615 | 4.16 | 5,794 | 4.69 |
| Aa3 | 770 | 0.57 | 721 | 0.58 |
| Aa3u | 239 | 0.18 | – | – |

# Threadneedle European Bond Fund

## Notes to the financial statements

*(continued)*

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| A+ | 3,944 | 2.92 | 4,052 | 3.28 |
| A | 5,189 | 3.85 | 1,710 | 1.38 |
| A2 | 100 | 0.07 | – | – |
| A- | 5,256 | 3.89 | 6,428 | 5.21 |
| A3 | 485 | 0.36 | 493 | 0.40 |
| BBB+ | 12,497 | 9.26 | 4,557 | 3.69 |
| Baa1 | 8,019 | 5.94 | 4,404 | 3.57 |
| Baa1u | 279 | 0.21 | 286 | 0.23 |
| BBB | 13,496 | 10.00 | 9,170 | 7.43 |
| Baa2 | 6,522 | 4.83 | 4,100 | 3.32 |
| BBB- | 3,808 | 2.82 | 3,085 | 2.50 |
| Baa3 | 1,121 | 0.83 | 536 | 0.43 |
| Baa3u | 5,445 | 4.03 | 14,186 | 11.49 |
| BB+ | 1,863 | 1.38 | 1,012 | 0.82 |
| BB | 1,423 | 1.06 | 510 | 0.41 |
| BB- | 92 | 0.07 | 86 | 0.07 |
| B | 120 | 0.09 | – | – |
| Not Rated* | 43,931 | 32.55 | 17,853 | 14.46 |
| Liquidity Funds | 4 | – | – | – |
| Collective investment schemes | – | – | 5,341 | 4.32 |
| Derivatives** | (1,002) | (0.74) | (952) | (0.77) |
| | 134,981 | 100.00 | 123,493 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

***The derivative positions do not have a significant impact on the risk profile.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 10,518 | 108,162 | 5,188 | 123,868 |
| Swedish Krona | 505 | – | – | 505 |
| UK Sterling | 1,488 | 19,767 | 6,830 | 28,085 |
| US Dollar | 10 | – | – | 10 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 6,039 | 95,409 | 12,802 | 114,250 |
| Swedish Krona | 489 | – | – | 489 |
| UK Sterling | 2,232 | 26,302 | 14,354 | 42,888 |
| US Dollar | 11 | – | – | 11 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (9,066) | (9,066) |
| UK Sterling | – | – | (4,106) | (4,106) |
| US Dollar | (1) | – | – | (1) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | (1,284) | (11,483) | (12,767) |
| UK Sterling | – | – | (10,936) | (10,936) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**Derivative risks**

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

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £564,000 (2020: £428,000) and a liability value of £1,566,000 (2020: £1,380,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 43,503 | (1) | 62,057 | (2) |
| Level 2 | 93,008 | (1,565) | 62,750 | (1,378) |
| Level 3 | 36 | – | 66 | – |
| | 136,547 | (1,566) | 124,873 | (1,380) |

Included within Level 1, are debt securities of £43,474,000 (2020: £62,057,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £249,272,489 (2020: £133,420,134) and £229,079,901 (2020: £113,999,765) respectively. Collective investment schemes purchases and sales amounted to £21,848,026 (2020: £17,885,967) and £27,514,956 (2020: £14,132,610) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £61,450 (2020: £14,360) 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 £878 (2020: £249).

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

At the balance sheet date, the portfolio dealing spread was 0.26% (7 March 2020: 0.27%), being the difference between the respective buying and selling prices for the fund's investments.

# Threadneedle European Bond Fund

## Notes to the financial statements

*(continued)*

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (498) | 8 | (490) |
| **Net impact** | | 8 | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 56,990 | (6,904) | 50,086 |
| Amounts payable on the cancellation of shares | (28,707) | 6,896 | (21,811) |
| | 28,283 | (8) | 28,275 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 9,638 | 8 | 9,646 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 40 | (14) | 26 |
| Deduct: Revenue received on the creation of shares | (88) | 6 | (82) |
| **Net impact** | | (8) | |
| Equalisation on conversion | – | (8) | (8) |

### 19 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 15.98%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

The table below shows net redemptions between the year-ended 7 March 2021 and 28 June 2021 as a percentage of the closing NAV for share classes with significant movements. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 – Gross accumulation shares | (18.05) |

# Threadneedle Strategic Bond Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Strategic Bond Fund has risen from 46.96p to 47.98p.

The total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +5.22% as compared to a median return of +3.57% over the same period. This compares against a return of +3.62% for a composite index of 60% iBoxx GBP Non-Gilts 1-10 Years + 40% ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling).

### Market Overview and Portfolio Activity

The year in review was a turbulent period in terms of both world events and financial-market movements. Despite spells of intense volatility, the sterling investment-grade (IG) credit market was little changed in total-return terms, while the European high-yield (HY) credit delivered positive returns. In the former, a rise in UK gilt yields (which move inversely to price) was counterbalanced by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

In Europe, German bund yields also rose, but the tightening in HY credit spreads was enough to produce a positive total return.

In the first few weeks of the period, spreads widened dramatically as the COVID-19 outbreak approached pandemic status and most countries imposed draconian restrictions to contain it. Meanwhile, central banks and governments unleashed a flood of policy measures in response to the economic aspect of the crisis. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve (Fed) would include corporate bonds, echoing similar action from the European Central Bank (ECB) and Bank of England (BoE).

From late March until September, risk assets in general (such as equities and corporate bonds) rallied amid hopes that this stimulus and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, core government bond yields remained low, anchored by central-bank asset-purchase programmes and low interest rates. After the initial flurry of action, the Fed, ECB, BoE and Bank of Japan all continued to expand their stimulus through these months. There was more fiscal stimulus, too – perhaps most notably in July, when eurozone states agreed a jointly financed €750bn pandemic relief fund.

In September, however, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and the reimposition of control measures to contain the virus. Meanwhile, political uncertainty was also mounting in relation to the US presidential election and Brexit. This mood continued through much of October, intensifying in the week before the US election. Nevertheless, IG spreads were little altered from the end of the summer, though HY spreads had widened.

After this interruption, credit spreads resumed their tightening trend. In the last two months of 2020, investors welcomed a market-friendly outcome in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in Western democracies. Anticipation of another fiscal relief package in the US and still more monetary stimulus in the eurozone provided more fuel for the risk-on rally – as did their eventual delivery in December. News of the last-minute trade agreement between the UK and the EU also bolstered sentiment as the year drew to a close.

The remainder of the period was characterised by a sharp rise in core bond yields accompanied by a modest tightening in credit spreads. Yields rose along with US inflation expectations as the Democrats took control of the US Senate, paving the way for an even larger injection of fiscal stimulus, which was close to being signed into law as the period ended. Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes, including the UK and US, further buoyed risk appetite.

Early in the period, we became more constructive on the outlook for the market, especially IG, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase IG credit risk within the portfolio, mainly via attractively priced new issues. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter of 2020, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well.

As regards specific trades, we took part in a wide range of primary-market issues, the largest of which (in terms of position sizes) included deals from Tennet, Southern Water Services, Eaton, Altice and Telecom Italia. In the secondary market, we started new positions in Adani Ports & Special Economic Zone, Tencent, Aegon, Braskem, and Energuate among others. On the disposals side, we reduced exposure to issuers such as Bacardi, NatWest, DS Smith, Fiserv, and Bupa, and exited others completely, including Ypso, Swire Pacific, Pennon Group, Bharti Airtel and Northumbrian Water. Among sovereign issuers, we started a position in UK gilts and exited positions in France and Oman.

We are cautiously optimistic on the outlook for credit markets. While some difficult months remain before vaccines can turn the tide, a return to something approaching economic normality may be in sight later in the year. In the meantime, the support measures introduced by governments and central banks will help to mitigate the ongoing interruption to economic output and employment.

One area which tempers our optimism is valuation, with sterling IG and European HY credit spreads now firmly back inside their 20-year averages. Against this, however, corporate fundamentals have improved in aggregate, as evidenced by better-than-expected corporate results. The outlook for defaults remains relatively subdued, as businesses have shored up their liquidity profiles through government support, primary issuance and capital injections.

On balance, we remain more constructive on the outlook for IG than HY, given the IG market's greater ability to withstand lower economic growth than its more leveraged counterpart. In addition, more IG issuers are well placed to benefit from government and central-bank stimulus. That said, we continue to add selective HY names where we see robust business models and attractive valuations. At the sector level, we still favour more defensive areas of the market – such as utilities, higher-quality technology companies and senior-preferred bank debt – which we think will weather the current tough economic conditions well. Within HY, we prefer defensive 'BB' rated names.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 6,910 | 12,150 |
| Revenue | 3 | 7,891 | 8,832 |
| Expenses | 4 | (1,805) | (1,995) |
| Interest payable and similar charges | 5 | (1,423) | (2,691) |
| Net revenue before taxation | | 4,663 | 4,146 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 4,663 | 4,146 |
| **Total return before distributions** | | 11,573 | 16,296 |
| Distributions | 7 | (6,212) | (5,868) |
| **Change in net assets attributable to shareholders from investment activities** | | 5,361 | 10,428 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 225,640 | 228,853 |
| **Current assets:** | | | |
| Debtors | 8 | 3,488 | 3,156 |
| Cash and bank balances | 9 | 10,672 | 16,638 |
| Cash equivalents*** | | 5,017 | 14 |
| Total assets | | 244,817 | 248,661 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (3,664) | (9,875) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (1,650) | (3,614) |
| Distribution payable | | (309) | (383) |
| Other creditors | 10 | (9,978) | (1,949) |
| Total liabilities | | (15,601) | (15,821) |
| **Net assets attributable to shareholders** | | 229,216 | 232,840 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 232,840 | 239,417 |
| Amounts receivable on the issue of shares** | 17,777 | 12,175 |
| Amounts payable on the cancellation of shares** | (28,664) | (30,983) |
| | (10,887) | (18,808) |
| Dilution adjustment | 36 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 5,361 | 10,428 |
| Retained distribution on accumulation shares | 1,866 | 1,797 |
| Unclaimed distributions | – | 6 |
| **Closing net assets attributable to shareholders** | 229,216 | 232,840 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1503 | – | 0.1503 | 0.1051 |
| 08/04/20 to 07/05/20 | 0.1338 | – | 0.1338 | 0.1005 |
| 08/05/20 to 07/06/20 | 0.1047 | – | 0.1047 | 0.0995 |
| 08/06/20 to 07/07/20 | 0.1363 | – | 0.1363 | 0.0974 |
| 08/07/20 to 07/08/20 | 0.1109 | – | 0.1109 | 0.0932 |
| 08/08/20 to 07/09/20 | 0.0565 | – | 0.0565 | 0.0901 |
| 08/09/20 to 07/10/20 | 0.1067 | – | 0.1067 | 0.0929 |
| 08/10/20 to 07/11/20 | 0.1050 | – | 0.1050 | 0.0876 |
| 08/11/20 to 07/12/20 | 0.0991 | – | 0.0991 | 0.0799 |
| 08/12/20 to 07/01/21 | 0.0862 | – | 0.0862 | 0.0753 |
| 08/01/21 to 07/02/21 | 0.0787 | – | 0.0787 | 0.0811 |
| 08/02/21 to 07/03/21 | 0.0878 | – | 0.0878 | 0.1096 |

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

# Threadneedle Strategic Bond Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1174 | 0.0329 | 0.1503 | 0.1051 |
| 08/04/20 to 07/05/20 | 0.0399 | 0.0939 | 0.1338 | 0.1005 |
| 08/05/20 to 07/06/20 | – | 0.1047 | 0.1047 | 0.0995 |
| 08/06/20 to 07/07/20 | 0.0292 | 0.1071 | 0.1363 | 0.0974 |
| 08/07/20 to 07/08/20 | 0.0175 | 0.0934 | 0.1109 | 0.0932 |
| 08/08/20 to 07/09/20 | 0.0159 | 0.0406 | 0.0565 | 0.0901 |
| 08/09/20 to 07/10/20 | 0.0346 | 0.0721 | 0.1067 | 0.0929 |
| 08/10/20 to 07/11/20 | 0.0259 | 0.0791 | 0.1050 | 0.0876 |
| 08/11/20 to 07/12/20 | 0.0435 | 0.0556 | 0.0991 | 0.0799 |
| 08/12/20 to 07/01/21 | 0.0415 | 0.0447 | 0.0862 | 0.0753 |
| 08/01/21 to 07/02/21 | 0.0359 | 0.0428 | 0.0787 | 0.0811 |
| 08/02/21 to 07/03/21 | 0.0134 | 0.0744 | 0.0878 | 0.1096 |
| **Total distributions in the period** | | | **1.2560** | **1.1122** |

### Class 1 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1505 | – | 0.1505 | 0.1053 |
| 08/04/20 to 07/05/20 | 0.1341 | – | 0.1341 | 0.1006 |
| 08/05/20 to 07/06/20 | 0.1200 | – | 0.1200 | 0.0997 |
| 08/06/20 to 07/07/20 | 0.1215 | – | 0.1215 | 0.0978 |
| 08/07/20 to 07/08/20 | 0.1111 | – | 0.1111 | 0.0934 |
| 08/08/20 to 07/09/20 | 0.0566 | – | 0.0566 | 0.0902 |
| 08/09/20 to 07/10/20 | 0.1069 | – | 0.1069 | 0.0932 |
| 08/10/20 to 07/11/20 | 0.1052 | – | 0.1052 | 0.0876 |
| 08/11/20 to 07/12/20 | 0.0994 | – | 0.0994 | 0.0801 |
| 08/12/20 to 07/01/21 | 0.0862 | – | 0.0862 | 0.0755 |
| 08/01/21 to 07/02/21 | 0.0789 | – | 0.0789 | 0.0812 |
| 08/02/21 to 07/03/21 | 0.0880 | – | 0.0880 | 0.1098 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.0797 | 0.0708 | 0.1505 | 0.1053 |
| 08/04/20 to 07/05/20 | 0.0141 | 0.1200 | 0.1341 | 0.1006 |
| 08/05/20 to 07/06/20 | 0.0100 | 0.1100 | 0.1200 | 0.0997 |
| 08/06/20 to 07/07/20 | 0.0309 | 0.0906 | 0.1215 | 0.0978 |
| 08/07/20 to 07/08/20 | 0.0112 | 0.0999 | 0.1111 | 0.0934 |
| 08/08/20 to 07/09/20 | 0.0167 | 0.0399 | 0.0566 | 0.0902 |
| 08/09/20 to 07/10/20 | 0.0173 | 0.0896 | 0.1069 | 0.0932 |
| 08/10/20 to 07/11/20 | 0.0085 | 0.0967 | 0.1052 | 0.0876 |
| 08/11/20 to 07/12/20 | 0.0196 | 0.0798 | 0.0994 | 0.0801 |
| 08/12/20 to 07/01/21 | 0.0063 | 0.0799 | 0.0862 | 0.0755 |
| 08/01/21 to 07/02/21 | 0.0005 | 0.0784 | 0.0789 | 0.0812 |
| 08/02/21 to 07/03/21 | 0.0083 | 0.0797 | 0.0880 | 0.1098 |
| **Total distributions in the period** | | | **1.2584** | **1.1144** |

### Class 2 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1694 | – | 0.1694 | 0.1195 |
| 08/04/20 to 07/05/20 | 0.1514 | – | 0.1514 | 0.1143 |
| 08/05/20 to 07/06/20 | 0.1359 | – | 0.1359 | 0.1134 |
| 08/06/20 to 07/07/20 | 0.1382 | – | 0.1382 | 0.1112 |
| 08/07/20 to 07/08/20 | 0.1268 | – | 0.1268 | 0.1068 |
| 08/08/20 to 07/09/20 | 0.0671 | – | 0.0671 | 0.1034 |
| 08/09/20 to 07/10/20 | 0.1222 | – | 0.1222 | 0.1064 |
| 08/10/20 to 07/11/20 | 0.1203 | – | 0.1203 | 0.1007 |
| 08/11/20 to 07/12/20 | 0.1141 | – | 0.1141 | 0.0921 |
| 08/12/20 to 07/01/21 | 0.1000 | – | 0.1000 | 0.0876 |
| 08/01/21 to 07/02/21 | 0.0915 | – | 0.0915 | 0.0938 |
| 08/02/21 to 07/03/21 | 0.1016 | – | 0.1016 | 0.1248 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.0904 | 0.0790 | 0.1694 | 0.1195 |
| 08/04/20 to 07/05/20 | 0.0258 | 0.1256 | 0.1514 | 0.1143 |
| 08/05/20 to 07/06/20 | 0.0110 | 0.1249 | 0.1359 | 0.1134 |
| 08/06/20 to 07/07/20 | 0.0211 | 0.1171 | 0.1382 | 0.1112 |
| 08/07/20 to 07/08/20 | 0.0195 | 0.1073 | 0.1268 | 0.1068 |
| 08/08/20 to 07/09/20 | 0.0363 | 0.0308 | 0.0671 | 0.1034 |
| 08/09/20 to 07/10/20 | 0.0267 | 0.0955 | 0.1222 | 0.1064 |
| 08/10/20 to 07/11/20 | 0.0118 | 0.1085 | 0.1203 | 0.1007 |
| 08/11/20 to 07/12/20 | 0.0166 | 0.0975 | 0.1141 | 0.0921 |
| 08/12/20 to 07/01/21 | 0.0124 | 0.0876 | 0.1000 | 0.0876 |
| 08/01/21 to 07/02/21 | 0.0039 | 0.0876 | 0.0915 | 0.0938 |
| 08/02/21 to 07/03/21 | 0.0142 | 0.0874 | 0.1016 | 0.1248 |
| **Total distributions in the period** | | | **1.4385** | **1.2740** |

### Class 2 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1789 | – | 0.1789 | 0.1262 |
| 08/04/20 to 07/05/20 | 0.1599 | – | 0.1599 | 0.1207 |
| 08/05/20 to 07/06/20 | 0.1436 | – | 0.1436 | 0.1199 |
| 08/06/20 to 07/07/20 | 0.1459 | – | 0.1459 | 0.1173 |
| 08/07/20 to 07/08/20 | 0.1340 | – | 0.1340 | 0.1128 |
| 08/08/20 to 07/09/20 | 0.0708 | – | 0.0708 | 0.1093 |
| 08/09/20 to 07/10/20 | 0.1291 | – | 0.1291 | 0.1124 |
| 08/10/20 to 07/11/20 | 0.1271 | – | 0.1271 | 0.1063 |
| 08/11/20 to 07/12/20 | 0.1205 | – | 0.1205 | 0.0973 |
| 08/12/20 to 07/01/21 | 0.1056 | – | 0.1056 | 0.0925 |
| 08/01/21 to 07/02/21 | 0.0966 | – | 0.0966 | 0.0991 |
| 08/02/21 to 07/03/21 | 0.1074 | – | 0.1074 | 0.1318 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1789 | – | 0.1789 | 0.1262 |
| 08/04/20 to 07/05/20 | 0.1599 | – | 0.1599 | 0.1207 |
| 08/05/20 to 07/06/20 | 0.1436 | – | 0.1436 | 0.1199 |
| 08/06/20 to 07/07/20 | 0.1459 | – | 0.1459 | 0.1173 |
| 08/07/20 to 07/08/20 | 0.1340 | – | 0.1340 | 0.1128 |
| 08/08/20 to 07/09/20 | 0.0708 | – | 0.0708 | 0.1093 |
| 08/09/20 to 07/10/20 | 0.1291 | – | 0.1291 | 0.1124 |
| 08/10/20 to 07/11/20 | 0.1271 | – | 0.1271 | 0.1063 |
| 08/11/20 to 07/12/20 | 0.1205 | – | 0.1205 | 0.0973 |
| 08/12/20 to 07/01/21 | 0.1056 | – | 0.1056 | 0.0925 |
| 08/01/21 to 07/02/21 | 0.0966 | – | 0.0966 | 0.0991 |
| 08/02/21 to 07/03/21 | 0.1074 | – | 0.1074 | 0.1318 |
| **Total distributions in the period** | | | **1.5194** | **1.3456** |

### Class 2 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.4198 | – | 0.4198 | 0.2891 |
| 08/04/20 to 07/05/20 | 0.3767 | – | 0.3767 | 0.2769 |
| 08/05/20 to 07/06/20 | 0.3392 | – | 0.3392 | 0.2756 |
| 08/06/20 to 07/07/20 | 0.3458 | – | 0.3458 | 0.2706 |
| 08/07/20 to 07/08/20 | 0.3182 | – | 0.3182 | 0.2607 |
| 08/08/20 to 07/09/20 | 0.1690 | – | 0.1690 | 0.2528 |
| 08/09/20 to 07/10/20 | 0.3077 | – | 0.3077 | 0.2607 |
| 08/10/20 to 07/11/20 | 0.3037 | – | 0.3037 | 0.2473 |
| 08/11/20 to 07/12/20 | 0.2888 | – | 0.2888 | 0.2265 |
| 08/12/20 to 07/01/21 | 0.2534 | – | 0.2534 | 0.2160 |
| 08/01/21 to 07/02/21 | 0.2325 | – | 0.2325 | 0.2315 |
| 08/02/21 to 07/03/21 | 0.2578 | – | 0.2578 | 0.3084 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2198 | 0.2000 | 0.4198 | 0.2891 |
| 08/04/20 to 07/05/20 | 0.1061 | 0.2706 | 0.3767 | 0.2769 |
| 08/05/20 to 07/06/20 | 0.0977 | 0.2415 | 0.3392 | 0.2756 |
| 08/06/20 to 07/07/20 | 0.2183 | 0.1275 | 0.3458 | 0.2706 |
| 08/07/20 to 07/08/20 | 0.1200 | 0.1982 | 0.3182 | 0.2607 |
| 08/08/20 to 07/09/20 | 0.0436 | 0.1254 | 0.1690 | 0.2528 |
| 08/09/20 to 07/10/20 | 0.0702 | 0.2375 | 0.3077 | 0.2607 |
| 08/10/20 to 07/11/20 | 0.0846 | 0.2191 | 0.3037 | 0.2473 |
| 08/11/20 to 07/12/20 | 0.1516 | 0.1372 | 0.2888 | 0.2265 |
| 08/12/20 to 07/01/21 | 0.1538 | 0.0996 | 0.2534 | 0.2160 |
| 08/01/21 to 07/02/21 | 0.0258 | 0.2067 | 0.2325 | 0.2315 |
| 08/02/21 to 07/03/21 | 0.1319 | 0.1259 | 0.2578 | 0.3084 |
| **Total distributions in the period** | | | **3.6126** | **3.1161** |

### Class X – Gross accumulation shares*

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3479 | – | 0.3479 | |
| 08/04/20 to 07/05/20 | 0.3122 | – | 0.3122 | |
| 08/05/20 to 07/06/20 | 0.2812 | – | 0.2812 | 0.2080 |
| 08/06/20 to 07/07/20 | 0.2870 | – | 0.2870 | 0.2218 |
| 08/07/20 to 07/08/20 | 0.2642 | – | 0.2642 | 0.2148 |
| 08/08/20 to 07/09/20 | 0.1403 | – | 0.1403 | 0.2085 |
| 08/09/20 to 07/10/20 | 0.2558 | – | 0.2558 | 0.2152 |
| 08/10/20 to 07/11/20 | 0.2527 | – | 0.2527 | 0.2042 |
| 08/11/20 to 07/12/20 | 0.2404 | – | 0.2404 | 0.1871 |
| 08/12/20 to 07/01/21 | 0.2111 | – | 0.2111 | 0.1786 |
| 08/01/21 to 07/02/21 | 0.1937 | – | 0.1937 | 0.1915 |
| 08/02/21 to 07/03/21 | 0.2158 | – | 0.2158 | 0.2553 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.3479 | – | 0.3479 | |
| 08/04/20 to 07/05/20 | 0.3122 | – | 0.3122 | |
| 08/05/20 to 07/06/20 | 0.2812 | – | 0.2812 | 0.2080 |
| 08/06/20 to 07/07/20 | 0.2870 | – | 0.2870 | 0.2218 |
| 08/07/20 to 07/08/20 | 0.2642 | – | 0.2642 | 0.2148 |
| 08/08/20 to 07/09/20 | 0.1403 | – | 0.1403 | 0.2085 |
| 08/09/20 to 07/10/20 | 0.2558 | – | 0.2558 | 0.2152 |
| 08/10/20 to 07/11/20 | 0.2527 | – | 0.2527 | 0.2042 |
| 08/11/20 to 07/12/20 | 0.2404 | – | 0.2404 | 0.1871 |
| 08/12/20 to 07/01/21 | 0.2111 | – | 0.2111 | 0.1786 |
| 08/01/21 to 07/02/21 | 0.1937 | – | 0.1937 | 0.1915 |
| 08/02/21 to 07/03/21 | 0.2158 | – | 0.2158 | 0.2553 |
| **Total distributions in the period** | | | **3.0023** | **2.0850** |

### Class Z – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3331 | – | 0.3331 | 0.2328 |
| 08/04/20 to 07/05/20 | 0.2973 | – | 0.2973 | 0.2224 |
| 08/05/20 to 07/06/20 | 0.2835 | – | 0.2835 | 0.2206 |
| 08/06/20 to 07/07/20 | 0.2529 | – | 0.2529 | 0.2161 |
| 08/07/20 to 07/08/20 | 0.2475 | – | 0.2475 | 0.2073 |
| 08/08/20 to 07/09/20 | 0.1279 | – | 0.1279 | 0.2005 |
| 08/09/20 to 07/10/20 | 0.2385 | – | 0.2385 | 0.2067 |
| 08/10/20 to 07/11/20 | 0.2348 | – | 0.2348 | 0.1951 |
| 08/11/20 to 07/12/20 | 0.2221 | – | 0.2221 | 0.1783 |
| 08/12/20 to 07/01/21 | 0.1936 | – | 0.1936 | 0.1687 |
| 08/01/21 to 07/02/21 | 0.1772 | – | 0.1772 | 0.1812 |
| 08/02/21 to 07/03/21 | 0.1973 | – | 0.1973 | 0.2439 |

# Threadneedle Strategic Bond Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2044 | 0.1287 | 0.3331 | 0.2328 |
| 08/04/20 to 07/05/20 | 0.1071 | 0.1902 | 0.2973 | 0.2224 |
| 08/05/20 to 07/06/20 | 0.1626 | 0.1209 | 0.2835 | 0.2206 |
| 08/06/20 to 07/07/20 | 0.1047 | 0.1482 | 0.2529 | 0.2161 |
| 08/07/20 to 07/08/20 | 0.1231 | 0.1244 | 0.2475 | 0.2073 |
| 08/08/20 to 07/09/20 | 0.0278 | 0.1001 | 0.1279 | 0.2005 |
| 08/09/20 to 07/10/20 | 0.1125 | 0.1260 | 0.2385 | 0.2067 |
| 08/10/20 to 07/11/20 | 0.0841 | 0.1507 | 0.2348 | 0.1951 |
| 08/11/20 to 07/12/20 | 0.0533 | 0.1688 | 0.2221 | 0.1783 |
| 08/12/20 to 07/01/21 | 0.0713 | 0.1223 | 0.1936 | 0.1687 |
| 08/01/21 to 07/02/21 | 0.0556 | 0.1216 | 0.1772 | 0.1812 |
| 08/02/21 to 07/03/21 | 0.1190 | 0.0783 | 0.1973 | 0.2439 |
| **Total distributions in the period** | | | **2.8057** | **2.4736** |

### Class Z – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3332 | – | 0.3332 | 0.2328 |
| 08/04/20 to 07/05/20 | 0.2973 | – | 0.2973 | 0.2224 |
| 08/05/20 to 07/06/20 | 0.2663 | – | 0.2663 | 0.2206 |
| 08/06/20 to 07/07/20 | 0.2702 | – | 0.2702 | 0.2161 |
| 08/07/20 to 07/08/20 | 0.2476 | – | 0.2476 | 0.2073 |
| 08/08/20 to 07/09/20 | 0.1279 | – | 0.1279 | 0.2005 |
| 08/09/20 to 07/10/20 | 0.2385 | – | 0.2385 | 0.2067 |
| 08/10/20 to 07/11/20 | 0.2348 | – | 0.2348 | 0.1951 |
| 08/11/20 to 07/12/20 | 0.2221 | – | 0.2221 | 0.1783 |
| 08/12/20 to 07/01/21 | 0.1936 | – | 0.1936 | 0.1687 |
| 08/01/21 to 07/02/21 | 0.1771 | – | 0.1771 | 0.1813 |
| 08/02/21 to 07/03/21 | 0.1974 | – | 0.1974 | 0.2438 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1598 | 0.1734 | 0.3332 | 0.2328 |
| 08/04/20 to 07/05/20 | 0.0394 | 0.2579 | 0.2973 | 0.2224 |
| 08/05/20 to 07/06/20 | 0.1323 | 0.1340 | 0.2663 | 0.2206 |
| 08/06/20 to 07/07/20 | 0.0639 | 0.2063 | 0.2702 | 0.2161 |
| 08/07/20 to 07/08/20 | 0.1187 | 0.1289 | 0.2476 | 0.2073 |
| 08/08/20 to 07/09/20 | – | 0.1279 | 0.1279 | 0.2005 |
| 08/09/20 to 07/10/20 | 0.1279 | 0.1106 | 0.2385 | 0.2067 |
| 08/10/20 to 07/11/20 | 0.0418 | 0.1930 | 0.2348 | 0.1951 |
| 08/11/20 to 07/12/20 | 0.0534 | 0.1687 | 0.2221 | 0.1783 |
| 08/12/20 to 07/01/21 | 0.0877 | 0.1059 | 0.1936 | 0.1687 |
| 08/01/21 to 07/02/21 | 0.0669 | 0.1102 | 0.1771 | 0.1813 |
| 08/02/21 to 07/03/21 | 0.0879 | 0.1095 | 0.1974 | 0.2438 |
| **Total distributions in the period** | | | **2.8060** | **2.4736** |

### Class Z – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.4522 | – | 0.4522 | 0.3085 |
| 08/04/20 to 07/05/20 | 0.4051 | – | 0.4051 | 0.2954 |
| 08/05/20 to 07/06/20 | 0.3640 | – | 0.3640 | 0.2937 |
| 08/06/20 to 07/07/20 | 0.3702 | – | 0.3702 | 0.2883 |
| 08/07/20 to 07/08/20 | 0.3402 | – | 0.3402 | 0.2772 |
| 08/08/20 to 07/09/20 | 0.1760 | – | 0.1760 | 0.2685 |
| 08/09/20 to 07/10/20 | 0.3289 | – | 0.3289 | 0.2775 |
| 08/10/20 to 07/11/20 | 0.3245 | – | 0.3245 | 0.2625 |
| 08/11/20 to 07/12/20 | 0.3076 | – | 0.3076 | 0.2403 |
| 08/12/20 to 07/01/21 | 0.2687 | – | 0.2687 | 0.2276 |
| 08/01/21 to 07/02/21 | 0.2463 | – | 0.2463 | 0.2451 |
| 08/02/21 to 07/03/21 | 0.2748 | – | 0.2748 | 0.3299 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2085 | 0.2437 | 0.4522 | 0.3085 |
| 08/04/20 to 07/05/20 | 0.0366 | 0.3685 | 0.4051 | 0.2954 |
| 08/05/20 to 07/06/20 | 0.1813 | 0.1827 | 0.3640 | 0.2937 |
| 08/06/20 to 07/07/20 | 0.2437 | 0.1265 | 0.3702 | 0.2883 |
| 08/07/20 to 07/08/20 | 0.3187 | 0.0215 | 0.3402 | 0.2772 |
| 08/08/20 to 07/09/20 | 0.0662 | 0.1098 | 0.1760 | 0.2685 |
| 08/09/20 to 07/10/20 | 0.2263 | 0.1026 | 0.3289 | 0.2775 |
| 08/10/20 to 07/11/20 | 0.2485 | 0.0760 | 0.3245 | 0.2625 |
| 08/11/20 to 07/12/20 | 0.2077 | 0.0999 | 0.3076 | 0.2403 |
| 08/12/20 to 07/01/21 | 0.2106 | 0.0581 | 0.2687 | 0.2276 |
| 08/01/21 to 07/02/21 | 0.1250 | 0.1213 | 0.2463 | 0.2451 |
| 08/02/21 to 07/03/21 | 0.2065 | 0.0683 | 0.2748 | 0.3299 |
| **Total distributions in the period** | | | **3.8585** | **3.3145** |

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle Strategic Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 46.96 | 45.20 | 46.43 | 47.05 | 45.29 | 46.51 |
| Return before operating charges (p) | 2.87 | 3.53 | 0.82 | 2.87 | 3.54 | 0.84 |
| Operating charges (p) | (0.64) | (0.66) | (0.65) | (0.64) | (0.67) | (0.65) |
| Return after operating charges (p)* | 2.23 | 2.87 | 0.17 | 2.23 | 2.87 | 0.19 |
| Distributions (p) | (1.26) | (1.11) | (1.40) | (1.26) | (1.11) | (1.41) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 47.93 | 46.96 | 45.20 | 48.02 | 47.05 | 45.29 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 4.75 | 6.35 | 0.37 | 4.74 | 6.34 | 0.41 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 20,010 | 25,314 | 28,976 | 200 | 309 | 7,836 |
| Closing number of shares | 41,750,659 | 53,902,519 | 64,100,246 | 417,152 | 656,906 | 17,303,800 |
| Operating charges (%)** | 1.36 | 1.43 | 1.43 | 1.36 | 1.45 | 1.43 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 48.67 | 47.39 | 46.60 | 48.76 | 47.48 | 46.69 |
| Lowest share price (p) | 41.25 | 45.36 | 44.44 | 41.32 | 45.44 | 44.52 |

| | Class 2 – Income shares | | | Class 2 – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 51.46 | 49.28 | 50.36 | 54.35 | 52.05 | 53.20 |
| Return before operating charges (p) | 3.14 | 3.87 | 0.91 | 3.32 | 4.09 | 0.95 |
| Operating charges (p) | (0.42) | (0.42) | (0.41) | (0.45) | (0.44) | (0.43) |
| Return after operating charges (p)* | 2.72 | 3.45 | 0.50 | 2.87 | 3.65 | 0.52 |
| Distributions (p) | (1.44) | (1.27) | (1.58) | (1.52) | (1.35) | (1.67) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 52.74 | 51.46 | 49.28 | 55.70 | 54.35 | 52.05 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 5.29 | 7.00 | 0.99 | 5.28 | 7.01 | 0.98 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 6,454 | 6,413 | 6,892 | 16,071 | 15,682 | 14,939 |
| Closing number of shares | 12,238,803 | 12,462,447 | 13,984,353 | 28,853,385 | 28,853,385 | 28,700,737 |
| Operating charges (%)** | 0.82 | 0.82 | 0.82 | 0.82 | 0.82 | 0.82 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 53.53 | 51.92 | 50.56 | 56.54 | 54.84 | 53.40 |
| Lowest share price (p) | 45.21 | 49.45 | 48.41 | 47.75 | 52.23 | 51.13 |

# Threadneedle Strategic Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 – Gross accumulation shares[§] | | | Class X – Gross accumulation shares[§] | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[1] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 127.58 | 119.17 | 117.95 | 105.64 | 100.00 |
| Return before operating charges (p) | 7.95 | 9.43 | 2.19 | 6.62 | 5.70 |
| Operating charges (p) | (1.06) | (1.02) | (0.97) | (0.08) | (0.06) |
| Return after operating charges (p)* | 6.89 | 8.41 | 1.22 | 6.54 | 5.64 |
| Distributions (p) | (3.61) | (3.12) | (3.77) | (3.00) | (2.09) |
| Retained distributions on accumulation shares (p) | 3.61 | 3.12 | 3.77 | 3.00 | 2.09 |
| Closing net asset value per share (p) | 134.47 | 127.58 | 119.17 | 112.18 | 105.64 |
| *after direct transaction costs of (p) | – | – | – | – | – |
| **Performance** | | | | | |
| Return after charges (%) | 5.40 | 7.06 | 1.03 | 6.19 | 5.64 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 52,913 | 60,090 | 65,104 | 8,085 | 7,614 |
| Closing number of shares | 39,348,596 | 47,098,550 | 54,632,514 | 7,207,402 | 7,207,402 |
| Operating charges (%)** | 0.82 | 0.82 | 0.82 | 0.07 | 0.07[†] |
| Direct transaction costs (%)*** | – | – | – | – | – |
| **Prices** | | | | | |
| Highest share price (p) | 135.98 | 128.42 | 119.54 | 113.39 | 106.31 |
| Lowest share price (p) | 112.09 | 119.58 | 116.16 | 92.84 | 100.00 |

| | Class Z – Income shares | | | Class Z – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 103.07 | 98.57 | 100.58 | 103.07 | 98.57 | 100.58 |
| Return before operating charges (p) | 6.29 | 7.72 | 1.81 | 6.29 | 7.72 | 1.81 |
| Operating charges (p) | (0.76) | (0.75) | (0.73) | (0.76) | (0.75) | (0.73) |
| Return after operating charges (p)* | 5.53 | 6.97 | 1.08 | 5.53 | 6.97 | 1.08 |
| Distributions (p) | (2.81) | (2.47) | (3.09) | (2.81) | (2.47) | (3.09) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 105.79 | 103.07 | 98.57 | 105.79 | 103.07 | 98.57 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 5.37 | 7.07 | 1.07 | 5.37 | 7.07 | 1.07 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 43,268 | 43,021 | 46,651 | 79,254 | 71,050 | 65,639 |
| Closing number of shares | 40,899,539 | 41,739,489 | 47,330,205 | 74,915,191 | 68,932,271 | 66,592,997 |
| Operating charges (%)** | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 107.35 | 103.99 | 100.97 | 107.35 | 103.99 | 100.97 |
| Lowest share price (p) | 90.56 | 98.91 | 96.80 | 90.56 | 98.91 | 96.80 |

# Threadneedle Strategic Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Gross accumulation shares[§] | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 139.95 | 130.62 | 129.19 |
| Return before operating charges (p) | 8.71 | 10.34 | 2.39 |
| Operating charges (p) | (1.05) | (1.01) | (0.96) |
| Return after operating charges (p)* | 7.66 | 9.33 | 1.43 |
| Distributions (p) | (3.86) | (3.31) | (4.03) |
| Retained distributions on accumulation shares (p) | 3.86 | 3.31 | 4.03 |
| Closing net asset value per share (p) | 147.61 | 139.95 | 130.62 |
| *after direct transaction costs of (p) | – | – | – |
| **Performance** | | | |
| Return after charges (%) | 5.47 | 7.14 | 1.11 |
| **Other information** | | | |
| Closing net asset value (£000) | 2,961 | 3,347 | 3,380 |
| Closing number of shares | 2,005,564 | 2,391,960 | 2,587,617 |
| Operating charges (%)** | 0.74 | 0.74 | 0.74 |
| Direct transaction costs (%)*** | – | – | – |
| **Prices** | | | |
| Highest share price (p) | 149.26 | 140.86 | 131.03 |
| Lowest share price (p) | 122.95 | 131.07 | 127.30 |

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

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

*[§]Only available to eligible investors.*

*[1]Commenced 9 May 2019.*

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

# Threadneedle Strategic Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (1,549) | 17,934 |
| Derivative contracts | 4,197 | (4,116) |
| Forward currency contracts | 1,416 | (3,294) |
| Other gains | 2,848 | 1,628 |
| Transaction costs | (2) | (2) |
| Net capital gains | 6,910 | 12,150 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 7,884 | 8,766 |
| Interest on short term investments | – | 3 |
| Bank interest | 7 | 63 |
| Total revenue | 7,891 | 8,832 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,549) | (1,723) |
| Registration fees | (193) | (206) |
| | (1,742) | (1,929) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (27) | (28) |
| Safe custody fees | (19) | (21) |
| | (46) | (49) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (10) | (10) |
| | (17) | (17) |
| Total expenses* | (1,805) | (1,995) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (3) | (5) |
| Derivative expense | (1,420) | (2,686) |
| Total interest payable and similar charges | (1,423) | (2,691) |

### 6 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Total current tax (note 6b) | – | – |
| Total tax charge for the period | – | – |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 4,663 | 4,146 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (933) | (829) |
| Effects of: | | |
| Excess expenses | 307 | 829 |
| Distributions treated as tax deductible | 626 | – |
| Current tax charge for period (note 6a) | – | – |

The fund does not have a deferred tax asset at the year end. (2020: £307,211) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 5,765 | 5,293 |
| Final | 432 | 555 |
| | 6,197 | 5,848 |
| Add: Revenue deducted on the cancellation of shares* | 45 | 31 |
| Deduct: Revenue received on the creation of shares* | (30) | (11) |
| Net distribution for the period | 6,212 | 5,868 |
| Net revenue after taxation | 4,663 | 4,146 |
| Annual management charge to capital | 1,549 | 1,723 |
| Undistributed revenue carried forward | – | (1) |
| Total distributions | 6,212 | 5,868 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 127 to 129.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 264 | 198 |
| Sales awaiting settlement | 542 | 207 |
| Accrued revenue | 2,682 | 2,751 |
| Total debtors | 3,488 | 3,156 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 7,126 | 14,347 |
| Cash and bank balances | 3,546 | 2,291 |
| | 10,672 | 16,638 |
| Cash overdrafts at broker | (1,650) | (3,614) |
| Total cash and bank balances | 9,022 | 13,024 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (5,306) | (278) |
| Purchases awaiting settlement | (4,489) | (1,476) |
| Accrued expenses | (11) | (12) |
| Amounts payable to ACD | (172) | (183) |
| Total other creditors | (9,978) | (1,949) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle Strategic Bond Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 1.10% |
| Class 2 shares | 0.75% |
| Class X shares | N/A* |
| Class Z shares | 0.60% |
| **Registration fees** | |
| Class 1 shares | 0.150% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 130 to 132. The distribution per share class is given in the distribution table on pages 127 to 129.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 53,902,519 |
| Shares issued | 644,489 |
| Shares redeemed | (6,118,804) |
| Net conversions | (6,677,545) |
| Closing shares | 41,750,659 |
| **Class 1 – Gross income shares** | |
| Opening shares | 656,906 |
| Shares issued | 556 |
| Shares redeemed | (240,310) |
| Net conversions | – |
| Closing shares | 417,152 |
| **Class 2 – Income shares** | |
| Opening shares | 12,462,447 |
| Shares issued | 53,051 |
| Shares redeemed | (228,656) |
| Net conversions | (48,039) |
| Closing shares | 12,238,803 |
| **Class 2 – Gross income shares** | |
| Opening shares | 28,853,385 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 28,853,385 |
| **Class 2 – Gross accumulation shares** | |
| Opening shares | 47,098,550 |
| Shares issued | 6,455,872 |
| Shares redeemed | (14,205,826) |
| Net conversions | – |
| Closing shares | 39,348,596 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 7,207,402 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 7,207,402 |
| **Class Z – Income shares** | |
| Opening shares | 41,739,489 |
| Shares issued | 1,017,034 |
| Shares redeemed | (4,918,036) |
| Net conversions | 3,061,052 |
| Closing shares | 40,899,539 |
| **Class Z – Gross income shares** | |
| Opening shares | 68,932,271 |
| Shares issued | 7,262,243 |
| Shares redeemed | (1,279,323) |
| Net conversions | – |
| Closing shares | 74,915,191 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 2,391,960 |
| Shares issued | 69,929 |
| Shares redeemed | (456,641) |
| Net conversions | 316 |
| Closing shares | 2,005,564 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Value at Risk (VaR) disclosure**

Ex ante risk forecasts are generated using factor models provided by BlackRock Solutions. The risk model is updated daily.
VaR is used to evaluate the level of Global Exposure undertaken by the fund.
VaR is defined using two variables – a time period and a probability of loss. For example, a 99%, 1 month VaR estimate would imply there is a 99% probability that the fund will lose no more than this VaR amount over a one month period. The figure is calculated using a covariance model with 2 years of data, weighted with a 6 month half-life. All risk figures are estimates.
The fund's VaR limit is 1.8% x benchmark VAR† As at year end the fund's VaR was 2.5% (2020: 2.2%).
At 7 March, 2021 the VaR utilisation was 67% (2020: 56%) (actual VaR/VaR limit). During the year ended 7 March, 2021 the lowest VaR utilisation was 53% (2020: 54%), the highest VaR utilisation was 75% (2020: 94%) and the average utilisation was 70% (2020: 70%).

*†The benchmark of fund is shown on page 330.*

**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 2021** | **£000** |
| Australian Dollar | – |
| Euro | (1,129) |
| Japanese Yen | (227) |
| US Dollar | 79 |
| **Currency 2020** | **£000** |
| Australian Dollar | 1 |
| Euro | (1,441) |
| Japanese Yen | (239) |
| US Dollar | 307 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

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

| 2021 | Credit Default Swaps Exposure | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|---|
| **Counterparty** | **£000** | **£000** | **£000** |
| Barclays | – | 31 | – |
| Goldman Sachs | – | – | 110 |
| HSBC | – | 25 | – |
| J.P. Morgan | – | – | 860 |
| UBS | – | 9 | – |

# Threadneedle Strategic Bond Fund

## Notes to the financial statements

*(continued)*

| 2020 | Credit Default Swaps Exposure | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|---|
| **Counterparty** | **£000** | **£000** | **£000** |
| Barclays | – | – | 4,560 |
| Citigroup | 450 | – | 290 |
| Credit Suisse | – | 1 | – |
| Goldman Sachs | – | – | 310 |
| HSBC | – | – | 10 |
| J.P. Morgan | – | – | 710 |
| UBS | – | 22 | – |

The fund held £220,000 (2020: £290,000) 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**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AAA | 11,318 | 4.99 | 443 | 0.20 |
| AA+ | – | – | 370 | 0.17 |
| AA | 954 | 0.42 | 2,041 | 0.93 |
| Aa2 | 2,246 | 0.99 | – | – |
| Aa2u | – | – | 4,157 | 1.90 |
| A+ | 3,092 | 1.36 | 3,834 | 1.75 |
| A | 591 | 0.26 | 1,692 | 0.77 |
| A- | 6,131 | 2.70 | 12,136 | 5.54 |
| A3 | – | – | 1,821 | 0.83 |
| BBB+ | 25,265 | 11.13 | 26,386 | 12.05 |
| Baa1 | 2,071 | 0.91 | 3,543 | 1.62 |
| BBB | 33,609 | 14.81 | 41,476 | 18.94 |
| Baa2 | 4,138 | 1.82 | 4,870 | 2.22 |
| BBB- | 23,071 | 10.17 | 33,380 | 15.24 |
| Baa3 | 3,738 | 1.65 | 3,384 | 1.55 |
| BB+ | 31,229 | 13.76 | 20,409 | 9.32 |
| BB | 15,142 | 6.67 | 8,009 | 3.66 |
| Ba2 | 3,926 | 1.73 | 4,938 | 2.25 |
| BB- | 17,419 | 7.67 | 13,817 | 6.31 |
| B+ | 5,886 | 2.59 | 9,744 | 4.45 |
| B1 | 358 | 0.16 | – | – |
| B | 12,979 | 5.72 | 12,359 | 5.64 |
| (P)B | 272 | 0.12 | – | – |
| Ba3 | 1,674 | 0.74 | 2,068 | 0.94 |
| B2 | – | – | 646 | 0.30 |
| B- | 5,375 | 2.37 | 3,596 | 1.64 |
| B3 | 1,336 | 0.59 | 500 | 0.23 |
| CCC+ | 4,406 | 1.94 | 3,077 | 1.41 |
| Caa1 | 823 | 0.36 | – | – |
| CCC | 867 | 0.38 | 406 | 0.19 |
| CC | 281 | 0.12 | – | – |
| Not Rated* | 6,681 | 2.94 | 7,517 | 3.43 |
| Liquidity Funds | 5,017 | 2.21 | 14 | 0.01 |
| Derivatives** | (2,910) | (1.28) | (7,641) | (3.49) |
| | 226,985 | 100.00 | 218,992 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

***The derivative positions do not have a significant impact on the risk profile.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | 235 | – | – | 235 |
| Euro | 15,493 | 73,235 | 3,035 | 91,763 |
| UK Sterling | 21,871 | 98,250 | 121,614 | 241,735 |
| US Dollar | 3,668 | 27,814 | 3,302 | 34,784 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | 218 | – | – | 218 |
| Euro | 7,767 | 60,788 | 4,695 | 73,250 |
| UK Sterling | 32,979 | 93,863 | 113,302 | 240,144 |
| US Dollar | 2,874 | 44,782 | 2,655 | 50,311 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | – | – | (235) | (235) |
| Euro | (1,267) | – | (91,625) | (92,892) |
| Japanese Yen | (218) | – | (9) | (227) |
| UK Sterling | – | – | (11,242) | (11,242) |
| US Dollar | (164) | – | (34,541) | (34,705) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | – | – | (217) | (217) |
| Euro | (2,814) | – | (71,877) | (74,691) |
| Japanese Yen | (239) | – | – | (239) |
| UK Sterling | – | – | (5,932) | (5,932) |
| US Dollar | (561) | – | (49,443) | (50,004) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**Derivative risks**

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

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts, futures and options and interest rate swaps with an asset value of £754,000 (2020: £2,234,000) and a liability value of £3,664,000 (2020: £9,875,000).

### 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 Strategic 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 7,868 | (162) | 4,362 | (1,924) |
| Level 2 | 222,438 | (3,502) | 223,464 | (7,951) |
| Level 3 | 351 | – | 1,041 | – |
| | 230,657 | (3,664) | 228,867 | (9,875) |

Included within Level 1, are debt securities of £7,463,000 (2020: £4,170,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £151,308,200 (2020: £145,624,016) and £150,520,133 (2020: £168,459,191) respectively. Collective investment schemes purchases and sales amounted to £44,503,408 (2020: £22,513,599) and £39,500,000 (2020: £22,500,000) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £557,089 (2020: £1,401,834) 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 £8,155 (2020: £10,621).

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

At the balance sheet date, the portfolio dealing spread was 0.65% (7 March 2020: 0.74%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| Amounts receivable on the issue of shares | 14,258 | (2,083) | 12,175 |
| Amounts payable on the cancellation of shares | (33,066) | 2,083 | (30,983) |
| | (18,808) | – | (18,808) |
| **Impact on net assets attributable to shareholders** | | – | |

| | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 33 | (2) | 31 |
| Deduct: Revenue received on the creation of shares | (13) | 2 | (11) |
| **Net impact** | | – | |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| **Share class** | **% Movement** |
|---|---|
| Class 1 – Gross income shares | (11.22) |

# Threadneedle American Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle American Fund has risen from 331.29p to 422.20p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +27.65% as compared to a median return of +22.41% over the same period. (For information the S&P 500 Index returned +19.95% over the same period).

### Market Overview and Portfolio Activity

US equities registered strong gains over the review period, staging a sharp rebound after a very weak first quarter (Q1) in 2020. The COVID-19 pandemic was the chief driver of market movements over the year. As the coronavirus outbreak in China spread around the world, measures to control the spread of the virus brought cities, regions and even entire countries to a near standstill. Equities were particularly weak in March as oil prices collapsed to 18-year lows, adding to the overall turmoil. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

After the Q1s weakness, equities were supported by a wave of monetary and fiscal stimulus. The Federal Reserve (Fed) lowered its main interest rate back to near zero and pledged to provide unlimited monetary stimulus, while a $2.2tn fiscal-stimulus plan was signed into law in March. Slowing COVID-19 infection rates also contributed to the rally, which lifted the S&P 500 to record highs in late summer. Stocks weakened in September and October amid a sharp rise in virus cases, but surged in the following month on indications that a COVID-19 vaccine would be available shortly and Joe Biden's ultimately decisive victory in the US presidential election. A $900bn fiscal-stimulus package was signed into law in December, helping shares to end 2020 on a positive note. Encouraging corporate earnings helped to push all three of the major US equity indices to record highs in early February 2021, but equities pulled back later in the month, as surging Treasury yields reflected fears that the anticipated reopening of the economy, combined with loose fiscal and monetary policy, would result in higher inflation.

The materials and consumer discretionary sectors outperformed over the review period, but technology was the strongest S&P 500 sector, leading returns from March to September and significantly outpacing the benchmark as the pandemic helped to speed up the 'digitalisation of everything'. An equity pullback in early autumn was accompanied by a rotation out of 'pandemic winners', and into cheaper cyclicals, which had most to gain from an economic reopening. Then, in November, hopes for more normalised economic activity following successful vaccine trials and optimism around Joe Biden's victory in the US election prompted a rotation towards value stocks. Energy underperformed significantly, reflecting the collapse in oil prices as coronavirus related restrictions weighed on fuel demand. However, oil prices rallied to pre pandemic levels towards the end of the review period. Real estate and utilities, viewed as defensive, trailed the broad equity rebound.

During the period, we opened new positions in Morgan Stanley and Intercontinental Exchange, and re-initiated a position in Nvidia.

Morgan Stanley is moving its business mix away from the more volatile, transaction-driven model of its banking arm to the asset-management side, which is fee-based and offers greater stability. October's agreement to buy fund manager Eaton Vance will help to accelerate that shift, creating a business with 60% of revenue coming from asset management. Trends in the wealth-management division have been strong, with improving margins driven by loan and deposit strategy and rising levels of new clients and assets. The valuation is compelling, given the sharper focus on recurring revenues.

Intercontinental Exchange (ICE) operates in an effective duopoly with CME Group in the futures exchange industry. As well as providing clearing services for multiple types of futures contracts, ICE has a data business relaying information including pricing and volume figures to traders. ICE is also moving into new areas such as mortgage services, with the aim of automating mortgage origination – if successful, this would be a very attractive proposition. While the revenue stream is somewhat volatile, it tends to grow over the cycle, and the free cashflow (FCF) yield is superior to other data businesses.

We favour the risk/reward profile of Nvidia over that of NXP Semiconductors, which we sold. We also prefer Nvidia's positive business momentum, as demand for chips has grown rapidly in recent years in line with ever rising data intensity in machines and devices. The growth of technologies including autonomous vehicles promises to spur demand further. With these drivers in place, Nvidia should hold up well in the current market: it has a strong balance sheet and is committed to its dividend, while demand for its products has increased as lockdowns have hugely boosted gaming activity.

We scaled up the exposures to Cisco Systems, Voya Financial, Centene and Broadcom, while taking some profits on Facebook, Take-Two Interactive Software and Caterpillar. The fund exited positions including Visa, Procter & Gamble, Apple and Bank of America.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021: corporate costs and consumer spending. Household finances have been less impacted in this recession than in prior downturns, but consumer spending patterns will have changed after the pandemic. The "experience economy" should see the best growth: tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

Firms have cut costs aggressively during this crisis to protect profits and liquidity. While some will add back expenses as revenues grow, there will be an opportunity to invest in firms that have reduced costs permanently, giving additional operational leverage to drive sustained improvements in profitability through the next business cycle.

While the question remains as to how quickly the US economy, especially the service economy, can recover, we note that government-mandated lockdown measures in the US are less restrictive than across much of Europe, so the rebound depends more on consumer confidence and the spending of household savings.

We are keen to see how President Biden progresses in enacting his policy initiatives. New stimulus is close to being approved, which includes small-business support and further direct payments to households. This, together with the acceleration of vaccine rollouts, has boosted the economic outlook for the second half of 2021, and the bond market has responded by signalling higher expected inflation. However, we view this positively, as it indicates strength in the US economy. Meanwhile, the Fed has maintained its accommodative policy stance and is looking through temporary bouts of inflation in its pursuit of full employment.

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 697,551 | 190,170 |
| Revenue | 3 | 37,110 | 34,297 |
| Expenses | 4 | (18,162) | (18,109) |
| Interest payable and similar charges | 5 | (1) | (2) |
| Net revenue before taxation | | 18,947 | 16,186 |
| Taxation | 6 | (5,232) | (4,974) |
| Net revenue after taxation | | 13,715 | 11,212 |
| **Total return before distributions** | | 711,266 | 201,382 |
| Distributions** | 7 | (14,169) | (11,263) |
| **Change in net assets attributable to shareholders from investment activities** | | 697,097 | 190,119 |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 2,747,837 | 2,087,899 |
| **Current assets:** | | | |
| Debtors | 8 | 45,565 | 37,043 |
| Cash and bank balances | 9 | 30,313 | 17,436 |
| Cash equivalents*** | | 36,249 | 20,283 |
| Total assets | | 2,859,964 | 2,162,661 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (4,720) | (299) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (2,287) | – |
| Distribution payable | | (196) | (177) |
| Other creditors | 10 | (88,609) | (45,062) |
| Total liabilities | | (95,812) | (45,538) |
| **Net assets attributable to shareholders** | | 2,764,152 | 2,117,123 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 2,117,123 | 1,988,356 |
| Amounts receivable on the issue of shares** | 678,320 | 339,342 |
| Amounts payable on the cancellation of shares** | (741,572) | (411,781) |
| | (63,252) | (72,439) |
| Dilution adjustment | 144 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 697,097 | 190,119 |
| Retained distribution on accumulation shares | 13,040 | 11,087 |
| **Closing net assets attributable to shareholders** | 2,764,152 | 2,117,123 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

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

# Threadneedle American Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.8116 | – | 0.8116 | 1.1459 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.2826 | 0.5290 | 0.8116 | 1.1459 |
| **Total distributions in the period** | | | **0.8116** | **1.1459** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 5.7400 | – | 5.7400 | 5.5230 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 4.5760 | 1.1640 | 5.7400 | 5.5230 |
| **Total distributions in the period** | | | **5.7400** | **5.5230** |

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

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.3848 | – | 1.3848 | 0.5008 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.7279 | 0.6569 | 1.3848 | 0.5008 |
| **Total distributions in the period** | | | **1.3848** | **0.5008** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.3551 | – | 1.3551 | 1.5096 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.5019 | 0.8532 | 1.3551 | 1.5096 |
| **Total distributions in the period** | | | **1.3551** | **1.5096** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.4172 | – | 1.4172 | 1.5708 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.6367 | 0.7805 | 1.4172 | 1.5708 |
| **Total distributions in the period** | | | **1.4172** | **1.5708** |

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle American Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 EUR – Income shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 332.87 | 304.98 | 285.17 | 304.69 |
| Return before operating charges (p) | 103.80 | 33.49 | 24.63 | 9.98 |
| Operating charges (p) | (6.05) | (5.60) | (4.82) | (5.65) |
| Return after operating charges (p)* | 97.75 | 27.89 | 19.81 | 4.33 |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 430.62 | 332.87 | 304.98 | 309.02 |
| *after direct transaction costs of (p) | 0.12 | 0.04 | 0.14 | 0.17 |
| **Performance** | | | | |
| Return after charges (%) | 29.37 | 9.14 | 6.95 | 1.42 |
| **Other information** | | | | |
| Closing net asset value (£000) | 1,008 | 991 | 1,161 | – |
| Closing number of shares | 234,021 | 297,579 | 380,807 | – |
| Operating charges (%)** | 1.57 | 1.63 | 1.64 | – |
| Direct transaction costs (%)*** | 0.03 | 0.01 | 0.05 | – |
| **Prices** | | | | |
| Highest share price (p) | 443.15 | 387.64 | 331.24 | 331.24 |
| Lowest share price (p) | 285.93 | 303.73 | 264.90 | 297.04 |

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 332.96 | 305.07 | 285.25 | 304.78 |
| Return before operating charges (p) | 103.84 | 33.43 | 24.71 | 9.98 |
| Operating charges (p) | (6.05) | (5.54) | (4.89) | (5.65) |
| Return after operating charges (p)* | 97.79 | 27.89 | 19.82 | 4.33 |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 430.75 | 332.96 | 305.07 | 309.11 |
| *after direct transaction costs of (p) | 0.12 | 0.04 | 0.14 | 0.17 |
| **Performance** | | | | |
| Return after charges (%) | 29.37 | 9.14 | 6.95 | 1.42 |
| **Other information** | | | | |
| Closing net asset value (£000) | 141,963 | 142,687 | 342,266 | – |
| Closing number of shares | 32,957,333 | 42,853,644 | 112,193,586 | – |
| Operating charges (%)** | 1.58 | 1.64 | 1.63 | – |
| Direct transaction costs (%)*** | 0.03 | 0.01 | 0.05 | – |
| **Prices** | | | | |
| Highest share price (p) | 443.28 | 387.75 | 331.33 | 331.33 |
| Lowest share price (p) | 286.01 | 303.82 | 264.98 | 297.13 |

# Threadneedle American Fund

## Comparative Table Disclosure

*(continued)*

| | Class 1 USD – Accumulation shares | Class 1 EUR Hedged – Accumulation shares |
|---|---|---|
| | 09/11/2018[1] | 09/11/2018[2] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 304.78 | 312.10 |
| Return before operating charges (p) | 9.98 | (5.69) |
| Operating charges (p) | (5.65) | (3.20) |
| Return after operating charges (p)* | 4.33 | (8.89) |
| Distributions (p) | – | – |
| Retained distributions on accumulation shares (p) | – | – |
| Closing net asset value per share (p) | 309.11 | 303.21 |
| *after direct transaction costs of (p) | 0.17 | 0.26 |
| **Performance** | | |
| Return after charges (%) | 1.42 | (2.85) |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 331.33 | 333.94 |
| Lowest share price (p) | 297.13 | 286.30 |

| | Class 2 – Accumulation shares | | | Class 2 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 380.11 | 346.32 | 321.97 | 344.55 |
| Return before operating charges (p) | 118.82 | 37.95 | 27.95 | 9.87 |
| Operating charges (p) | (4.67) | (4.16) | (3.60) | (4.16) |
| Return after operating charges (p)* | 114.15 | 33.79 | 24.35 | 5.71 |
| Distributions (p) | (0.81) | (1.15) | (1.00) | (0.46) |
| Retained distributions on accumulation shares (p) | 0.81 | 1.15 | 1.00 | 0.46 |
| Closing net asset value per share (p) | 494.26 | 380.11 | 346.32 | 350.26 |
| *after direct transaction costs of (p) | 0.14 | 0.05 | 0.16 | 0.20 |
| **Performance** | | | | |
| Return after charges (%) | 30.03 | 9.76 | 7.56 | 1.66 |
| **Other information** | | | | |
| Closing net asset value (£000) | 1,227,063 | 1,011,788 | 943,486 | – |
| Closing number of shares | 248,261,374 | 266,186,093 | 272,430,969 | – |
| Operating charges (%)** | 1.06 | 1.06 | 1.06 | – |
| Direct transaction costs (%)*** | 0.03 | 0.01 | 0.05 | – |
| **Prices** | | | | |
| Highest share price (p) | 508.52 | 442.61 | 375.20 | 375.20 |
| Lowest share price (p) | 326.59 | 344.91 | 299.22 | 336.63 |

# Threadneedle American Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 USD – Accumulation shares | Class X – Accumulation shares | | |
|---|---|---|---|---|
| | 09/11/2018[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 344.55 | 416.32 | 375.48 | 345.57 |
| Return before operating charges (p) | 9.88 | 130.78 | 41.10 | 30.13 |
| Operating charges (p) | (4.17) | (0.29) | (0.26) | (0.22) |
| Return after operating charges (p)* | 5.71 | 130.49 | 40.84 | 29.91 |
| Distributions (p) | (0.46) | (5.74) | (5.52) | (4.76) |
| Retained distributions on accumulation shares (p) | 0.46 | 5.74 | 5.52 | 4.76 |
| Closing net asset value per share (p) | 350.26 | 546.81 | 416.32 | 375.48 |
| *after direct transaction costs of (p) | 0.20 | 0.15 | 0.05 | 0.18 |
| **Performance** | | | | |
| Return after charges (%) | 1.66 | 31.34 | 10.88 | 8.66 |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 620,096 | 398,072 | 319,657 |
| Closing number of shares | – | 113,402,628 | 95,617,966 | 85,132,032 |
| Operating charges (%)** | – | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | 0.03 | 0.01 | 0.05 |
| **Prices** | | | | |
| Highest share price (p) | 375.20 | 562.20 | 484.49 | 405.06 |
| Lowest share price (p) | 336.63 | 357.86 | 373.96 | 321.44 |

| | Class X GBP Hedged – Gross accumulation shares[§] | | Class Z – Income shares | | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020[3] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 102.07 | 100.00 | 281.75 | 257.47 | 240.05 |
| Return before operating charges (p) | 37.63 | 2.10 | 88.15 | 28.22 | 20.86 |
| Operating charges (p) | (0.07) | (0.03) | (2.70) | (2.43) | (2.12) |
| Return after operating charges (p)* | 37.56 | 2.07 | 85.45 | 25.79 | 18.74 |
| Distributions (p) | (1.38) | (0.50) | (1.36) | (1.51) | (1.32) |
| Retained distributions on accumulation shares (p) | 1.38 | 0.50 | – | – | – |
| Closing net asset value per share (p) | 139.63 | 102.07 | 365.84 | 281.75 | 257.47 |
| *after direct transaction costs of (p) | 0.04 | 0.01 | 0.10 | 0.04 | 0.12 |
| **Performance** | | | | | |
| Return after charges (%) | 36.80 | 2.07 | 30.33 | 10.02 | 7.81 |
| **Other information** | | | | | |
| Closing net asset value (£000) | 297,888 | 169,636 | 52,860 | 33,025 | 25,907 |
| Closing number of shares | 213,336,180 | 166,203,073 | 14,448,827 | 11,721,411 | 10,061,816 |
| Operating charges (%)** | 0.06 | 0.06[†] | 0.82 | 0.83 | 0.83 |
| Direct transaction costs (%)*** | 0.03 | 0.01 | 0.03 | 0.01 | 0.05 |
| **Prices** | | | | | |
| Highest share price (p) | 144.57 | 117.63 | 377.74 | 329.77 | 280.10 |
| Lowest share price (p) | 76.69 | 99.75 | 242.11 | 256.42 | 223.13 |

# Threadneedle American Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Accumulation shares | | | Class Z USD – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 294.76 | 267.92 | 248.51 | 266.11 |
| Return before operating charges (p) | 92.27 | 29.36 | 21.59 | 7.17 |
| Operating charges (p) | (2.84) | (2.52) | (2.18) | (2.52) |
| Return after operating charges (p)* | 89.43 | 26.84 | 19.41 | 4.65 |
| Distributions (p) | (1.42) | (1.57) | (1.37) | (0.76) |
| Retained distributions on accumulation shares (p) | 1.42 | 1.57 | 1.37 | 0.76 |
| Closing net asset value per share (p) | 384.19 | 294.76 | 267.92 | 270.76 |
| *after direct transaction costs of (p) | 0.11 | 0.04 | 0.13 | 0.15 |
| **Performance** | | | | |
| Return after charges (%) | 30.34 | 10.02 | 7.81 | 1.75 |
| **Other information** | | | | |
| Closing net asset value (£000) | 423,274 | 360,924 | 355,879 | – |
| Closing number of shares | 110,173,343 | 122,445,251 | 132,832,174 | – |
| Operating charges (%)** | 0.82 | 0.83 | 0.83 | – |
| Direct transaction costs (%)*** | 0.03 | 0.01 | 0.05 | – |
| **Prices** | | | | |
| Highest share price (p) | 395.19 | 343.14 | 289.98 | 289.98 |
| Lowest share price (p) | 253.29 | 266.82 | 231.00 | 260.21 |

| | Class Z EUR Hedged – Accumulation shares |
|---|---|
| | 09/11/2018[2] |
| **Change in net assets per share** | |
| Opening net asset value per share (p) | 176.13 |
| Return before operating charges (p) | (3.14) |
| Operating charges (p) | (0.92) |
| Return after operating charges (p)* | (4.06) |
| Distributions (p) | (0.50) |
| Retained distributions on accumulation shares (p) | 0.50 |
| Closing net asset value per share (p) | 172.07 |
| *after direct transaction costs of (p) | 0.14 |
| **Performance** | |
| Return after charges (%) | (2.31) |
| **Other information** | |
| Closing net asset value (£000) | – |
| Closing number of shares | – |
| Operating charges (%)** | – |
| Direct transaction costs (%)*** | – |
| **Prices** | |
| Highest share price (p) | 189.22 |
| Lowest share price (p) | 161.67 |

**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.

[5]*Only available to eligible investors.*

[1]*Commenced 15 June 2018 and closed 9 November 2018.*

[2]*Closed 9 November 2018.*

[3]*Commenced 8 October 2019.*

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

# Threadneedle American Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 678,324 | 188,794 |
| Forward currency contracts | 20,714 | 1,760 |
| Other losses | (1,481) | (381) |
| Transaction costs | (6) | (3) |
| Net capital gains | 697,551 | 190,170 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 37,057 | 33,962 |
| Interest on short term investments | – | 41 |
| Bank interest | 53 | 294 |
| Total revenue | 37,110 | 34,297 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (16,693) | (16,748) |
| Registration fees | (1,084) | (1,031) |
| | (17,777) | (17,779) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (309) | (261) |
| Safe custody fees | (63) | (55) |
| | (372) | (316) |
| Other expenses: | | |
| Regulatory fees | (5) | (5) |
| Audit fees | (8) | (9) |
| | (13) | (14) |
| Total expenses* | (18,162) | (18,109) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (1) | (2) |
| Total interest payable and similar charges | (1) | (2) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (5,232) | (4,974) |
| Total current tax (note 6b) | (5,232) | (4,974) |
| Total tax charge for the period | (5,232) | (4,974) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 18,947 | 16,186 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (3,789) | (3,237) |
| Effects of: | | |
| Revenue not subject to taxation | 7,351 | 6,699 |
| Overseas taxes | (5,232) | (4,974) |
| Overseas tax expensed | 10 | 15 |
| Excess expenses* | (3,569) | (3,343) |
| Conversion transfer from capital* | (3) | (134) |
| Current tax charge for period (note 6a) | (5,232) | (4,974) |

**For details on restatement please refer to note 18.*

The fund has not recognised a deferred tax asset of £40,726,320 (2020: £37,157,703) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 13,236 | 11,264 |
| | 13,236 | 11,264 |
| Add: Revenue deducted on the cancellation of shares* | 2,530 | 1,055 |
| Deduct: Revenue received on the creation of shares* | (1,597) | (1,056) |
| Net distribution for the period | 14,169 | 11,263 |
| Net revenue after taxation | 13,715 | 11,212 |
| Equalisation on conversion* | 8 | (507) |
| Shortfall transfer from capital to revenue | 446 | 557 |
| Undistributed revenue brought forward | – | 1 |
| Total distributions | 14,169 | 11,263 |

**For details on restatement please refer to note 18.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 137 to 138.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 21,522 | 10,217 |
| Sales awaiting settlement | 21,793 | 24,683 |
| Accrued revenue | 2,205 | 2,127 |
| Foreign withholding tax recoverable | 45 | 16 |
| Total debtors | 45,565 | 37,043 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 1,071 | 1,260 |
| Cash and bank balances | 29,242 | 16,176 |
| | 30,313 | 17,436 |
| Bank overdrafts | (2,287) | – |
| Total cash and bank balances | 28,026 | 17,436 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (10,178) | (6,686) |
| Purchases awaiting settlement | (76,557) | (36,592) |
| Accrued expenses | (43) | (38) |
| Amounts payable to ACD | (1,831) | (1,746) |
| Total other creditors | (88,609) | (45,062) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle American Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.40% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 1 shares | 0.100% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.050% |

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 139 to 142 The distribution per share class is given in the distribution table on pages 137 to 138.
All classes have the same rights on winding up.

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

| **Reconciliation of shares** | **2021** |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 297,579 |
| Shares issued | 16,974 |
| Shares redeemed | (63,072) |
| Net conversions | (17,460) |
| Closing shares | 234,021 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 42,853,644 |
| Shares issued | 2,677,561 |
| Shares redeemed | (8,783,560) |
| Net conversions | (3,790,312) |
| Closing shares | 32,957,333 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 266,186,093 |
| Shares issued | 51,132,809 |
| Shares redeemed | (69,058,987) |
| Net conversions | 1,459 |
| Closing shares | 248,261,374 |
| **Class X – Accumulation shares** | |
| Opening shares | 95,617,966 |
| Shares issued | 81,103,816 |
| Shares redeemed | (50,616,525) |
| Net conversions | (12,702,629) |
| Closing shares | 113,402,628 |
| **Class X GBP Hedged – Gross accumulation shares** | |
| Opening shares | 166,203,073 |
| Shares issued | 65,299,024 |
| Shares redeemed | (71,676,872) |
| Net conversions | 53,510,955 |
| Closing shares | 213,336,180 |
| **Class Z – Income shares** | |
| Opening shares | 11,721,411 |
| Shares issued | 3,835,329 |
| Shares redeemed | (1,163,566) |
| Net conversions | 55,653 |
| Closing shares | 14,448,827 |
| **Class Z – Accumulation shares** | |
| Opening shares | 122,445,251 |
| Shares issued | 5,486,485 |
| Shares redeemed | (21,997,595) |
| Net conversions | 4,239,202 |
| Closing shares | 110,173,343 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.05% and vice versa (2020: 5.12%).

**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 2021** | **£000** |
| US Dollar | 2,488,746 |
| **Currency 2020** | **£000** |
| US Dollar | 1,946,672 |

**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 2021** | **%** | **%** |
| US Dollar | 6.22 | 0.97 |
| | **Currency movement** | **Fund movement** |
| **Currency 2020** | **%** | **%** |
| US Dollar | 5.51 | 0.89 |

**Credit/Counterparty exposure**

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

| **2021** | **Forward Foreign Exchange Contracts Exposure** | **Collateral Pledged** |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| J.P. Morgan | – | 1,071 |
| **2020** | **Forward Foreign Exchange Contracts Exposure** | **Collateral Pledged** |
| **Counterparty** | **£000** | **£000** |
| Barclays | 37 | – |
| J.P. Morgan | 1,385 | 1,260 |

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.
Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Interest rate risk**

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | **Floating rate financial assets** | **Fixed rate financial assets** | **Financial assets not carrying interest** | **Total** |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | 351,670 | 351,670 |
| US Dollar | 30,313 | 36,249 | 2,775,423 | 2,841,985 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 47 | – | 237,502 | 237,549 |
| US Dollar | 17,389 | 20,283 | 2,112,638 | 2,150,310 |

# Threadneedle American Fund

## Notes to the financial statements

*(continued)*

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (2,287) | – | (73,977) | (76,264) |
| US Dollar | – | – | (353,239) | (353,239) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (67,098) | (67,098) |
| US Dollar | – | – | (203,638) | (203,638) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £210,000 (2020: £1,693,000) and a liability value of £4,720,000 (2020: £299,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 2,783,876 | – | 2,106,489 | – |
| Level 2 | 210 | (4,720) | 1,693 | (299) |
| | 2,784,086 | (4,720) | 2,108,182 | (299) |

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 2,006,235 | 431 | 0.02 | – | – |
| Collective investment schemes | 358,460 | – | – | – | – |
| **Total** | 2,364,695 | 431 | | – | |
| **Gross purchases total:** | 2,365,126 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 2,021,287 | 337 | 0.02 | 42 | – |
| Collective investment schemes | 334,940 | – | – | – | – |
| **Total** | 2,356,227 | 337 | | 42 | |
| **Total sales net of transaction costs:** | 2,355,848 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.03% |
| Taxes: | 0.00% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 842,914 | 128 | 0.02 | – | – |
| Collective investment schemes | 139,782 | – | – | – | – |
| **Total** | 982,696 | 128 | | – | |
| **Gross purchases total:** | 982,824 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 924,680 | 124 | 0.01 | 18 | – |
| Collective investment schemes | 126,444 | – | – | – | – |
| **Total** | 1,051,124 | 124 | | 18 | |
| **Total sales net of transaction costs:** | 1,050,982 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| 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 0.05% (7 March 2020: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

# Threadneedle American Fund

## Notes to the financial statements

*(continued)*

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (10,605) | (658) | (11,263) |
| **Net impact** | | (658) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 515,281 | (175,939) | 339,342 |
| Amounts payable on the cancellation of shares | (588,378) | 176,597 | (411,781) |
| | (73,097) | 658 | (72,439) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 190,777 | (658) | 190,119 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (3,475) | 132 | (3,343) |
| Conversion transfer from capital | (2) | (132) | (134) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,060 | (5) | 1,055 |
| Deduct: Revenue received on the creation of shares | (1,719) | 663 | (1,056) |
| **Net impact** | | 658 | |
| Equalisation on conversion | (1,165) | 658 | (507) |

# Threadneedle American Select Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from within any industry or economic sector, with significant sector and share weightings taken at the discretion of the fund manager. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the S&P 500 Index.

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle American Select Fund has risen from 345.19p to 437.97p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +25.73% as compared to a median return of +22.41% over the same period. (For information the S&P 500 Index returned +19.95%.

### Market Overview and Portfolio Activity

US equities registered strong gains over the review period, staging a sharp rebound after a very weak first quarter (Q1) in 2020. The COVID-19 pandemic was the chief driver of market movements over the year. As the coronavirus outbreak in China spread around the world, measures to control the spread of the virus brought cities, regions and even entire countries to a near standstill. Equities were particularly weak in March as oil prices collapsed to 18-year lows, adding to the overall turmoil. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

After the Q1 weakness, equities were supported by a wave of monetary and fiscal stimulus. The Federal Reserve (Fed) lowered its main interest rate back to near zero and pledged to provide unlimited monetary stimulus, while a $2.2tn fiscal-stimulus plan was signed into law in March. Slowing COVID-19 infection rates also contributed to the rally, which lifted the S&P 500 to record highs in late summer. Stocks weakened in September and October amid a sharp rise in virus cases, but surged in the following month on indications that a COVID-19 vaccine would be available shortly and Joe Biden's ultimately decisive victory in the US presidential election. A $900bn fiscal-stimulus package was signed into law in December, helping shares to end 2020 on a positive note. Encouraging corporate earnings helped to push all three of the major US equity indices to record highs in early February 2021, but equities pulled back later in the month, as surging Treasury yields reflected fears that the anticipated reopening of the economy, combined with loose fiscal and monetary policy, would result in higher inflation.

The materials and consumer discretionary sectors outperformed over the review period, but technology was the strongest S&P 500 sector, leading returns from March to September and significantly outpacing the benchmark as the pandemic helped to speed up the 'digitalisation of everything'. An equity pullback in early autumn was accompanied by a rotation out of 'pandemic winners', and into cheaper cyclicals, which had most to gain from an economic reopening. Then, in November, hopes for more normalised economic activity following successful vaccine trials and optimism around Joe Biden's victory in the US election prompted a rotation towards value stocks. Energy underperformed significantly, reflecting the collapse in oil prices as coronavirus related restrictions weighed on fuel demand. However, oil prices rallied to pre pandemic levels towards the end of the review period. Real estate and utilities, viewed as defensive, trailed the broad equity rebound.

The fund opened new positions in Intuit (financial software), Las Vegas Sands (casino operator) and PayPal (online payments).

We increased the positions in BioMarin Pharmaceutical, Adobe and Mastercard, while the allocations to Booking Holdings, Uber and Visa were reduced. The fund sold its holdings of PNC Financial Services, Alexion Pharmaceuticals, Mondelēz International and L3Harris Technologies.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021: corporate costs and consumer spending. Household finances have been less impacted in this recession than in prior downturns, but consumer spending patterns will have changed after the pandemic. The "experience economy" should see the best growth: tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

Firms have cut costs aggressively during this crisis to protect profits and liquidity. While some will add back expenses as revenues grow, there will be an opportunity to invest in firms that have reduced costs permanently, giving additional operational leverage to drive sustained improvements in profitability through the next business cycle.

While the question remains as to how quickly the US economy, especially the service economy, can recover, we note that government-mandated lockdown measures in the US are less restrictive than across much of Europe, so the rebound depends more on consumer confidence and the spending of household savings.

We are keen to see how President Biden progresses in enacting his policy initiatives. New stimulus is close to being approved, which includes small-business support and further direct payments to households. This, together with the acceleration of vaccine rollouts, has boosted the economic outlook for the second half of 2021, and the bond market has responded by signalling higher expected inflation. However, we view this positively, as it indicates strength in the US economy. Meanwhile, the Fed has maintained its accommodative policy stance and is looking through temporary bouts of inflation in its pursuit of full employment.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 261,930 | 83,209 |
| Revenue | 3 | 7,329 | 8,733 |
| Expenses | 4 | (9,474) | (9,557) |
| Net expense before taxation | | (2,145) | (824) |
| Taxation | 5 | (1,102) | (1,123) |
| Net expense after taxation | | (3,247) | (1,947) |
| **Total return before distributions** | | 258,683 | 81,262 |
| Distributions** | 6 | (1,071) | (673) |
| **Change in net assets attributable to shareholders from investment activities** | | 257,612 | 80,589 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 1,093,096 | 805,778 |
| **Current assets:** | | | |
| Debtors | 7 | 6,738 | 6,271 |
| Cash and bank balances | 8 | 7,646 | 1,846 |
| Total assets | | 1,107,480 | 813,895 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (19) | (13) |
| **Creditors:** | | | |
| Distribution payable | | – | (4) |
| Other creditors | 9 | (7,023) | (4,814) |
| Total liabilities | | (7,042) | (4,831) |
| **Net assets attributable to shareholders** | | 1,100,438 | 809,064 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 809,064 | 829,964 |
| Amounts receivable on the issue of shares** | 180,069 | 26,915 |
| Amounts payable on the cancellation of shares** | (147,504) | (129,037) |
| | 32,565 | (102,122) |
| Dilution adjustment | 59 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 257,612 | 80,589 |
| Retained distribution on accumulation shares | 1,138 | 633 |
| **Closing net assets attributable to shareholders** | 1,100,438 | 809,064 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 2 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

# Threadneedle American Select Fund

## DISTRIBUTION TABLE

*(continued)*

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.2174 | – | 1.2174 | 1.4848 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 1.0374 | 0.1800 | 1.2174 | 1.4848 |
| **Total distributions in the period** | | | **1.2174** | **1.4848** |

### Class Z – Income shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0888).*

### Class Z – Accumulation shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0876).*

### Class Z CHF Hedged – Accumulation shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0424).*

### Class Z GBP Hedged – Accumulation shares

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0484).*

*Group 2: shares purchased during a distribution period.*

# Threadneedle American Select Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 EUR – Income shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 345.28 | 317.42 | 296.95 | 314.33 |
| Return before operating charges (p) | 106.45 | 33.66 | 25.47 | 6.78 |
| Operating charges (p) | (6.55) | (5.80) | (5.00) | (5.80) |
| Return after operating charges (p)* | 99.90 | 27.86 | 20.47 | 0.98 |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 445.18 | 345.28 | 317.42 | 315.31 |
| *after direct transaction costs of (p) | 0.06 | 0.05 | 0.21 | 0.25 |
| **Performance** | | | | |
| Return after charges (%) | 28.93 | 8.78 | 6.89 | 0.31 |
| **Other information** | | | | |
| Closing net asset value (£000) | 707 | 781 | 755 | – |
| Closing number of shares | 158,711 | 226,328 | 237,827 | – |
| Operating charges (%)** | 1.63 | 1.63 | 1.64 | – |
| Direct transaction costs (%)*** | 0.01 | 0.01 | 0.07 | – |
| **Prices** | | | | |
| Highest share price (p) | 464.68 | 412.17 | 340.40 | 340.40 |
| Lowest share price (p) | 300.73 | 316.21 | 274.23 | 299.77 |

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 345.47 | 317.60 | 297.12 | 314.51 |
| Return before operating charges (p) | 106.57 | 33.65 | 25.50 | 6.79 |
| Operating charges (p) | (6.61) | (5.78) | (5.02) | (5.81) |
| Return after operating charges (p)* | 99.96 | 27.87 | 20.48 | 0.98 |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 445.43 | 345.47 | 317.60 | 315.49 |
| *after direct transaction costs of (p) | 0.06 | 0.05 | 0.22 | 0.25 |
| **Performance** | | | | |
| Return after charges (%) | 28.93 | 8.78 | 6.89 | 0.31 |
| **Other information** | | | | |
| Closing net asset value (£000) | 273,851 | 243,286 | 288,681 | – |
| Closing number of shares | 61,479,649 | 70,421,025 | 90,893,642 | – |
| Operating charges (%)** | 1.62 | 1.63 | 1.63 | – |
| Direct transaction costs (%)*** | 0.01 | 0.01 | 0.07 | – |
| **Prices** | | | | |
| Highest share price (p) | 464.94 | 412.40 | 340.59 | 340.59 |
| Lowest share price (p) | 300.89 | 316.38 | 274.38 | 299.93 |

# Threadneedle American Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class 1 USD – Accumulation shares | Class 1 EUR Hedged – Accumulation shares |
|---|---|---|
| | 09/11/2018[1] | 09/11/2018[2] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 314.51 | 268.91 |
| Return before operating charges (p) | 6.78 | (10.09) |
| Operating charges (p) | (5.80) | (2.93) |
| Return after operating charges (p)* | 0.98 | (13.02) |
| Distributions (p) | – | – |
| Retained distributions on accumulation shares (p) | – | – |
| Closing net asset value per share (p) | 315.49 | 255.89 |
| *after direct transaction costs of (p) | 0.25 | 0.13 |
| **Performance** | | |
| Return after charges (%) | 0.31 | (4.84) |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 340.59 | 284.22 |
| Lowest share price (p) | 299.93 | 243.49 |

| | Class 2 – Accumulation shares | | | Class 2 USD – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 09/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 394.73 | 360.83 | 335.62 | 355.83 |
| Return before operating charges (p) | 122.04 | 38.20 | 28.93 | 6.27 |
| Operating charges (p) | (4.93) | (4.30) | (3.72) | (4.34) |
| Return after operating charges (p)* | 117.11 | 33.90 | 25.21 | 1.93 |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 511.84 | 394.73 | 360.83 | 357.76 |
| *after direct transaction costs of (p) | 0.06 | 0.06 | 0.25 | 0.28 |
| **Performance** | | | | |
| Return after charges (%) | 29.67 | 9.40 | 7.51 | 0.54 |
| **Other information** | | | | |
| Closing net asset value (£000) | 245,857 | 200,844 | 215,952 | – |
| Closing number of shares | 48,034,071 | 50,881,757 | 59,848,373 | – |
| Operating charges (%)** | 1.06 | 1.06 | 1.06 | – |
| Direct transaction costs (%)*** | 0.01 | 0.01 | 0.07 | – |
| **Prices** | | | | |
| Highest share price (p) | 534.11 | 471.11 | 385.83 | 385.83 |
| Lowest share price (p) | 343.85 | 359.45 | 310.08 | 340.07 |

# Threadneedle American Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 EUR Hedged – Accumulation shares | | Class X – Accumulation shares | | |
|---|---|---|---|---|---|
| | 09/11/2018[2] | 07/03/2018 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 231.04 | | 182.92 | 165.55 | 152.44 |
| Return before operating charges (p) | (8.17) | | 56.78 | 17.48 | 13.21 |
| Operating charges (p) | (1.68) | | (0.13) | (0.11) | (0.10) |
| Return after operating charges (p)* | (9.85) | | 56.65 | 17.37 | 13.11 |
| Distributions (p) | – | | (1.22) | (1.48) | (1.48) |
| Retained distributions on accumulation shares (p) | – | | 1.22 | 1.48 | 1.48 |
| Closing net asset value per share (p) | 221.19 | | 239.57 | 182.92 | 165.55 |
| *after direct transaction costs of (p) | 0.11 | | 0.03 | 0.03 | 0.11 |
| **Performance** | | | | | |
| Return after charges (%) | (4.26) | | 30.97 | 10.49 | 8.60 |
| **Other information** | | | | | |
| Closing net asset value (£000) | – | | 223,920 | 66,992 | 24,771 |
| Closing number of shares | – | | 93,466,465 | 36,623,863 | 14,962,715 |
| Operating charges (%)** | – | | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | | 0.01 | 0.01 | 0.07 |
| **Prices** | | | | | |
| Highest share price (p) | 245.24 | | 249.87 | 218.20 | 176.13 |
| Lowest share price (p) | 210.39 | | 159.38 | 164.93 | 140.96 |

| | Class Z – Income shares | | | Class Z – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 271.37 | 247.57 | 230.08 | 278.88 | 254.34 | 236.03 |
| Return before operating charges (p) | 83.99 | 26.20 | 19.85 | 86.32 | 26.92 | 20.36 |
| Operating charges (p) | (2.66) | (2.31) | (2.01) | (2.73) | (2.38) | (2.05) |
| Return after operating charges (p)* | 81.33 | 23.89 | 17.84 | 83.59 | 24.54 | 18.31 |
| Distributions (p) | – | (0.09) | (0.35) | – | (0.09) | (0.36) |
| Retained distributions on accumulation shares (p) | – | – | – | – | 0.09 | 0.36 |
| Closing net asset value per share (p) | 352.70 | 271.37 | 247.57 | 362.47 | 278.88 | 254.34 |
| *after direct transaction costs of (p) | 0.04 | 0.04 | 0.17 | 0.05 | 0.04 | 0.17 |
| **Performance** | | | | | | |
| Return after charges (%) | 29.97 | 9.65 | 7.75 | 29.97 | 9.65 | 7.76 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 15,205 | 12,556 | 12,192 | 340,432 | 284,231 | 287,330 |
| Closing number of shares | 4,311,040 | 4,626,694 | 4,924,811 | 93,921,250 | 101,917,018 | 112,971,009 |
| Operating charges (%)** | 0.82 | 0.83 | 0.83 | 0.83 | 0.83 | 0.83 |
| Direct transaction costs (%)*** | 0.01 | 0.01 | 0.07 | 0.01 | 0.01 | 0.07 |
| **Prices** | | | | | | |
| Highest share price (p) | 368.00 | 323.93 | 264.79 | 378.19 | 332.78 | 271.65 |
| Lowest share price (p) | 236.41 | 246.62 | 212.61 | 242.95 | 253.37 | 218.11 |

# Threadneedle American Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z EUR – Accumulation shares | Class Z USD – Accumulation shares |
|---|---|---|
| | 09/11/2018[1] | 09/11/2018[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 250.40 | 250.40 |
| Return before operating charges (p) | 4.80 | 4.80 |
| Operating charges (p) | (3.21) | (3.21) |
| Return after operating charges (p)* | 1.59 | 1.59 |
| Distributions (p) | (0.08) | (0.08) |
| Retained distributions on accumulation shares (p) | 0.08 | 0.08 |
| Closing net asset value per share (p) | 251.99 | 251.99 |
| *after direct transaction costs of (p) | 0.27 | 0.27 |
| **Performance** | | |
| Return after charges (%) | 0.63 | 0.63 |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 271.65 | 271.65 |
| Lowest share price (p) | 239.52 | 239.52 |

| | Class Z CHF Hedged – Accumulation shares | | | Class Z GBP Hedged – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 174.58 | 152.66 | 156.88 | 154.97 | 145.23 | 144.82 |
| Return before operating charges (p) | 52.12 | 23.35 | (2.96) | 56.38 | 11.06 | 1.60 |
| Operating charges (p) | (1.70) | (1.43) | (1.26) | (1.49) | (1.32) | (1.19) |
| Return after operating charges (p)* | 50.42 | 21.92 | (4.22) | 54.89 | 9.74 | 0.41 |
| Distributions (p) | – | (0.04) | (0.22) | – | (0.05) | (0.20) |
| Retained distributions on accumulation shares (p) | – | 0.04 | 0.22 | – | 0.05 | 0.20 |
| Closing net asset value per share (p) | 225.00 | 174.58 | 152.66 | 209.86 | 154.97 | 145.23 |
| *after direct transaction costs of (p) | 0.03 | 0.03 | 0.11 | 0.03 | 0.02 | 0.10 |
| **Performance** | | | | | | |
| Return after charges (%) | 28.88 | 14.36 | (2.69) | 35.42 | 6.71 | 0.28 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 22 | 17 | 15 | 444 | 357 | 268 |
| Closing number of shares | 10,000 | 10,000 | 10,000 | 211,336 | 230,250 | 184,308 |
| Operating charges (%)** | 0.82 | 0.83 | 0.82 | 0.83 | 0.83 | 0.83 |
| Direct transaction costs (%)*** | 0.01 | 0.01 | 0.07 | 0.01 | 0.01 | 0.07 |
| **Prices** | | | | | | |
| Highest share price (p) | 245.15 | 198.13 | 171.37 | 220.35 | 183.09 | 153.72 |
| Lowest share price (p) | 144.80 | 151.25 | 135.60 | 118.31 | 141.73 | 122.40 |

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

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

[1]Commenced 15 June 2018 and closed 9 November 2018.

[2]Closed 9 November 2018.

# Threadneedle American Select Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 263,023 | 80,199 |
| Forward currency contracts | 475 | (15) |
| Other (losses)/gains | (1,567) | 3,026 |
| Transaction costs | (1) | (1) |
| Net capital gains | 261,930 | 83,209 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 7,323 | 7,608 |
| Interest on short term investments | 4 | 1,057 |
| Bank interest | 2 | 68 |
| Total revenue | 7,329 | 8,733 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (8,704) | (8,816) |
| Registration fees | (605) | (595) |
| | (9,309) | (9,411) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (121) | (106) |
| Safe custody fees | (30) | (26) |
| | (151) | (132) |
| Other expenses: | | |
| Regulatory fees | (5) | (5) |
| Audit fees | (9) | (9) |
| | (14) | (14) |
| Total expenses* | (9,474) | (9,557) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (1,102) | (1,123) |
| Total current tax (note 5b) | (1,102) | (1,123) |
| Total tax charge for the period | (1,102) | (1,123) |
| **b) Factors affecting taxation charge for period** | | |
| Net expense before taxation | (2,145) | (824) |
| Net expense before taxation multiplied by the standard rate of corporation tax of 20% | 429 | 165 |
| Effects of: | | |
| Revenue not subject to taxation | 1,469 | 1,522 |
| Overseas taxes | (1,102) | (1,123) |
| Excess expenses | (1,898) | (1,666) |
| Conversion transfer from capital* | – | (21) |
| Current tax charge for period (note 5a) | (1,102) | (1,123) |

***For details on restatement please refer to note 17.*

The fund has not recognised a deferred tax asset of £30,116,425 (2020: £28,239,995) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 1,138 | 637 |
| | 1,138 | 637 |
| Add: Revenue deducted on the cancellation of shares | 48 | 42 |
| Deduct: Revenue received on the creation of shares | (115) | (6) |
| Net distribution for the period | 1,071 | 673 |
| Net expense after taxation | (3,247) | (1,947) |
| Equalisation on conversion* | – | 107 |
| Shortfall transfer from capital to revenue | 4,318 | 2,513 |
| Total distributions | 1,071 | 673 |

**For details on restatement please refer to note 17.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 147 to 148.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 1,572 | 1,713 |
| Sales awaiting settlement | 4,553 | 4,026 |
| Accrued revenue | 612 | 521 |
| Foreign withholding tax recoverable | 1 | 11 |
| Total debtors | 6,738 | 6,271 |

### 8 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 14 | 15 |
| Cash and bank balances | 7,632 | 1,831 |
| Total cash and bank balances | 7,646 | 1,846 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (3,262) | (1,870) |
| Purchases awaiting settlement | (2,773) | (1,983) |
| Accrued expenses | (22) | (19) |
| Amounts payable to ACD | (966) | (942) |
| Total other creditors | (7,023) | (4,814) |

### 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 7 and 9.

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

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

### 12 SHAREHOLDER FUNDS

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

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

# Threadneedle American Select Fund

## Notes to the financial statements

*(continued)*

**Registration fees**

| | |
|---|---|
| Class 1 shares | 0.100% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.050% |

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 149 to 152. The distribution per share class is given in the distribution table on pages 147 to 148.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 226,328 |
| Shares issued | 2,286 |
| Shares redeemed | (44,325) |
| Net conversions | (25,578) |
| Closing shares | 158,711 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 70,421,025 |
| Shares issued | 3,087,001 |
| Shares redeemed | (6,727,343) |
| Net conversions | (5,301,034) |
| Closing shares | 61,479,649 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 50,881,757 |
| Shares issued | 8,950,244 |
| Shares redeemed | (11,797,930) |
| Net conversions | – |
| Closing shares | 48,034,071 |
| **Class X – Accumulation shares** | |
| Opening shares | 36,623,863 |
| Shares issued | 62,881,245 |
| Shares redeemed | (6,038,643) |
| Net conversions | – |
| Closing shares | 93,466,465 |
| **Class Z – Income shares** | |
| Opening shares | 4,626,694 |
| Shares issued | 174,930 |
| Shares redeemed | (557,548) |
| Net conversions | 66,964 |
| Closing shares | 4,311,040 |
| **Class Z – Accumulation shares** | |
| Opening shares | 101,917,018 |
| Shares issued | 1,762,448 |
| Shares redeemed | (16,269,800) |
| Net conversions | 6,511,584 |
| Closing shares | 93,921,250 |
| **Class Z CHF Hedged – Accumulation shares** | |
| Opening shares | 10,000 |
| Shares issued | – |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 10,000 |
| **Class Z GBP Hedged – Accumulation shares** | |
| Opening shares | 230,250 |
| Shares issued | 49,144 |
| Shares redeemed | (68,058) |
| Net conversions | – |
| Closing shares | 211,336 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.96% and vice versa (2020: 5.47%).

**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 2021** | **£000** |
| Swiss Franc | 23 |
| US Dollar | 1,102,155 |
| **Currency 2020** | **£000** |
| Swiss Franc | 18 |
| US Dollar | 807,365 |

**Currency sensitivity**

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2021** | **%** | **%** |
| US Dollar | 6.22 | 6.22 |
| | **Currency movement** | **Fund movement** |
| **Currency 2020** | **%** | **%** |
| US Dollar | 0.97 | 0.97 |

**Credit/Counterparty exposure**

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

| **2021** | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| J.P. Morgan | – | 13 |
| **2020** | **Forward Foreign Exchange Contracts Exposure** | **Collateral Pledged** |
| **Counterparty** | **£000** | **£000** |
| Barclays | 15 | – |
| J.P. Morgan | 4 | 15 |

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.
Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Interest rate risk**

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Swiss Franc | – | – | 25 | 25 |
| UK Sterling | 357 | – | 5,501 | 5,858 |
| US Dollar | 7,289 | – | 1,096,909 | 1,104,198 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Swiss Franc | – | – | 21 | 21 |
| UK Sterling | 108 | – | 7,242 | 7,350 |
| US Dollar | 1,738 | – | 807,131 | 808,869 |

# Threadneedle American Select Fund

## Notes to the financial statements

*(continued)*

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Swiss Franc | – | – | (2) | (2) |
| UK Sterling | – | – | (7,598) | (7,598) |
| US Dollar | – | – | (2,043) | (2,043) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Swiss Franc | – | – | (3) | (3) |
| UK Sterling | – | – | (5,669) | (5,669) |
| US Dollar | – | – | (1,504) | (1,504) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £7,000 (2020: £19,000) and a liability value of £19,000 (2020: £13,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1 | 1,093,090 | – | 805,759 | – |
| Level 2 | 6 | (19) | 19 | (13) |
| | 1,093,096 | (19) | 805,778 | (13) |

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 429,783 | 54 | 0.01 | – | – |
| **Total** | 429,783 | 54 | | – | |
| **Gross purchases total:** | 429,837 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 410,468 | 80 | 0.02 | 9 | 0.00 |
| **Total** | 410,468 | 80 | | 9 | |
| **Total sales net of transaction costs:** | 410,379 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.00% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 233,912 | 61 | 0.03 | – | – |
| **Total** | 233,912 | 61 | | – | |
| **Gross purchases total:** | 233,973 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 282,648 | 70 | 0.02 | 6 | 0.00 |
| **Total** | 282,648 | 70 | | 6 | |
| **Total sales net of transaction costs:** | 282,572 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.00% |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (7 March 2020: 0.03%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| Distributions | (567) | (106) | (673) |
| **Net impact** | | (106) | |

# Threadneedle American Select Fund

## Notes to the financial statements

*(continued)*

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 66,677 | (39,762) | 26,915 |
| Amounts payable on the cancellation of shares | (168,905) | 39,868 | (129,037) |
| | (102,228) | 106 | (102,122) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 80,695 | (106) | 80,589 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (1,687) | 21 | (1,666) |
| Conversion transfer from capital | – | (21) | (21) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 42 | – | 42 |
| Deduct: Revenue received on the creation of shares | (112) | 106 | (6) |
| **Net impact** | | 106 | |
| Equalisation on conversion | 1 | 106 | 107 |

### 18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class Z GBP Hedged – Accumulation shares | (18.01) |

# Threadneedle American Smaller Companies Fund (US)

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 323.11p to 503.25p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +53.35% as compared to a median return of +27.28% over the same period. (For information the Russell 2500 returned +33.30% over the same period).

### Market Overview and Portfolio Activity

US small- and mid-cap stocks had a positive return during the term under review, rebounding after a weak first quarter (Q1) in 2020. The COVID-19 pandemic was the chief driver of market movements over the year. As the coronavirus outbreak in China spread around the world, measures to control the spread of the virus brought cities, regions and even entire countries to a near standstill. Equities were particularly weak in March as oil prices collapsed to 18-year lows, adding to the overall turmoil. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

After the Q1s weakness, equities were supported by a wave of monetary and fiscal stimulus. The Federal Reserve lowered its main interest rate back to near zero and pledged to provide unlimited monetary stimulus, while a $2.2tn fiscal-stimulus plan was signed into law in March. Slowing COVID-19 infection rates also contributed to the rally. Stocks weakened in September and October amid a sharp rise in virus cases, but surged in the following month on indications that a COVID-19 vaccine would be available shortly and Joe Biden's ultimately decisive victory in the US presidential election. A $900bn fiscal-stimulus package was signed into law in December, helping shares to end 2020 on a positive note. Encouraging corporate earnings helped to push all three of the major US equity indices to record highs in early February 2021, but equities pulled back later in the month, as surging Treasury yields reflected fears that the anticipated reopening of the economy, combined with loose fiscal and monetary policy, would result in higher inflation.

Small- and mid-cap shares trailed large-cap stocks over the review period, reflecting strong investor affinity for the mega-cap technology firms, which led returns from March to September. However, the equity pullback in early autumn was accompanied by a rotation out of 'pandemic winners', and into cheaper cyclicals, which had most to gain from an economic reopening. Then, in November, hopes for more normalised economic activity following successful vaccine trials and optimism around Joe Biden's victory in the US election prompted a rotation towards value, benefiting small- and mid-cap stocks, which outperformed large-cap equities over the final months of the review period.

Avista, Conmed and Under Armour were among new exposures in the fund. We also received shares of WillScot Mobile Mini following the completion of portfolio holding Mobile Mini's merger.

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

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

Under Armour is a small player in the growing global athletic-wear market. We believe that there is a strong sales and margin-recovery opportunity ahead for Under Armour, given the pandemic-driven tailwind for athleisurewear and households' improved expense discipline.

We bought more shares of Newpark Resources, Quanex Building Products and Kindred Biosciences, and reduced the exposures to Mirati Therapeutics, Vishay Intertechnology, Qurate Retail and Cohu. The fund liquidated holdings including Altair Engineering, Medifast, Cubic, MTS Systems and Portland General Electric.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021: corporate costs and consumer spending. Household finances have been less impacted in this recession than in prior downturns, but consumer spending patterns will have changed after the pandemic. The "experience economy" should see the best growth: tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

Firms have cut costs aggressively during this crisis to protect profits and liquidity. While some will add back expenses as revenues grow, there will be an opportunity to invest in firms that have reduced costs permanently, giving additional operational leverage to drive sustained improvements in profitability through the next business cycle.

While the question remains as to how quickly the US economy, especially the service economy, can recover, we note that government-mandated lockdown measures in the US are less restrictive than across much of Europe, so the rebound depends more on consumer confidence and the spending of household savings.

We are keen to see how President Biden progresses in enacting his policy initiatives. New stimulus is close to being approved, which includes small-business support and further direct payments to households. This, together with the acceleration of vaccine rollouts, has boosted the economic outlook for the second half of 2021, and the bond market has responded by signalling higher expected inflation. However, we view this positively, as it indicates strength in the US economy. Meanwhile, the Fed has maintained its accommodative policy stance and is looking through temporary bouts of inflation in its pursuit of full employment.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 165,791 | 15,371 |
| Revenue | 3 | 5,245 | 4,807 |
| Expenses | 4 | (3,599) | (3,792) |
| Net revenue before taxation | | 1,646 | 1,015 |
| Taxation | 5 | (665) | (553) |
| Net revenue after taxation | | 981 | 462 |
| **Total return before distributions** | | 166,772 | 15,833 |
| Distributions | 6 | (1,110) | (686) |
| **Change in net assets attributable to shareholders from investment activities** | | 165,662 | 15,147 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 453,617 | 318,426 |
| **Current assets:** | | | |
| Debtors | 7 | 2,748 | 669 |
| Cash and bank balances | | 2,123 | 534 |
| Cash equivalents** | | 4,347 | 2,637 |
| Total assets | | 462,835 | 322,266 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (3) | – |
| **Creditors:** | | | |
| Bank overdrafts | | (1,415) | – |
| Distribution payable | | (29) | (24) |
| Other creditors | 8 | (3,349) | (1,064) |
| Total liabilities | | (4,796) | (1,088) |
| **Net assets attributable to shareholders** | | 458,039 | 321,178 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 321,178 | 372,465 |
| Amounts receivable on the issue of shares | 22,455 | 10,393 |
| Amounts payable on the cancellation of shares | (52,281) | (77,464) |
| | (29,826) | (67,071) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 165,662 | 15,147 |
| Retained distribution on accumulation shares | 1,025 | 637 |
| **Closing net assets attributable to shareholders** | 458,039 | 321,178 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Income shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 1 EUR – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

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

# Threadneedle American Smaller Companies Fund (US)

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.0300 | – | 1.0300 | 0.4216 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.3303 | 0.6997 | 1.0300 | 0.4216 |
| **Total distributions in the period** | | | **1.0300** | **0.4216** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 4.5148 | – | 4.5148 | 3.6970 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 3.4762 | 1.0386 | 4.5148 | 3.6970 |
| **Total distributions in the period** | | | **4.5148** | **3.6970** |

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.9614 | – | 0.9614 | 0.6062 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.2534 | 0.7080 | 0.9614 | 0.6062 |
| **Total distributions in the period** | | | **0.9614** | **0.6062** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.2693 | – | 1.2693 | 0.7987 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.3171 | 0.9522 | 1.2693 | 0.7987 |
| **Total distributions in the period** | | | **1.2693** | **0.7987** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle American Smaller Companies Fund (US)

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 EUR – Income shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 23/11/2018[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 330.67 | 321.91 | 307.15 | 340.43 |
| Return before operating charges (p) | 189.59 | 14.52 | 19.95 | (29.54) |
| Operating charges (p) | (6.24) | (5.76) | (5.19) | (2.09) |
| Return after operating charges (p)* | 183.35 | 8.76 | 14.76 | (31.63) |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 514.02 | 330.67 | 321.91 | 308.80 |
| *after direct transaction costs of (p) | 0.44 | 0.38 | 0.43 | 0.17 |
| **Performance** | | | | |
| Return after charges (%) | 55.45 | 2.72 | 4.81 | (9.29) |
| **Other information** | | | | |
| Closing net asset value (£000) | 2,006 | 1,420 | 1,628 | – |
| Closing number of shares | 390,243 | 429,524 | 505,796 | – |
| Operating charges (%)** | 1.63 | 1.63 | 1.65 | – |
| Direct transaction costs (%)*** | 0.11 | 0.11 | 0.13 | – |
| **Prices** | | | | |
| Highest share price (p) | 537.43 | 384.74 | 361.13 | 361.13 |
| Lowest share price (p) | 252.07 | 321.59 | 273.33 | 305.73 |

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019[2] |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 330.84 | 322.07 | 307.28 | 330.81 | 322.05 | 340.58 |
| Return before operating charges (p) | 189.66 | 14.53 | 19.97 | 189.55 | 14.52 | (14.66) |
| Operating charges (p) | (6.22) | (5.76) | (5.18) | (6.12) | (5.76) | (3.87) |
| Return after operating charges (p)* | 183.44 | 8.77 | 14.79 | 183.43 | 8.76 | (18.53) |
| Distributions (p) | – | – | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 514.28 | 330.84 | 322.07 | 514.24 | 330.81 | 322.05 |
| *after direct transaction costs of (p) | 0.44 | 0.39 | 0.43 | 0.43 | 0.39 | 0.45 |
| **Performance** | | | | | | |
| Return after charges (%) | 55.45 | 2.72 | 4.81 | 55.45 | 2.72 | (5.44) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 29,684 | 22,862 | 26,766 | 14,082 | 14,457 | 18,743 |
| Closing number of shares | 5,771,910 | 6,910,365 | 8,310,513 | 2,738,349 | 4,370,056 | 5,819,946 |
| Operating charges (%)** | 1.63 | 1.63 | 1.64 | 1.62 | 1.63 | 1.63[†] |
| Direct transaction costs (%)*** | 0.11 | 0.11 | 0.13 | 0.11 | 0.11 | 0.13 |
| **Prices** | | | | | | |
| Highest share price (p) | 537.71 | 384.94 | 361.28 | 537.66 | 384.91 | 361.28 |
| Lowest share price (p) | 252.20 | 321.76 | 273.44 | 252.18 | 321.74 | 273.44 |

# Threadneedle American Smaller Companies Fund (US)

## Comparative Table Disclosure

*(continued)*

| | Class 1 USD – Accumulation shares | Class 2 – Accumulation shares | | |
|---|---|---|---|---|
| | 23/11/2018[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 340.58 | 379.01 | 366.85 | 348.03 |
| Return before operating charges (p) | (29.55) | 218.24 | 16.44 | 22.69 |
| Operating charges (p) | (2.10) | (4.71) | (4.28) | (3.87) |
| Return after operating charges (p)* | (31.65) | 213.53 | 12.16 | 18.82 |
| Distributions (p) | – | (1.03) | (0.42) | – |
| Retained distributions on accumulation shares (p) | – | 1.03 | 0.42 | – |
| Closing net asset value per share (p) | 308.93 | 592.54 | 379.01 | 366.85 |
| *after direct transaction costs of (p) | 0.17 | 0.50 | 0.44 | 0.50 |
| **Performance** | | | | |
| Return after charges (%) | (9.29) | 56.34 | 3.31 | 5.41 |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 237,321 | 154,344 | 160,580 |
| Closing number of shares | – | 40,051,765 | 40,722,996 | 43,772,116 |
| Operating charges (%)** | – | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | – | 0.11 | 0.11 | 0.13 |
| **Prices** | | | | |
| Highest share price (p) | 361.28 | 619.31 | 439.46 | 410.35 |
| Lowest share price (p) | 305.86 | 288.99 | 366.52 | 311.13 |

| | Class 2 USD – Accumulation shares | Class X – Accumulation shares | | |
|---|---|---|---|---|
| | 23/11/2018[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 386.35 | 319.69 | 306.42 | 287.83 |
| Return before operating charges (p) | (33.47) | 185.15 | 13.47 | 18.77 |
| Operating charges (p) | (1.55) | (0.23) | (0.20) | (0.18) |
| Return after operating charges (p)* | (35.02) | 184.92 | 13.27 | 18.59 |
| Distributions (p) | – | (4.51) | (3.70) | (2.92) |
| Retained distributions on accumulation shares (p) | – | 4.51 | 3.70 | 2.92 |
| Closing net asset value per share (p) | 351.33 | 504.61 | 319.69 | 306.42 |
| *after direct transaction costs of (p) | 0.19 | 0.43 | 0.37 | 0.42 |
| **Performance** | | | | |
| Return after charges (%) | (9.06) | 57.84 | 4.33 | 6.46 |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 18,492 | 12,303 | 11,033 |
| Closing number of shares | – | 3,664,680 | 3,848,281 | 3,600,793 |
| Operating charges (%)** | – | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | 0.11 | 0.11 | 0.13 |
| **Prices** | | | | |
| Highest share price (p) | 410.35 | 527.07 | 368.49 | 341.05 |
| Lowest share price (p) | 347.69 | 243.83 | 306.15 | 259.36 |

# Threadneedle American Smaller Companies Fund (US)

## Comparative Table Disclosure

*(continued)*

| | Class Z – Income shares | | | Class Z – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 201.60 | 195.39 | 185.31 | 266.43 | 257.42 | 243.78 |
| Return before operating charges (p) | 116.35 | 8.71 | 12.10 | 153.57 | 11.50 | 15.89 |
| Operating charges (p) | (2.06) | (1.89) | (1.72) | (2.74) | (2.49) | (2.25) |
| Return after operating charges (p)* | 114.29 | 6.82 | 10.38 | 150.83 | 9.01 | 13.64 |
| Distributions (p) | (0.96) | (0.61) | (0.30) | (1.27) | (0.80) | (0.39) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.27 | 0.80 | 0.39 |
| Closing net asset value per share (p) | 314.93 | 201.60 | 195.39 | 417.26 | 266.43 | 257.42 |
| *after direct transaction costs of (p) | 0.27 | 0.23 | 0.27 | 0.35 | 0.31 | 0.35 |
| **Performance** | | | | | | |
| Return after charges (%) | 56.69 | 3.49 | 5.60 | 56.61 | 3.50 | 5.60 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 9,426 | 7,947 | 15,805 | 147,028 | 107,845 | 137,910 |
| Closing number of shares | 2,993,096 | 3,941,811 | 8,088,859 | 35,236,228 | 40,478,383 | 53,573,430 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.11 | 0.11 | 0.13 | 0.11 | 0.11 | 0.13 |
| **Prices** | | | | | | |
| Highest share price (p) | 329.96 | 234.23 | 218.69 | 436.05 | 308.59 | 287.69 |
| Lowest share price (p) | 153.67 | 195.21 | 165.90 | 203.16 | 257.19 | 218.24 |

| | Class Z USD – Accumulation shares | Class Z EUR Hedged – Gross Accumulation shares[5] |
|---|---|---|
| | 23/11/2018[1] | 23/11/2018[3] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 270.75 | 100.00 |
| Return before operating charges (p) | (23.44) | (8.39) |
| Operating charges (p) | (0.90) | (0.39) |
| Return after operating charges (p)* | (24.34) | (8.78) |
| Distributions (p) | (0.18) | (0.12) |
| Retained distributions on accumulation shares (p) | 0.18 | 0.12 |
| Closing net asset value per share (p) | 246.41 | 91.22 |
| *after direct transaction costs of (p) | 0.13 | 0.06 |
| **Performance** | | |
| Return after charges (%) | (8.99) | (8.78) |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 287.69 | 109.64 |
| Lowest share price (p) | 243.82 | 90.79 |

# Threadneedle American Smaller Companies Fund (US)

## Comparative Table Disclosure

*(continued)*

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

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

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

[5] *Only available to eligible investors.*

[1] *Commenced 15 June 2018 and closed 23 November 2018.*

[2] *Commenced 15 June 2018.*

[3] *Commenced 30 May 2018 and closed 23 November 2018.*

[4] *Commenced 30 May 2018 and closed 5 November 2018.*

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

# Threadneedle American Smaller Companies Fund (US)

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 166,045 | 15,274 |
| Forward currency contracts | (45) | (31) |
| Other (losses)/gains | (206) | 132 |
| Transaction costs | (3) | (4) |
| Net capital gains | 165,791 | 15,371 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 5,231 | 4,745 |
| Interest on short term investments | – | 1 |
| Bank interest | 14 | 61 |
| Total revenue | 5,245 | 4,807 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (3,281) | (3,446) |
| Registration fees | (244) | (270) |
| | (3,525) | (3,716) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (42) | (44) |
| Safe custody fees | (16) | (16) |
| | (58) | (60) |
| Other expenses: | | |
| Regulatory fees | (8) | (7) |
| Audit fees | (8) | (9) |
| | (16) | (16) |
| Total expenses* | (3,599) | (3,792) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (665) | (553) |
| Total current tax (note 5b) | (665) | (553) |
| Total tax charge for the period | (665) | (553) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 1,646 | 1,015 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (329) | (203) |
| Effects of: | | |
| Revenue not subject to taxation | 870 | 836 |
| Overseas taxes | (665) | (553) |
| Overseas tax expensed | 26 | 18 |
| Excess expenses | (566) | (651) |
| Conversion transfer from capital | (1) | – |
| Current tax charge for period (note 5a) | (665) | (553) |

The fund has not recognised a deferred tax asset of £7,504,808 (2020: £6,939,213) 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.

### 6 DISTRIBUTIONS

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Final | 1,054 | 661 |
| | 1,054 | 661 |
| Add: Revenue deducted on the cancellation of shares | 98 | 29 |
| Deduct: Revenue received on the creation of shares | (42) | (4) |
| Net distribution for the period | 1,110 | 686 |
| Net revenue after taxation | 981 | 462 |
| Equalisation on conversion | 3 | – |
| Shortfall transfer from capital to revenue | 126 | 224 |
| Total distributions | 1,110 | 686 |

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 157 to 158.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 2,106 | 31 |
| Sales awaiting settlement | 126 | – |
| Accrued revenue | 464 | 638 |
| Foreign withholding tax recoverable | 52 | – |
| Total debtors | 2,748 | 669 |

### 8 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (1,729) | (701) |
| Purchases awaiting settlement | (1,169) | – |
| Accrued expenses | (13) | (12) |
| Amounts payable to ACD | (438) | (351) |
| Total other creditors | (3,349) | (1,064) |

### 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 American Smaller Companies Fund (US) currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

| | |
|---|---|
| **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% |

# Threadneedle American Smaller Companies Fund (US)

## 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 159 to 162. The distribution per share class is given in the distribution table on pages 157 to 158.
All classes have the same rights on winding up.

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

| Reconciliation of shares | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 429,524 |
| Shares issued | 8,327 |
| Shares redeemed | (42,546) |
| Net conversions | (5,062) |
| Closing shares | 390,243 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 6,910,365 |
| Shares issued | 683,039 |
| Shares redeemed | (1,424,803) |
| Net conversions | (396,691) |
| Closing shares | 5,771,910 |
| **Class 1 EUR – Accumulation shares** | |
| Opening shares | 4,370,056 |
| Shares issued | 421,728 |
| Shares redeemed | (2,053,435) |
| Net conversions | – |
| Closing shares | 2,738,349 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 40,722,996 |
| Shares issued | 1,291,640 |
| Shares redeemed | (1,920,668) |
| Net conversions | (42,203) |
| Closing shares | 40,051,765 |
| **Class X – Accumulation shares** | |
| Opening shares | 3,848,281 |
| Shares issued | 341,650 |
| Shares redeemed | (525,251) |
| Net conversions | – |
| Closing shares | 3,664,680 |
| **Class Z – Income shares** | |
| Opening shares | 3,941,811 |
| Shares issued | 336,334 |
| Shares redeemed | (1,316,991) |
| Net conversions | 31,942 |
| Closing shares | 2,993,096 |
| **Class Z – Accumulation shares** | |
| Opening shares | 40,478,383 |
| Shares issued | 2,574,925 |
| Shares redeemed | (8,350,673) |
| Net conversions | 533,593 |
| Closing shares | 35,236,228 |

### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.12% and vice versa (2020: 5.16%).

**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 2021** | **£000** |
| US Dollar | 459,033 |
| **Currency 2020** | **£000** |
| US Dollar | 321,791 |

**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 2021** | **%** | **%** |
| US Dollar | 6.22 | 0.97 |
| | **Currency movement** | **Fund movement** |
| **Currency 2020** | **%** | **%** |
| US Dollar | 6.23 | 0.97 |

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).
The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

**Interest rate risk**

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | 2,630 | 2,630 |
| US Dollar | 2,123 | 4,347 | 454,208 | 460,678 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 37 | – | 439 | 476 |
| US Dollar | 497 | 2,637 | 319,060 | 322,194 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (1,415) | – | (2,209) | (3,624) |
| US Dollar | – | – | (1,645) | (1,645) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (1,089) | (1,089) |
| US Dollar | – | – | (403) | (403) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.
At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £4,000) and a liability value of £3,000 (2020: £Nil).

### 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.

# Threadneedle American Smaller Companies Fund (US)

## Notes to the financial statements

*(continued)*

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

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

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 457,964 | – | 321,059 | – |
| Level 2 | – | (3) | 4 | – |
| | 457,964 | (3) | 321,063 | – |

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

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 313,638 | 220 | 0.07 | – | – |
| Collective investment schemes | 67,026 | – | – | – | – |
| **Total** | 380,664 | 220 | | – | |
| **Gross purchases total:** | 380,884 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 343,344 | 175 | 0.05 | 7 | 0.00 |
| Collective investment schemes | 65,195 | – | – | – | – |
| Corporate actions | 1,783 | – | – | – | – |
| **Total** | 410,322 | 175 | | 7 | |
| **Total sales net of transaction costs:** | 410,140 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.11% |
| Taxes: | 0.00% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 418,120 | 225 | 0.05 | – | – |
| Collective investment schemes | 28,937 | – | – | – | – |
| **Total** | 447,057 | 225 | | – | |
| **Gross purchases total:** | 447,282 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 484,272 | 168 | 0.03 | 10 | 0.00 |
| Collective investment schemes | 26,652 | – | – | – | – |
| Corporate actions | 71 | – | – | – | – |
| **Total** | 510,995 | 168 | | 10 | |
| **Total sales net of transaction costs:** | 510,817 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.11% |
| Taxes: | 0.00% |

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 0.12% (7 March 2020: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class X – Accumulation shares | (27.54) |

# Threadneedle Dollar Bond Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Dollar Bond Fund has fallen from 66.43p to 61.65p.

The sterling total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -4.65% as compared to a median return of -6.95% over the same period. (For information the 50% ICE BofA US Treasury Master + 50% ICE BofA Eurodollar Global Index gave a total return of -7.85% in sterling terms for the same period).

### Market Overview and Portfolio Activity

The year in review was a turbulent period in terms of both world events and financial-market movements. US Treasury yields swung in both directions but finished significantly higher than they began. For corporate bond markets, the effect of this was offset by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity). The 10-year US Treasury yield rose 65 basis points to around 1.6%, while spreads in the US investment-grade and high-yield markets narrowed by around 26% and 29% respectively in risk-adjusted (or percentage) terms.

In the first few weeks of the period, credit spreads widened dramatically as the COVID-19 outbreak approached pandemic status and most countries imposed draconian restrictions to contain it. Meanwhile, central banks and governments unleashed a flood of policy measures in response to the economic aspect of the crisis. Credit markets in particular benefited from news that an unlimited asset-purchase programme from the Federal Reserve (Fed) would include corporate bonds, echoing similar action from the European Central Bank (ECB) and Bank of England (BoE).

From late March until September, risk assets in general (such as equities and corporate bonds) rallied amid hopes that this stimulus and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, core government bond yields remained low, anchored by central-bank asset-purchase programmes and low interest rates. After the initial flurry of action, the Fed, ECB, BoE and Bank of Japan all continued to expand their stimulus through these months. In August, the Fed announced a major shift in policy, announcing it would target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and no longer view the approach of full employment as a cue to hike rates. Long-dated Treasury yields rose in response as investors anticipated higher future inflation.

In September, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and evidence of slowing economic momentum – particularly in Europe – amid increased efforts to contain the virus. Meanwhile, political uncertainty also mounted in relation to the US presidential election. This mood continued through much of October, intensifying in the week before the US election. Nevertheless, IG spreads were little altered from the end of the summer, though HY spreads had widened.

After this interruption, credit spreads resumed their tightening trend. In the last two months of 2020, investors welcomed a market-friendly outcome in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in Western democracies. Anticipation of another fiscal relief package in the US and still more monetary stimulus in the eurozone provided more fuel for the risk-on rally – as did their eventual delivery in December.

The remainder of the period was characterised by a sharp rise in core bond yields accompanied by a modest tightening in credit spreads. Yields rose along with US inflation expectations as the Democrats took control of the US Senate, paving the way for an even larger injection of fiscal stimulus, which was close to being signed into law as the period ended. Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes, including the UK and US, further buoyed risk appetite.

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

As regards specific trades, we took part in a wide range of new issues, the largest of which (in terms of position sizes) included deals from Becton Dickinson, New York Life, Fiserv, Danske Bank and Galaxy Pipeline Assets. In the secondary market, we started new positions in the sovereign debt of Qatar and Abu Dhabi as well in many corporate issuers including BNG Bank, Aroundtown, Altice, Braskem and Equinix. On the disposals side, we reduced exposure to issuers such as Apple, Credit Agricole, NiSource, Williams Partners and Syngenta; and exited others completely, including Loews, Alibaba, Thomson Reuters, Bharti Airtel and Swire Pacific.

We are cautiously optimistic on the outlook for credit markets. While some difficult months remain before vaccines can turn the tide, a return to something approaching economic normality may be in sight later in the year. In the meantime, the support measures introduced by governments and central banks will help to mitigate the ongoing interruption to economic output and employment.

One area which tempers our optimism is valuation, with IG and HY credit spreads now firmly back inside their 20-year averages. Against this, however, corporate fundamentals have improved in aggregate, as evidenced by better-than-expected corporate results. The outlook for defaults remains relatively subdued, as businesses have shored up their liquidity profiles through government support, primary issuance and capital injections.

On balance, we remain more constructive on the outlook for IG than HY, given the IG market's greater ability to withstand lower economic growth than its more leveraged counterpart. In addition, more IG issuers are well placed to benefit from government and central-bank stimulus. That said, we continue to add selective HY names where we see the business model as robust and the valuation attractive. At the sector level, we still favour more defensive areas of the market – such as utilities, higher-quality technology companies and senior-preferred bank debt – which we think will weather the current tough economic conditions well. Within HY, we prefer defensive 'BB' rated names.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital (losses)/gains | 2 | (4,709) | 5,258 |
| Revenue | 3 | 1,673 | 1,557 |
| Expenses | 4 | (211) | (351) |
| Interest payable and similar charges | 5 | (186) | (46) |
| Net revenue before taxation | | 1,276 | 1,160 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 1,276 | 1,160 |
| **Total return before distributions** | | (3,433) | 6,418 |
| Distributions** | 7 | (1,414) | (1,448) |
| **Change in net assets attributable to shareholders from investment activities** | | (4,847) | 4,970 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 62,031 | 55,284 |
| **Current assets:** | | | |
| Debtors | 8 | 442 | 863 |
| Cash and bank balances | 9 | 943 | 651 |
| Cash equivalents*** | | 2,430 | 2,727 |
| Total assets | | 65,846 | 59,525 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (490) | (732) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (6) | (138) |
| Distribution payable | | (85) | (119) |
| Other creditors | 10 | (409) | (354) |
| Total liabilities | | (990) | (1,343) |
| **Net assets attributable to shareholders** | | 64,856 | 58,182 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 58,182 | 42,436 |
| Amounts receivable on the issue of shares** | 26,244 | 24,581 |
| Amounts payable on the cancellation of shares** | (16,004) | (14,958) |
| | 10,240 | 9,623 |
| Dilution adjustment | 48 | 13 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | (4,847) | 4,970 |
| Retained distribution on accumulation shares | 1,233 | 1,140 |
| **Closing net assets attributable to shareholders** | 64,856 | 58,182 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.7729 | – | 0.7729 | 0.9283 |
| 08/09/20 to 07/03/21 | 0.5330 | – | 0.5330 | 0.7946 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.4529 | 0.3200 | 0.7729 | 0.9283 |
| 08/09/20 to 07/03/21 | 0.4903 | 0.0427 | 0.5330 | 0.7946 |
| **Total distributions in the period** | | | **1.3059** | **1.7229** |

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

# Threadneedle Dollar Bond Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.8025 | – | 1.8025 | 2.1082 |
| 08/09/20 to 07/03/21 | 1.2565 | – | 1.2565 | 1.8283 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.0343 | 0.7682 | 1.8025 | 2.1082 |
| 08/09/20 to 07/03/21 | 0.7259 | 0.5306 | 1.2565 | 1.8283 |
| **Total distributions in the period** | | | **3.0590** | **3.9365** |

### Class X – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.4369 | – | 1.4369 | 1.6633 |
| 08/09/20 to 07/03/21 | 1.0125 | – | 1.0125 | 1.4477 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.8136 | 0.6233 | 1.4369 | 1.6633 |
| 08/09/20 to 07/03/21 | 0.5825 | 0.4300 | 1.0125 | 1.4477 |
| **Total distributions in the period** | | | **2.4494** | **3.1110** |

### Class Z – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.4892 | – | 1.4892 | 1.7794 |
| 08/09/20 to 07/03/21 | 1.0259 | – | 1.0259 | 1.5246 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.7271 | 0.7621 | 1.4892 | 1.7794 |
| 08/09/20 to 07/03/21 | 0.5523 | 0.4736 | 1.0259 | 1.5246 |
| **Total distributions in the period** | | | **2.5151** | **3.3040** |

### Class Z – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.8927 | – | 1.8927 | 2.2028 |
| 08/09/20 to 07/03/21 | 1.3186 | – | 1.3186 | 1.9132 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.6946 | 1.1981 | 1.8927 | 2.2028 |
| 08/09/20 to 07/03/21 | 0.6923 | 0.6263 | 1.3186 | 1.9132 |
| **Total distributions in the period** | | | **3.2113** | **4.1160** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Dollar Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 65.58 | 59.04 | 56.45 | 152.81 | 134.10 | 124.62 |
| Return before operating charges (p) | (2.42) | 8.99 | 4.97 | (5.79) | 20.42 | 11.02 |
| Operating charges (p) | (0.78) | (0.73) | (0.69) | (1.81) | (1.71) | (1.54) |
| Return after operating charges (p)* | (3.20) | 8.26 | 4.28 | (7.60) | 18.71 | 9.48 |
| Distributions (p) | (1.31) | (1.72) | (1.69) | (3.06) | (3.94) | (3.75) |
| Retained distributions on accumulation shares (p) | – | – | – | 3.06 | 3.94 | 3.75 |
| Closing net asset value per share (p) | 61.07 | 65.58 | 59.04 | 145.21 | 152.81 | 134.10 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (4.88) | 13.99 | 7.58 | (4.97) | 13.95 | 7.61 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 713 | 1,456 | 27,539 | 6,247 | 6,711 | 8,452 |
| Closing number of shares | 1,168,074 | 2,219,859 | 46,643,711 | 4,301,944 | 4,391,911 | 6,302,985 |
| Operating charges (%)** | 1.16 | 1.17 | 1.17 | 1.16 | 1.17 | 1.17 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 70.74 | 69.68 | 61.99 | 164.84 | 158.26 | 138.40 |
| Lowest share price (p) | 60.50 | 58.72 | 54.79 | 142.63 | 133.37 | 120.94 |

| | Class X – Gross accumulation shares[§] | | | Class Z – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 117.62 | 102.10 | 93.83 | 126.17 | 113.05 | 107.53 |
| Return before operating charges (p) | (4.53) | 15.62 | 8.32 | (4.73) | 17.24 | 9.50 |
| Operating charges (p) | (0.11) | (0.10) | (0.05) | (0.85) | (0.82) | (0.76) |
| Return after operating charges (p)* | (4.64) | 15.52 | 8.27 | (5.58) | 16.42 | 8.74 |
| Distributions (p) | (2.45) | (3.11) | (2.95) | (2.52) | (3.30) | (3.22) |
| Retained distributions on accumulation shares (p) | 2.45 | 3.11 | 2.95 | – | – | – |
| Closing net asset value per share (p) | 112.98 | 117.62 | 102.10 | 118.07 | 126.17 | 113.05 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (3.94) | 15.20 | 8.81 | (4.42) | 14.52 | 8.13 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 47,517 | 40,312 | 3 | 9,019 | 8,397 | 6,044 |
| Closing number of shares | 42,058,774 | 34,273,155 | 3,001 | 7,638,046 | 6,655,174 | 5,346,131 |
| Operating charges (%)** | 0.09 | 0.09 | 0.05 | 0.66 | 0.67 | 0.67 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 127.31 | 121.16 | 105.17 | 136.32 | 133.75 | 118.34 |
| Lowest share price (p) | 110.94 | 101.57 | 91.18 | 116.97 | 112.45 | 104.42 |

# Threadneedle Dollar Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Gross accumulation shares[§] | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 160.27 | 139.94 | 129.40 |
| Return before operating charges (p) | (6.12) | 21.36 | 11.45 |
| Operating charges (p) | (1.08) | (1.03) | (0.91) |
| Return after operating charges (p)* | (7.20) | 20.33 | 10.54 |
| Distributions (p) | (3.21) | (4.12) | (3.90) |
| Retained distributions on accumulation shares (p) | 3.21 | 4.12 | 3.90 |
| Closing net asset value per share (p) | 153.07 | 160.27 | 139.94 |
| *after direct transaction costs of (p) | – | – | – |
| **Performance** | | | |
| Return after charges (%) | (4.49) | 14.53 | 8.15 |
| **Other information** | | | |
| Closing net asset value (£000) | 1,360 | 1,306 | 398 |
| Closing number of shares | 888,762 | 814,926 | 284,362 |
| Operating charges (%)** | 0.66 | 0.67 | 0.67 |
| Direct transaction costs (%)*** | – | – | – |
| **Prices** | | | |
| Highest share price (p) | 173.16 | 165.57 | 144.31 |
| Lowest share price (p) | 150.33 | 139.20 | 125.65 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle Dollar Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL (LOSSES)/GAINS

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (5,975) | 6,551 |
| Derivative contracts | 1,352 | (1,461) |
| Forward currency contracts | 75 | 75 |
| Other (losses)/gains | (159) | 94 |
| Transaction costs | (2) | (1) |
| Net capital (losses)/gains | (4,709) | 5,258 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 1,665 | 1,472 |
| Interest on short term investments | – | 23 |
| Bank interest | 8 | 62 |
| Total revenue | 1,673 | 1,557 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (138) | (279) |
| Registration fees | (40) | (43) |
| | (178) | (322) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (9) | (6) |
| Safe custody fees | (10) | (10) |
| | (19) | (16) |
| Other expenses: | | |
| Regulatory fees | (6) | (7) |
| Audit fees | (9) | (9) |
| Expenses cap | 1 | 3 |
| | (14) | (13) |
| Total expenses* | (211) | (351) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Derivative expense | (186) | (46) |
| Total interest payable and similar charges | (186) | (46) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £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 | 1,276 | 1,160 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (255) | (232) |
| Effects of: | | |
| Excess expenses* | 255 | 234 |
| Conversion transfer from capital* | – | (2) |
| Current tax charge for period (note 6a) | – | – |

**For details on restatement please refer to note 18.*

The fund has not recognised a deferred tax asset of £305,859 (2020: £561,127) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 880 | 758 |
| Final | 576 | 711 |
| | 1,456 | 1,469 |
| Add: Revenue deducted on the cancellation of shares* | 91 | 129 |
| Deduct: Revenue received on the creation of shares* | (133) | (150) |
| Net distribution for the period | 1,414 | 1,448 |
| Net revenue after taxation | 1,276 | 1,160 |
| Annual management charge to capital | 138 | 278 |
| Equalisation on conversion* | – | 10 |
| Total distributions | 1,414 | 1,448 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 166 to 167.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 40 | 517 |
| Accrued revenue | 402 | 346 |
| Total debtors | 442 | 863 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 640 | 646 |
| Cash and bank balances | 303 | 5 |
| | 943 | 651 |
| Bank overdrafts | (6) | (138) |
| Total cash and bank balances | 937 | 513 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (78) | (287) |
| Purchases awaiting settlement | (312) | (41) |
| Accrued expenses | (4) | (7) |
| Amounts payable to ACD | (15) | (19) |
| Total other creditors | (409) | (354) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle Dollar Bond Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

**Annual management charge**

| | |
|---|---|
| Class 1 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.50% |

**Registration fees**

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 168 to 169. The distribution per share class is given in the distribution table on pages 166 to 167.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 2,219,859 |
| Shares issued | 472,239 |
| Shares redeemed | (1,372,773) |
| Net conversions | (151,251) |
| Closing shares | 1,168,074 |
| **Class 1 – Gross accumulation shares** | |
| Opening shares | 4,391,911 |
| Shares issued | 1,072,874 |
| Shares redeemed | (1,162,841) |
| Net conversions | – |
| Closing shares | 4,301,944 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 34,273,155 |
| Shares issued | 13,397,150 |
| Shares redeemed | (5,611,531) |
| Net conversions | – |
| Closing shares | 42,058,774 |
| **Class Z – Income shares** | |
| Opening shares | 6,655,174 |
| Shares issued | 5,478,084 |
| Shares redeemed | (4,573,740) |
| Net conversions | 78,528 |
| Closing shares | 7,638,046 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 814,926 |
| Shares issued | 497,901 |
| Shares redeemed | (424,065) |
| Net conversions | – |
| Closing shares | 888,762 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 5.66% and vice versa (2020: 5.93%).

**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 2021** | **£000** |
| US Dollar | 65,004 |
| **Currency 2020** | **£000** |
| US Dollar | 58,159 |

**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 2021** | **%** | **%** |
| US Dollar | 6.22 | 6.23 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | **%** | **%** |
| US Dollar | 0.97 | 0.97 |

**Credit/Counterparty exposure**

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

| 2021 | Futures and Options Exposure | Forward Foreign Exchange Contracts Exposure |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| UBS | 274 | – |

| 2020 | Futures and Options Exposure | Forward Foreign Exchange Contracts Exposure |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Barclays | – | 1 |

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

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Analysis of investments by credit ratings**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AAA | 8,216 | 12.83 | 897 | 1.57 |
| Aaa | 19,041 | 29.77 | 29,040 | 50.70 |
| AA+ | 1,043 | 1.62 | 803 | 1.40 |
| AA | 774 | 1.21 | 133 | 0.23 |
| Aa2 | 481 | 0.75 | – | – |
| AA- | 1,811 | 2.84 | 574 | 1.00 |
| A+ | 2,192 | 3.44 | 2,191 | 3.83 |
| A1 | 168 | 0.26 | – | – |
| A | 3,205 | 5.00 | 2,040 | 3.56 |
| A- | 3,434 | 5.37 | 3,874 | 6.76 |
| A3 | – | – | 301 | 0.53 |
| BBB+ | 7,087 | 11.08 | 4,634 | 8.09 |
| BBB | 6,870 | 10.74 | 5,525 | 9.65 |
| BBB- | 4,134 | 6.46 | 3,695 | 6.45 |
| BB+ | 654 | 1.02 | 690 | 1.20 |
| BB | 158 | 0.25 | 165 | 0.29 |
| Ba2 | 300 | 0.47 | 167 | 0.29 |
| BB- | 747 | 1.17 | 484 | 0.85 |
| B | 300 | 0.47 | – | – |
| CCC+ | – | – | 18 | 0.03 |
| Not Rated* | 945 | 1.48 | – | – |
| Liquidity Funds | 2,430 | 3.80 | 2,727 | 4.76 |
| Derivatives** | (20) | (0.03) | (679) | (1.19) |
| | 63,970 | 100.00 | 57,279 | 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.*

# Threadneedle Dollar Bond Fund

## Notes to the financial statements

*(continued)*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | 89 | 89 |
| US Dollar | 5,488 | 59,445 | 894 | 65,827 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 5 | – | 625 | 630 |
| US Dollar | 1,972 | 56,631 | 585 | 59,188 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (6) | – | (231) | (237) |
| US Dollar | – | – | (823) | (823) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (607) | (607) |
| US Dollar | (138) | – | (891) | (1,029) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**Derivative risks**

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

At 7 March 2021, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £470,000 (2020: £53,000) and a liability value of £490,000 (2020: £732,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 25,535 | (4) | 31,785 | (678) |
| Level 2 | 38,926 | (486) | 26,226 | (54) |
| | 64,461 | (490) | 58,011 | (732) |

Included within Level 1, are debt securities of £25,257,000 (2020: £31,767,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £72,394,763 (2020: £40,199,179) and £59,881,170 (2020: £34,135,500) respectively. Collective investment schemes purchases and sales amounted to £9,402,565 (2020: £8,289,977) and £9,693,784 (2020: £5,510,092) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £14,234 (2020: £Nil) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £1,953 (2020: £871).

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

At the balance sheet date, the portfolio dealing spread was 0.19% (7 March 2020: 0.17%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| Distributions | (1,438) | (10) | (1,448) |
| **Net impact** | | (10) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| Amounts receivable on the issue of shares | 58,174 | (33,593) | 24,581 |
| Amounts payable on the cancellation of shares | (48,561) | 33,603 | (14,958) |
| | 9,613 | 10 | 9,623 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 4,980 | (10) | 4,970 |
| **Impact on net assets attributable to shareholders** | | – | |

# Threadneedle Dollar Bond Fund

## Notes to the financial statements

*(continued)*

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | 232 | 2 | 234 |
| Conversion transfer from capital | – | (2) | (2) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 410 | (281) | 129 |
| Deduct: Revenue received on the creation of shares | (441) | 291 | (150) |
| **Net impact** | | 10 | |
| Equalisation on conversion | – | 10 | 10 |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 – Income shares | (50.04) |
| Class Z – Income shares | (23.67) |

# Threadneedle Japan Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI Japan Index.

The MSCI Japan Index is designed to measure the performance of shares across large and medium-sized companies in the Japanese market, currently with approximately 300 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Japan Fund has risen from 60.27p to 80.84p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +35.16% as compared to a median return of +22.27% over the same period. (For information the MSCI Japan Index returned +17.72% over the same period).

### Market Overview and Portfolio Activity

Japanese equities delivered a positive return during the 12 months to 7 March, rebounding from initial COVID-related weakness with the help of significant fiscal and monetary stimulus. The rally gained strength following the approval of vaccines and the implementation of inoculation programmes, which prompted hopes for a return to economic normality.

Japanese stocks held up better than global markets in the sell-off in March, given the relative success of the country's containment measures. Second-quarter GDP was weak, as expected, but the economy contracted less sharply than its US, eurozone or UK counterparts.

Over the summer, Japanese equities recouped earlier losses amid a wider rally, driven by optimism over the significant global fiscal and monetary response, and signs that the pandemic may have peaked. Specifically, the Bank of Japan pledged to increase purchases of government bonds and corporate debt, and expanded this commitment further in June by increasing its coronavirus lending package to over $1tn. Meanwhile, an additional $1.1tn fiscal-stimulus package was approved by the cabinet in May, complementing a programme of similar size announced in April.

The resignation of Prime Minister Shinzo Abe in August for health reasons prompted some volatility but this was brief, with the market reassured by the swift appointment of Yoshide Suga, a supporter of Abe's policies. Japan's third-quarter GDP rebounded by over 5% on a quarterly basis, with business investment and consumer consumption particularly robust. The quarterly Tankan survey also revealed a stronger-than-expected improvement in sentiment at large manufacturers. The government announced a further stimulus package later in the period. Meanwhile, the Bank of Japan extended COVID-19 lending programs until September 2021 and initiated a policy review to assess ways that it can revive inflation.

As 2020 drew to a close, Japan was among 15 Asia-Pacific signatories, including China, to the Regional Comprehensive Economic Partnership (RCEP), an agreement forming the world's largest trading bloc. The move was welcomed by investors, enthused by the long-term benefits that greater regional trade cooperation will bring to Japanese businesses. As the period ended, a rise in global bond yields led to some volatility in equities, as investors mulled the prospect of inflationary pressures. This led to profit taking in high-valuation growth sectors and rotation into more value-oriented cyclicals.

Early in the period, we initiated a holding in gaming software company Square Enix; we remain optimistic on its outlook, given the rising returns available due to digitisation, coupled with the firm's broad range of strong franchises. Elsewhere, we initiated a position in homebuilder Open House. Due to the effects of COVID, demand is shifting from apartments to larger detached houses as buyers seek more space to work from home. In the manufacturing sector, new holdings included Fanuc and Takeuchi. Fanuc makes factory automation equipment, and we believe the company should benefit from rising capacity utilisation and profit-margin expansion over the coming years. For Takeuchi, we are positive on the construction-machinery business given the recovery in earnings currently underway and scope for further improvements in profitability in future.

Initial sales activity generally focused on reducing exposure to companies where the fundamental outlook had been challenged by the pandemic. Consequently, we exited positions including trading house Mitsubishi Corp., hair-care product firm Milbon, and Nidec, a manufacturer of small precision motors. Other sales largely centred on profit taking where strong share price appreciation left little additional valuation upside. In particular, biopharmaceutical research business PeptiDream exited the portfolio after excellent gains, while peer Takeda was sold for similar reasons. Our original thesis was predicated on a likely narrowing of the stock's valuation discount as the sale of non-core businesses progressed, and this has mostly played out. Lasertec was also sold. The manufacturer of photomask inspection systems for the semiconductor industry has benefited from a strong pick-up in orders, which we believe is now reflected in the share price.

As restrictions on social distancing measures continued to be eased globally, we have witnessed economic activity pick up to pre-COVID levels and earnings revisions improve substantially. We can expect these improvements to coincide with supportive fiscal measures across the developed world as governments and central banks pledge to provide continued economic support. We believe both developments will create select investment opportunities in more cyclical markets such as Japan.

Recent vaccine optimism has fuelled positive investor sentiment globally, although we can still envisage distribution challenges in the near term. Meanwhile, the debate of inflation and cyclical rotation has been gaining traction as the market moves into an upcycle and economies re-open. While we certainly see the merits for a cyclical rebound as restrictions on social distancing are eased, the question of how long it will last and the best way to gain exposure to this trend is crucial to evaluate.

Japanese companies have vast amounts of cash on their balance sheets which can be deployed through various channels such as an increase in domestic consumption, dividend and share buybacks, and M&As. Corporates are also supported by sizeable fiscal stimulus with Japan implementing the largest stimulus package globally as a percentage of GDP.

Elsewhere, the new US administration could lead to increased news flow surrounding domestic and foreign policy, and may introduce some uncertainty around the future rules of economic engagement.

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 230,256 | 52,693 |
| Revenue | 3 | 15,418 | 14,079 |
| Expenses | 4 | (3,132) | (3,454) |
| Interest payable and similar charges | 5 | (50) | (68) |
| Net revenue before taxation | | 12,236 | 10,557 |
| Taxation | 6 | (1,552) | (1,393) |
| Net revenue after taxation | | 10,684 | 9,164 |
| **Total return before distributions** | | 240,940 | 61,857 |
| Distributions** | 7 | (10,680) | (8,133) |
| **Change in net assets attributable to shareholders from investment activities** | | 230,260 | 53,724 |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 855,585 | 742,397 |
| **Current assets:** | | | |
| Debtors | 8 | 18,254 | 2,382 |
| Cash and bank balances | 9 | 22,269 | 51,476 |
| Total assets | | 896,108 | 796,255 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (26) | (8,954) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (8,636) | – |
| Distribution payable | | (29) | (27) |
| Other creditors | 10 | (7,993) | (4,335) |
| Total liabilities | | (16,684) | (13,316) |
| **Net assets attributable to shareholders** | | 879,424 | 782,939 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 782,939 | 701,498 |
| Amounts receivable on the issue of shares** | 146,610 | 200,833 |
| Amounts payable on the cancellation of shares** | (289,773) | (180,939) |
| | (143,163) | 19,894 |
| Dilution adjustment | 143 | 216 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 230,260 | 53,724 |
| Retained distribution on accumulation shares | 9,245 | 7,607 |
| **Closing net assets attributable to shareholders** | 879,424 | 782,939 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.0212).*

**Class 2 – Accumulation shares**

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.4515 | – | 0.4515 | 0.4277 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.4515 | 0.4515 | 0.4277 |
| **Total distributions in the period** | | | **0.4515** | **0.4277** |

# Threadneedle Japan Fund

## DISTRIBUTION TABLE

*(continued)*

### Class X – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 3.0132 | – | 3.0132 | 2.6652 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 1.2225 | 1.7907 | 3.0132 | 2.6652 |
| **Total distributions in the period** | | | **3.0132** | **2.6652** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.8141 | – | 2.8141 | 2.4481 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.4218 | 2.3923 | 2.8141 | 2.4481 |
| **Total distributions in the period** | | | **2.8141** | **2.4481** |

### Class X2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 4.9553 | – | 4.9553 | 4.3107 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 1.6412 | 3.3141 | 4.9553 | 4.3107 |
| **Total distributions in the period** | | | **4.9553** | **4.3107** |

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

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.7960 | – | 1.7960 | 0.0656 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.4715 | 1.3245 | 1.7960 | 0.0656 |
| **Total distributions in the period** | | | **1.7960** | **0.0656** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.8391 | – | 1.8391 | 1.6889 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.0599 | 1.7792 | 1.8391 | 1.6889 |
| **Total distributions in the period** | | | **1.8391** | **1.6889** |

*Group 2: shares purchased during a distribution period.*

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

# Threadneedle Japan Fund

## Comparative Table Disclosure

| | Class 1 – Accumulation shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 61.23 | 56.35 | 60.29 | 70.08 | 64.15 | 68.23 |
| Return before operating charges (p) | 20.68 | 5.86 | (2.97) | 23.76 | 6.69 | (3.36) |
| Operating charges (p) | (1.19) | (0.98) | (0.97) | (0.90) | (0.76) | (0.72) |
| Return after operating charges (p)* | 19.49 | 4.88 | (3.94) | 22.86 | 5.93 | (4.08) |
| Distributions (p) | – | (0.02) | – | (0.45) | (0.43) | (0.30) |
| Retained distributions on accumulation shares (p) | – | 0.02 | – | 0.45 | 0.43 | 0.30 |
| Closing net asset value per share (p) | 80.72 | 61.23 | 56.35 | 92.94 | 70.08 | 64.15 |
| *after direct transaction costs of (p) | 0.06 | 0.04 | 0.06 | 0.07 | 0.05 | 0.07 |
| **Performance** | | | | | | |
| Return after charges (%) | 31.83 | 8.66 | (6.54) | 32.62 | 9.24 | (5.98) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 3,043 | 3,881 | 120,505 | 273,487 | 234,125 | 229,529 |
| Closing number of shares | 3,769,313 | 6,339,266 | 213,843,169 | 294,274,977 | 334,062,691 | 357,825,938 |
| Operating charges (%)** | 1.63 | 1.66 | 1.63 | 1.06 | 1.06 | 1.06 |
| Direct transaction costs (%)*** | 0.08 | 0.07 | 0.10 | 0.08 | 0.07 | 0.10 |
| **Prices** | | | | | | |
| Highest share price (p) | 87.80 | 67.63 | 65.69 | 101.00 | 77.38 | 74.59 |
| Lowest share price (p) | 52.75 | 55.72 | 53.12 | 60.39 | 63.43 | 60.40 |

| | Class X – Income shares | | | Class X – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 161.72 | 148.99 | 159.31 | 151.04 | 136.85 | 144.13 |
| Return before operating charges (p) | 55.01 | 15.50 | (7.95) | 51.36 | 14.28 | (7.19) |
| Operating charges (p) | (0.12) | (0.10) | (0.09) | (0.11) | (0.09) | (0.09) |
| Return after operating charges (p)* | 54.89 | 15.40 | (8.04) | 51.25 | 14.19 | (7.28) |
| Distributions (p) | (3.01) | (2.67) | (2.28) | (2.81) | (2.45) | (2.07) |
| Retained distributions on accumulation shares (p) | – | – | – | 2.81 | 2.45 | 2.07 |
| Closing net asset value per share (p) | 213.60 | 161.72 | 148.99 | 202.29 | 151.04 | 136.85 |
| *after direct transaction costs of (p) | 0.16 | 0.12 | 0.16 | 0.15 | 0.11 | 0.15 |
| **Performance** | | | | | | |
| Return after charges (%) | 33.94 | 10.34 | (5.05) | 33.93 | 10.37 | (5.05) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 2,053 | 1,643 | 2,054 | 340,904 | 343,057 | 238,570 |
| Closing number of shares | 960,960 | 1,015,841 | 1,378,268 | 168,519,928 | 227,134,722 | 174,323,739 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | 0.08 | 0.07 | 0.10 | 0.08 | 0.07 | 0.10 |
| **Prices** | | | | | | |
| Highest share price (p) | 235.07 | 181.39 | 175.16 | 219.53 | 166.62 | 158.46 |
| Lowest share price (p) | 139.40 | 147.36 | 142.15 | 130.18 | 135.36 | 128.60 |

# Threadneedle Japan Fund

## Comparative Table Disclosure

*(continued)*

| | Class X2 – Accumulation shares | | | Class X GBP Hedged – Gross accumulation shares[§] | |
|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020[1] |
| **Change in net assets per share** | | | | | |
| Opening net asset value per share (p) | 265.96 | 240.97 | 253.78 | 99.07 | 100.00 |
| Return before operating charges (p) | 90.44 | 25.15 | (12.66) | 44.34 | (0.90) |
| Operating charges (p) | (0.18) | (0.16) | (0.15) | (0.07) | (0.03) |
| Return after operating charges (p)* | 90.26 | 24.99 | (12.81) | 44.27 | (0.93) |
| Distributions (p) | (4.96) | (4.31) | (3.64) | (1.80) | (0.07) |
| Retained distributions on accumulation shares (p) | 4.96 | 4.31 | 3.64 | 1.80 | 0.07 |
| Closing net asset value per share (p) | 356.22 | 265.96 | 240.97 | 143.34 | 99.07 |
| *after direct transaction costs of (p) | 0.25 | 0.19 | 0.26 | 0.10 | 0.08 |
| **Performance** | | | | | |
| Return after charges (%) | 33.94 | 10.37 | (5.05) | 44.69 | (0.93) |
| **Other information** | | | | | |
| Closing net asset value (£000) | 13,361 | 28,679 | 108,924 | 229,909 | 166,235 |
| Closing number of shares | 3,750,684 | 10,783,532 | 45,201,527 | 160,396,933 | 167,795,591 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.06 | 0.06[†] |
| Direct transaction costs (%)*** | 0.08 | 0.07 | 0.10 | 0.08 | 0.07 |
| **Prices** | | | | | |
| Highest share price (p) | 386.57 | 293.39 | 279.02 | 150.96 | 114.89 |
| Lowest share price (p) | 229.24 | 238.34 | 226.44 | 80.47 | 97.52 |

| | Class Z – Accumulation shares | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 214.40 | 195.91 | 208.03 |
| Return before operating charges (p) | 72.73 | 20.41 | (10.30) |
| Operating charges (p) | (2.32) | (1.92) | (1.82) |
| Return after operating charges (p)* | 70.41 | 18.49 | (12.12) |
| Distributions (p) | (1.84) | (1.69) | (1.27) |
| Retained distributions on accumulation shares (p) | 1.84 | 1.69 | 1.27 |
| Closing net asset value per share (p) | 284.81 | 214.40 | 195.91 |
| *after direct transaction costs of (p) | 0.21 | 0.16 | 0.22 |
| **Performance** | | | |
| Return after charges (%) | 32.84 | 9.44 | (5.83) |
| **Other information** | | | |
| Closing net asset value (£000) | 16,667 | 5,319 | 1,916 |
| Closing number of shares | 5,852,003 | 2,480,686 | 978,092 |
| Operating charges (%)** | 0.88 | 0.88 | 0.88 |
| Direct transaction costs (%)*** | 0.08 | 0.07 | 0.10 |
| **Prices** | | | |
| Highest share price (p) | 309.44 | 236.72 | 227.65 |
| Lowest share price (p) | 184.76 | 193.74 | 184.40 |

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

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

[§]*Only available to eligible investors.*

[1]*Commenced 8 October 2019.*

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

# Threadneedle Japan Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 209,485 | 51,929 |
| Forward currency contracts | 21,725 | (2,709) |
| Other (losses)/gains | (950) | 3,476 |
| Transaction costs | (4) | (3) |
| Net capital gains | 230,256 | 52,693 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 15,416 | 14,073 |
| Bank interest | 2 | 6 |
| Total revenue | 15,418 | 14,079 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (2,659) | (2,983) |
| Registration fees | (294) | (299) |
| | (2,953) | (3,282) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (96) | (92) |
| Safe custody fees | (67) | (63) |
| | (163) | (155) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (9) | (10) |
| | (16) | (17) |
| Total expenses* | (3,132) | (3,454) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (50) | (68) |
| Total interest payable and similar charges | (50) | (68) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (1,552) | (1,393) |
| Total current tax (note 6b) | (1,552) | (1,393) |
| Total tax charge for the period | (1,552) | (1,393) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 12,236 | 10,557 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (2,447) | (2,111) |
| Effects of: | | |
| Revenue not subject to taxation | 3,103 | 2,718 |
| Overseas taxes | (1,552) | (1,393) |
| Overseas tax expensed | – | 7 |
| Excess expenses* | (655) | (525) |
| Conversion transfer from capital* | (1) | (89) |
| Current tax charge for period (note 6a) | (1,552) | (1,393) |

**For details on restatement please refer to note 18.*

The fund has not recognised a deferred tax asset of £9,406,837 (2020: £8,751,527) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 9,274 | 7,635 |
| | 9,274 | 7,635 |
| Add: Revenue deducted on the cancellation of shares* | 2,624 | 1,220 |
| Deduct: Revenue received on the creation of shares* | (1,218) | (722) |
| Net distribution for the period | 10,680 | 8,133 |
| Net revenue after taxation | 10,684 | 9,164 |
| Equalisation on conversion* | (5) | (1,031) |
| Shortfall transfer from capital to revenue | 1 | – |
| Total distributions | 10,680 | 8,133 |

**For details on restatement please refer to note 18.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 174 to 175.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 12,581 | 1,731 |
| Sales awaiting settlement | 4,947 | – |
| Accrued revenue | 726 | 651 |
| Total debtors | 18,254 | 2,382 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | – | 7,950 |
| Cash and bank balances | 22,269 | 43,526 |
| | 22,269 | 51,476 |
| Bank overdrafts | (8,636) | – |
| Total cash and bank balances | 13,633 | 51,476 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (922) | (15) |
| Purchases awaiting settlement | (6,731) | (4,010) |
| Accrued expenses | (23) | (23) |
| Amounts payable to ACD | (317) | (287) |
| Total other creditors | (7,993) | (4,335) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle Japan Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

Threadneedle Japan Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.50% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class X2 shares | N/A** |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class X2 shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 176 to 177. The distribution per share class is given in the distribution table on pages 174 to 175.

All classes have the same rights on winding up.

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

***X 2 Shares are not subject to an Annual Management Charge.*

| **Reconciliation of shares** | **2021** |
|---|---|
| **Class 1 – Accumulation shares** | |
| Opening shares | 6,339,266 |
| Shares issued | 1,998,750 |
| Shares redeemed | (2,119,752) |
| Net conversions | (2,448,951) |
| Closing shares | 3,769,313 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 334,062,691 |
| Shares issued | 70,516,929 |
| Shares redeemed | (110,304,643) |
| Net conversions | – |
| Closing shares | 294,274,977 |
| **Class X – Income shares** | |
| Opening shares | 1,015,841 |
| Shares issued | 1,047,824 |
| Shares redeemed | (1,102,705) |
| Net conversions | – |
| Closing shares | 960,960 |
| **Class X – Accumulation shares** | |
| Opening shares | 227,134,722 |
| Shares issued | 9,621,667 |
| Shares redeemed | (68,236,461) |
| Net conversions | – |
| Closing shares | 168,519,928 |
| **Class X2 – Accumulation shares** | |
| Opening shares | 10,783,532 |
| Shares issued | 6,351,482 |
| Shares redeemed | (2,998,316) |
| Net conversions | (10,386,014) |
| Closing shares | 3,750,684 |
| **Class X GBP Hedged – Gross accumulation shares** | |
| Opening shares | 167,795,591 |
| Shares issued | 27,693,081 |
| Shares redeemed | (63,503,238) |
| Net conversions | 28,411,499 |
| Closing shares | 160,396,933 |
| **Class Z – Accumulation shares** | |
| Opening shares | 2,480,686 |
| Shares issued | 5,358,961 |
| Shares redeemed | (2,686,046) |
| Net conversions | 698,402 |
| Closing shares | 5,852,003 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.00% and vice versa (2020: 4.72%).

**Currency exposures**

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

| | **Total** |
|---|---|
| **Currency 2021** | **£000** |
| Japanese Yen | 646,932 |
| **Currency 2020** | **£000** |
| Japanese Yen | 606,723 |

**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 2021** | **%** | **%** |
| US Dollar | 9.21 | 6.66 |
| | **Currency movement** | **Fund movement** |
| **Currency 2020** | **%** | **%** |
| US Dollar | 6.78 | 5.16 |

**Credit/Counterparty exposure**

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

| **2021** | **Forward Foreign Exchange Contracts Exposure** | **Collateral Pledged** |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| J.P. Morgan | 2,852 | – |
| **2020** | **Forward Foreign Exchange Contracts Exposure** | **Collateral Pledged** |
| **Counterparty** | **£000** | **£000** |
| Royal Bank of Scotland | 2 | – |
| Barclays | 1 | – |
| J.P. Morgan | – | 7,950 |

The fund held £2,350,000 (2020: £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 7 March was:

| | **Floating rate financial assets** | **Fixed rate financial assets** | **Financial assets not carrying interest** | **Total** |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Japanese Yen | 22,269 | – | 869,601 | 891,870 |
| UK Sterling | – | – | 253,653 | 253,653 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Japanese Yen | 43,515 | – | 759,351 | 802,866 |
| UK Sterling | 7,961 | – | 184,910 | 192,871 |

# Threadneedle Japan Fund

## Notes to the financial statements

*(continued)*

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Japanese Yen | – | – | (244,938) | (244,938) |
| UK Sterling | (8,636) | – | (12,525) | (21,161) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Japanese Yen | – | – | (196,143) | (196,143) |
| UK Sterling | – | – | (16,655) | (16,655) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £2,865,000 (2020: £297,000) and a liability value of £26,000 (2020: £8,954,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1 | 852,720 | – | 742,100 | – |
| Level 2 | 2,865 | (26) | 297 | (8,954) |
| | 855,585 | (26) | 742,397 | (8,954) |

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 522,849 | 298 | 0.06 | – | – |
| **Total** | 522,849 | 298 | | – | |
| **Gross purchases total:** | 523,147 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 622,372 | 359 | 0.06 | – | – |
| **Total** | 622,372 | 359 | | – | |
| **Total sales net of transaction costs:** | 622,013 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.08% |
| Taxes: | 0.00% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 459,824 | 266 | 0.06 | – | – |
| **Total** | 459,824 | 266 | | – | |
| **Gross purchases total:** | 460,090 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 442,063 | 287 | 0.06 | – | – |
| **Total** | 442,063 | 287 | | – | |
| **Total sales net of transaction costs:** | 441,776 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.07% |
| Taxes: | 0.00% |

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 0.20% (7 March 2020: 0.16%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | **£000** | **£000** | **£000** |
| Distributions | (7,687) | (446) | (8,133) |
| **Net impact** | | (446) | |

# Threadneedle Japan Fund

## Notes to the financial statements

*(continued)*

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 304,856 | (104,023) | 200,833 |
| Amounts payable on the cancellation of shares | (285,408) | 104,469 | (180,939) |
| | 19,448 | 446 | 19,894 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 54,170 | (446) | 53,724 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (614) | 89 | (525) |
| Conversion transfer from capital | – | (89) | (89) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,591 | (371) | 1,220 |
| Deduct: Revenue received on the creation of shares | (1,539) | 817 | (722) |
| **Net impact** | | 446 | |
| Equalisation on conversion | (1,477) | 446 | (1,031) |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class X – Income shares | (14.84) |

# Threadneedle Asia Fund

## Investment Report

### Investment Objective and Policy

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

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

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

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

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

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Asia Fund has risen from 233.09p to 320.34p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +37.05% as compared to a median return of +31.28% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned +27.61% over the same period).

### Market Overview and Portfolio Activity

The Asia Pacific ex Japan index posted a strong return over the twelve-month period. There was concern at the beginning of the period as investors feared the economic implications of containment measures and social distancing as a result of COVID-19. However, Asian economies proved more successful in containing the virus than their Western counterparts and markets rallied strongly as restrictions were gradually eased and economic activity improved. The rebound was also driven by central banks expanding their stimulus programmes. In particular, Asian stock markets were supported by indications that the US Federal Reserve would keep interest rates low, and a weaker US dollar. Towards the end of 2020, investors were also encouraged by landmark advances in the development of vaccines for the virus, Joe Biden's victory in the US election and subsequent expectations for further fiscal stimulus in Washington.

However, as the period ended, a rise in global bond yields led to some volatility in equities, as investors mulled the prospect of inflationary pressures. This led to profit taking in high-valuation growth sectors and rotation into more value-oriented cyclicals.

The Chinese market performed particularly well over the period as a whole given the country's containment of the virus, the deceleration of new cases, and supportive measures from the authorities. Later in the period, economic data releases were broadly favourable: second-quarter GDP exceeded expectations, service-sector activity returned to year-on-year growth in June, and manufacturing activity reverted to more normalised levels. GDP rose by 2.3% in 2020, making China one of the only large global economies to exhibit growth last year. Korea was among the top performers in the index as the economy benefitted from strong performance in the tech sector. Global stimulus measures and vaccine optimism proved a further tailwind for the market given its sensitivity to the world economy. Taiwan also performed well given solid corporate results and a broad-based rally in technology stocks following virus concerns earlier in the period. Indian equities fared well too. While the earlier national lockdown caused a sharp market decline, equities subsequently rallied amid improved global sentiment and hopes of further domestic fiscal stimulus. At a sector level, technology was the standout performer within the Asian region.

During the review period, new positions included KIA Motors and SK Hynix in Korea, JD.com in China and Sea Ltd in Singapore. KIA Motors enjoys a sizeable and growing market share in Europe and the US, and we are constructive on the company's strong position in India. SK Hynix is a semiconductor business and stands to benefit from the improving growth prospects for the memory-chip segment. Retailer JD.com is pursuing new initiatives to increase penetration into lower-tier cities in China through diversified channel strategies, and is strengthening its supply-chain relationships with broader product categories. Singapore internet platform Sea has been a notable beneficiary of the stay-at-home economy through increased sales of its gaming and e-commerce products.

Later in the period, new additions included Hua Hong Semiconductor, which manufactures semiconductors used in a wide range of products. We expect the company to benefit from China's 5G infrastructure initiative, alongside greater demand from electric vehicles (EVs). Another purchase was Indian technology firm Tech Mahindra. The company is expected to be a key beneficiary of the upswing in the IT outsourcing cycle, which has been reflected in the strong momentum of new deals. We also added a position in Gree Electric Appliances, one of China's leading suppliers of commercial and residential air-conditioning equipment. Revenue growth is expected to improve as a result of the move to higher-priced, premium-quality products and an improving product mix.

Early in the period, we exited ICICI Bank on concerns over the deterioration in asset quality given the downward pressure on economic growth in India due to coronavirus. We also sold CapitaLand as we became less optimistic on the outlook for Singapore's property market. Other sales included camera-lens manufacturer Largan Precision, given the uncertain demand outlook for the company's products; and China Construction Bank, as we felt its recent recovery was reflected in the share price. We also exited Telkom Indonesia due to persistently higher-than-anticipated cost pressures, increased competition and greater-than-expected volatility in the key enterprise division.

As restrictions on social distancing measures have continued to be eased in Asia, we have witnessed economic activity pick up to pre-COVID levels and earnings revisions improve substantially. Political risk has been reduced and sentiment has been further supported by weakness in the US dollar.

Recent vaccine optimism has fuelled positive investor sentiment globally, although we can still envisage distribution challenges in the near term. Meanwhile, the debate over inflation and cyclical rotation has been gaining traction as the market moves into an upcycle and economies re-open. While we certainly see the merits for a cyclical rebound as restrictions on social distancing are eased, an evaluation of how long this trend will last and the best way to gain exposure is crucial.

Rising inflationary expectations may cause some volatility but can be positive for Asian equity markets if consistent with a stronger global growth outlook, as long as the adjustment is gradual. Underlying price pressures in Asian economies remain subdued and economic fundamentals are relatively robust.

In terms of US-China relations, political risk has been reduced with a Biden administration. We do not expect any material changes in the near term given the bipartisan support in Washington for its policy towards Beijing, and Biden is also likely to have the support of allied countries. We can, however, expect more pragmatic and diplomatic discussions.

Structural progress is still ongoing, with reforms key to unlocking growth potential and accelerating secular themes. The policy agenda across the region is emphasising domestic demand as a long-term growth driver, with key reforms progressing in Indonesia, India and China.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 237,843 | 33,875 |
| Revenue | 3 | 14,680 | 14,791 |
| Expenses | 4 | (2,441) | (2,450) |
| Interest payable and similar charges | 5 | – | (18) |
| Net revenue before taxation | | 12,239 | 12,323 |
| Taxation | 6 | (2,137) | (756) |
| Net revenue after taxation | | 10,102 | 11,567 |
| **Total return before distributions** | | 247,945 | 45,442 |
| Distributions** | 7 | (11,190) | (11,182) |
| **Change in net assets attributable to shareholders from investment activities** | | 236,755 | 34,260 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 820,339 | 634,896 |
| **Current assets:** | | | |
| Debtors | 8 | 11,699 | 8,678 |
| Cash and bank balances | | 13,160 | 2,508 |
| Cash equivalents*** | | 6,890 | 11,556 |
| Total assets | | 852,088 | 657,638 |
| **Liabilities:** | | | |
| **Investment liabilities** | | – | (48) |
| **Creditors:** | | | |
| Bank overdrafts | | (4,287) | (1,006) |
| Other creditors | 9 | (21,300) | (3,705) |
| Total liabilities | | (25,587) | (4,759) |
| **Net assets attributable to shareholders** | | 826,501 | 652,879 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 652,879 | 448,736 |
| Amounts receivable on the issue of shares** | 119,194 | 301,466 |
| Amounts payable on the cancellation of shares** | (192,689) | (145,729) |
| | (73,495) | 155,737 |
| Dilution adjustment | – | 311 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 236,755 | 34,260 |
| Retained distribution on accumulation shares | 10,362 | 13,835 |
| **Closing net assets attributable to shareholders** | 826,501 | 652,879 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Accumulation shares**

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.3737 | – | 0.3737 | 1.9736 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.2290 | 0.1447 | 0.3737 | 1.9736 |
| **Total distributions in the period** | | | **0.3737** | **1.9736** |

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

# Threadneedle Asia Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.3301 | – | 2.3301 | 3.7290 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 1.0023 | 1.3278 | 2.3301 | 3.7290 |
| **Total distributions in the period** | | | **2.3301** | **3.7290** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 3.6584 | – | 3.6584 | 4.2751 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 2.2887 | 1.3697 | 3.6584 | 4.2751 |
| **Total distributions in the period** | | | **3.6584** | **4.2751** |

### Class X2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 14.1824 | – | 14.1824 | 16.5690 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 8.2357 | 5.9467 | 14.1824 | 16.5690 |
| **Total distributions in the period** | | | **14.1824** | **16.5690** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.2512 | – | 2.2512 | 3.2869 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.8401 | 1.4111 | 2.2512 | 3.2869 |
| **Total distributions in the period** | | | **2.2512** | **3.2869** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Asia Fund

## Comparative Table Disclosure

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 25/01/2019[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 234.57 | 216.54 | 223.94 | 233.55 |
| Return before operating charges (p) | 89.84 | 21.84 | (3.76) | (24.27) |
| Operating charges (p) | (4.35) | (3.81) | (3.64) | (1.92) |
| Return after operating charges (p)* | 85.49 | 18.03 | (7.40) | (26.19) |
| Distributions (p) | (0.37) | (1.97) | (1.74) | (1.60) |
| Retained distributions on accumulation shares (p) | 0.37 | 1.97 | 1.74 | 1.60 |
| Closing net asset value per share (p) | 320.06 | 234.57 | 216.54 | 207.36 |
| *after direct transaction costs of (p) | 0.33 | 0.26 | 0.53 | 0.15 |
| **Performance** | | | | |
| Return after charges (%) | 36.45 | 8.33 | (3.30) | (11.21) |
| **Other information** | | | | |
| Closing net asset value (£000) | 8,597 | 13,094 | 65,180 | – |
| Closing number of shares | 2,685,924 | 5,582,102 | 30,101,025 | – |
| Operating charges (%)** | 1.64 | 1.67 | 1.66 | – |
| Direct transaction costs (%)*** | 0.12 | 0.11 | 0.24 | – |
| **Prices** | | | | |
| Highest share price (p) | 343.66 | 259.86 | 237.99 | 232.75 |
| Lowest share price (p) | 198.82 | 213.81 | 194.10 | 194.10 |

| | Class 1 USD – Accumulation shares | Class 2 – Accumulation shares | | |
|---|---|---|---|---|
| | 25/01/2019[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 233.55 | 265.42 | 243.60 | 250.48 |
| Return before operating charges (p) | 185.73 | 102.15 | 24.68 | (4.23) |
| Operating charges (p) | (1.92) | (3.31) | (2.86) | (2.65) |
| Return after operating charges (p)* | 183.81 | 98.84 | 21.82 | (6.88) |
| Distributions (p) | (1.60) | (2.33) | (3.73) | (3.35) |
| Retained distributions on accumulation shares (p) | 1.60 | 2.33 | 3.73 | 3.35 |
| Closing net asset value per share (p) | 207.36 | 364.26 | 265.42 | 243.60 |
| *after direct transaction costs of (p) | 0.15 | 0.38 | 0.30 | 0.59 |
| **Performance** | | | | |
| Return after charges (%) | (11.21) | 37.24 | 8.96 | (2.75) |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 177,810 | 140,910 | 133,075 |
| Closing number of shares | – | 48,813,452 | 53,088,843 | 54,629,187 |
| Operating charges (%)** | – | 1.08 | 1.08 | 1.08 |
| Direct transaction costs (%)*** | – | 0.12 | 0.11 | 0.24 |
| **Prices** | | | | |
| Highest share price (p) | 232.75 | 391.01 | 293.78 | 266.58 |
| Lowest share price (p) | 194.10 | 224.96 | 240.53 | 217.85 |

# Threadneedle Asia Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 EUR – Accumulation shares | Class 2 USD – Accumulation shares |
|---|---|---|
| | 25/01/2019[1] | 25/01/2019[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 261.64 | 261.64 |
| Return before operating charges (p) | (27.12) | (27.10) |
| Operating charges (p) | (1.40) | (1.42) |
| Return after operating charges (p)* | (28.52) | (28.52) |
| Distributions (p) | (3.04) | (3.04) |
| Retained distributions on accumulation shares (p) | 3.04 | 3.04 |
| Closing net asset value per share (p) | 233.12 | 233.12 |
| *after direct transaction costs of (p) | 0.17 | 0.17 |
| **Performance** | | |
| Return after charges (%) | (10.90) | (10.90) |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 260.75 | 260.75 |
| Lowest share price (p) | 217.85 | 217.85 |

| | Class X – Accumulation shares | | | Class X2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 179.08 | 162.75 | 165.70 | 693.89 | 630.61 | 642.14 |
| Return before operating charges (p) | 69.32 | 16.47 | (2.82) | 268.84 | 63.84 | (11.03) |
| Operating charges (p) | (0.17) | (0.14) | (0.13) | (0.64) | (0.56) | (0.50) |
| Return after operating charges (p)* | 69.15 | 16.33 | (2.95) | 268.20 | 63.28 | (11.53) |
| Distributions (p) | (3.66) | (4.28) | (3.82) | (14.18) | (16.57) | (14.70) |
| Retained distributions on accumulation shares (p) | 3.66 | 4.28 | 3.82 | 14.18 | 16.57 | 14.70 |
| Closing net asset value per share (p) | 248.23 | 179.08 | 162.75 | 962.09 | 693.89 | 630.61 |
| *after direct transaction costs of (p) | 0.26 | 0.20 | 0.39 | 0.99 | 0.80 | 1.51 |
| **Performance** | | | | | | |
| Return after charges (%) | 38.61 | 10.03 | (1.78) | 38.65 | 10.03 | (1.80) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 332,410 | 229,517 | 122,597 | 275,690 | 248,873 | 110,093 |
| Closing number of shares | 133,911,838 | 128,166,472 | 75,329,668 | 28,655,431 | 35,866,422 | 17,458,287 |
| Operating charges (%)** | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |
| Direct transaction costs (%)*** | 0.12 | 0.11 | 0.24 | 0.12 | 0.11 | 0.24 |
| **Prices** | | | | | | |
| Highest share price (p) | 266.32 | 197.95 | 176.79 | 1,031.95 | 767.02 | 685.12 |
| Lowest share price (p) | 151.81 | 160.70 | 144.97 | 588.25 | 622.67 | 561.72 |

# Threadneedle Asia Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Accumulation shares | | | Class Z USD – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 25/01/2019[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 208.30 | 190.87 | 195.92 | 204.75 |
| Return before operating charges (p) | 80.26 | 19.30 | (3.32) | (21.02) |
| Operating charges (p) | (2.18) | (1.87) | (1.73) | (1.11) |
| Return after operating charges (p)* | 78.08 | 17.43 | (5.05) | (22.13) |
| Distributions (p) | (2.25) | (3.29) | (2.95) | (2.67) |
| Retained distributions on accumulation shares (p) | 2.25 | 3.29 | 2.95 | 2.67 |
| Closing net asset value per share (p) | 286.38 | 208.30 | 190.87 | 182.62 |
| *after direct transaction costs of (p) | 0.30 | 0.24 | 0.46 | 0.16 |
| **Performance** | | | | |
| Return after charges (%) | 37.48 | 9.13 | (2.58) | (10.81) |
| **Other information** | | | | |
| Closing net asset value (£000) | 31,994 | 20,485 | 17,791 | – |
| Closing number of shares | 11,171,979 | 9,834,053 | 9,321,029 | – |
| Operating charges (%)** | 0.90 | 0.90 | 0.90 | – |
| Direct transaction costs (%)*** | 0.12 | 0.11 | 0.24 | – |
| **Prices** | | | | |
| Highest share price (p) | 307.37 | 230.53 | 208.61 | 204.06 |
| Lowest share price (p) | 176.55 | 188.46 | 170.57 | 170.57 |

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

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

[1]*Commenced 15 June 2018 and closed 25 January 2019.*

# Threadneedle Asia Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 238,318 | 33,919 |
| Forward currency contracts | (163) | 35 |
| Other losses | (308) | (71) |
| Transaction costs | (4) | (8) |
| Net capital gains | 237,843 | 33,875 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 14,653 | 14,632 |
| Franked dividend distributions | – | 29 |
| Interest on short term investments | – | 13 |
| Bank interest | 27 | 107 |
| Management fee rebate on collective investment scheme holdings | – | 10 |
| Total revenue | 14,680 | 14,791 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,866) | (1,994) |
| Registration fees | (285) | (232) |
| | (2,151) | (2,226) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (89) | (67) |
| Safe custody fees | (174) | (131) |
| | (263) | (198) |
| Other expenses: | | |
| Regulatory fees | (18) | (12) |
| Audit fees | (7) | (8) |
| Non-audit service fees payable to auditors | (2) | (6) |
| | (27) | (26) |
| Total expenses* | (2,441) | (2,450) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (18) |
| Total interest payable and similar charges | – | (18) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Capital gains tax charge in the statement of total return for the period (note 6a) | (23) | – |
| Overseas taxes | (1,053) | (1,417) |
| Total current tax (note 6b) | (1,076) | (1,417) |
| Deferred tax (note 6c) | (1,061) | – |
| Capital gains tax (note 6d) | – | 661 |
| Total tax charge for the period | (2,137) | (756) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 12,239 | 12,323 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (2,448) | (2,465) |
| Effects of: | | |
| Revenue not subject to taxation | 2,889 | 2,861 |
| Overseas taxes | (1,053) | (1,417) |
| Overseas tax expensed | 7 | 8 |
| Excess expenses* | (447) | (349) |
| Conversion transfer from capital* | (1) | (55) |
| Overseas capital gains tax | (1,084) | – |
| Current tax charge for period (note 6a) | (2,137) | (1,417) |
| **c) Deferred tax** | | |
| Deferred tax charge in statement of total return for year (note 6a) | (1,061) | – |
| Provision at the end of the period | (1,061) | – |
| **d) Capital gains tax** | | |
| Capital gains tax charge in the statement of total return for the period (note 6a) | – | 661 |
| Provision at the end of the period | – | 661 |

**For details on restatement please refer to note 17.*

The fund has not recognised a deferred tax asset of £8,875,903 (2020: £8,428,799) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 10,362 | 13,835 |
| | 10,362 | 13,835 |
| Add: Revenue deducted on the cancellation of shares* | 1,500 | 1,533 |
| Deduct: Revenue received on the creation of shares* | (672) | (4,186) |
| Net distribution for the period | 11,190 | 11,182 |
| Net revenue after taxation | 10,102 | 11,567 |
| Capital gains tax | – | (661) |
| Equalisation on conversion* | 3 | 276 |
| Undistributed revenue brought forward | 1 | 1 |
| Undistributed revenue carried forward | – | (1) |
| Overseas capital gains tax | 1,084 | – |
| Total distributions | 11,190 | 11,182 |

**For details on restatement please refer to note 17.*

Details of the distribution per share are set out in the table on pages 182 to 183.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 4,849 | 6,807 |
| Sales awaiting settlement | 3,908 | – |
| Accrued revenue | 2,895 | 1,870 |
| Foreign withholding tax recoverable | 47 | 1 |
| Total debtors | 11,699 | 8,678 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (16,643) | (741) |
| Purchases awaiting settlement | (2,140) | (1,555) |
| Accrued expenses | (32) | (29) |
| Amounts payable to ACD | (245) | (201) |
| Corporation tax payable | (1,179) | (1,179) |
| Deferred tax Indian capital gains tax payable | (1,061) | – |
| Total other creditors | (21,300) | (3,705) |

### 10 DILUTION ADJUSTMENT

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

# Threadneedle Asia Fund

## Notes to the financial statements

*(continued)*

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

A balance of £Nil (2020: £Nil), in respect of annual management rebates is receivable at the end of the accounting period.

The fund invests in other sub-funds managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

The fund has received £Nil (2020: £29,000) franked dividend distributions and £Nil (2020: £10,000) management fee rebate on collective investment scheme holdings.

In addition this investment has produced a non-derivative security gain of £Nil (2020: £-3,383,000).

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

### 12 SHAREHOLDER FUNDS

Threadneedle Asia Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 1.50% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class X2 shares | N/A* |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class X2 shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 184 to 186. The distribution per share class is given in the distribution table on pages 182 to 183.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Accumulation shares** | |
| Opening shares | 5,582,102 |
| Shares issued | 2,840,748 |
| Shares redeemed | (3,984,481) |
| Net conversions | (1,752,445) |
| Closing shares | 2,685,924 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 53,088,843 |
| Shares issued | 14,165,787 |
| Shares redeemed | (18,432,503) |
| Net conversions | (8,675) |
| Closing shares | 48,813,452 |
| **Class X – Accumulation shares** | |
| Opening shares | 128,166,472 |
| Shares issued | 13,558,055 |
| Shares redeemed | (7,812,689) |
| Net conversions | – |
| Closing shares | 133,911,838 |
| **Class X2 – Accumulation shares** | |
| Opening shares | 35,866,422 |
| Shares issued | 5,096,066 |
| Shares redeemed | (12,307,057) |
| Net conversions | – |
| Closing shares | 28,655,431 |
| **Class Z – Accumulation shares** | |
| Opening shares | 9,834,053 |
| Shares issued | 1,237,157 |
| Shares redeemed | (1,880,475) |
| Net conversions | 1,981,244 |
| Closing shares | 11,171,979 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.18% and vice versa (2020: 5.16%).

**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 2021** | **£000** |
| Australian Dollar | 96,044 |
| China Renminbi | 14,775 |
| Hong Kong Dollar | 260,652 |
| Indian Rupee | 59,912 |
| Indonesian Rupiah | 13,386 |
| Philippines Peso | 7,781 |
| Singapore Dollar | 13,060 |
| South Korean Won | 150,267 |
| Taiwan Dollar | 122,304 |
| US Dollar | 94,471 |
| **Currency 2020** | **£000** |
| Australian Dollar | 84,640 |
| China Renminbi | 15,586 |
| Hong Kong Dollar | 212,761 |
| Indian Rupee | 43,625 |
| Indonesian Rupiah | 18,068 |
| Philippines Peso | 13,066 |
| Singapore Dollar | 18,507 |
| South Korean Won | 85,333 |
| Taiwan Dollar | 88,229 |
| US Dollar | 71,568 |

**Currency 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 2021** | **%** | **%** |
| Australian Dollar | 7.87 | 0.91 |
| Hong Kong Dollar | 6.12 | 1.93 |
| South Korean Won | 0.32 | 0.06 |
| Taiwan Dollar | 1.17 | 0.17 |
| US Dollar | 6.22 | 0.71 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | **%** | **%** |
| Australian Dollar | 4.98 | 0.65 |
| Hong Kong Dollar | 1.95 | 0.64 |
| South Korean Won | 4.60 | 0.60 |
| Taiwan Dollar | 3.82 | 0.52 |
| US Dollar | 0.97 | 0.11 |

# Threadneedle Asia Fund

## Notes to the financial statements

*(continued)*

**Credit/Counterparty exposure**

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

| 2021 | Forward Foreign Exchange Contracts Exposure |
|---|---|
| **Counterparty** | **£000** |
| Barclays | 2 |

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

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

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

**Interest rate risk**

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | – | – | 96,044 | 96,044 |
| China Renminbi | – | – | 14,775 | 14,775 |
| Hong Kong Dollar | – | – | 260,652 | 260,652 |
| Indian Rupee | 1,721 | – | 58,191 | 59,912 |
| Indonesian Rupiah | – | – | 13,386 | 13,386 |
| Philippines Peso | – | – | 7,781 | 7,781 |
| Singapore Dollar | – | – | 15,200 | 15,200 |
| South Korean Won | – | – | 150,267 | 150,267 |
| Taiwan Dollar | 3,109 | – | 119,195 | 122,304 |
| UK Sterling | 8,330 | – | 4,848 | 13,178 |
| US Dollar | – | 6,890 | 91,868 | 98,758 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | – | – | 84,640 | 84,640 |
| China Renminbi | – | – | 15,586 | 15,586 |
| Hong Kong Dollar | – | – | 214,316 | 214,316 |
| Indian Rupee | – | – | 43,625 | 43,625 |
| Indonesian Rupiah | – | – | 18,068 | 18,068 |
| Philippines Peso | – | – | 13,066 | 13,066 |
| Singapore Dollar | – | – | 18,507 | 18,507 |
| South Korean Won | – | – | 85,333 | 85,333 |
| Taiwan Dollar | 2,508 | – | 85,721 | 88,229 |
| UK Sterling | – | – | 6,851 | 6,851 |
| US Dollar | – | 11,556 | 61,024 | 72,580 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Singapore Dollar | – | – | (2,140) | (2,140) |
| UK Sterling | – | – | (19,329) | (19,329) |
| US Dollar | (4,287) | – | – | (4,287) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Hong Kong Dollar | – | – | (1,555) | (1,555) |
| UK Sterling | (38) | – | (5,317) | (5,355) |
| US Dollar | (968) | – | (44) | (1,012) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £2,000 (2020: £Nil) and a liability value of £Nil (2020: £48,000).

## 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 827,227 | – | 646,452 | – |
| Level 2 | 2 | – | – | (48) |
| | 827,229 | – | 646,452 | (48) |

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

## 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

## 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 244,724 | 179 | 0.07 | 105 | 0.04 |
| Collective investment schemes | 122,019 | – | – | – | – |
| Corporate actions | 365 | – | – | – | – |
| **Total** | 367,108 | 179 | | 105 | |
| **Gross purchases total:** | 367,392 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 299,537 | 193 | 0.06 | 442 | 0.15 |
| Collective investment schemes | 126,006 | – | – | – | – |
| **Total** | 425,543 | 193 | | 442 | |
| **Total sales net of transaction costs:** | 424,908 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.05% |
| Taxes: | 0.07% |

# Threadneedle Asia Fund

## Notes to the financial statements

*(continued)*

**7 March 2020**

| Purchases | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 311,288 | 167 | 0.05 | 152 | 0.05 |
| Collective investment schemes | 92,809 | – | – | – | – |
| Corporate actions | 176 | – | – | – | – |
| **Total** | 404,273 | 167 | | 152 | |
| **Gross purchases total:** | 404,592 | | | | |

| Sales | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 151,013 | 136 | 0.09 | 183 | 0.12 |
| Collective investment schemes | 86,807 | – | – | – | – |
| **Total** | 237,820 | 136 | | 183 | |
| **Total sales net of transaction costs:** | 237,501 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.05% |
| Taxes: | 0.06% |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.16% (7 March 2020: 0.22%), being the difference between the respective buying and selling prices for the fund's investments.

## 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (10,906) | (276) | (11,182) |
| **Net impact** | | (276) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 364,193 | (62,727) | 301,466 |
| Amounts payable on the cancellation of shares | (208,732) | 63,003 | (145,729) |
| | 155,461 | 276 | 155,737 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 34,536 | (276) | 34,260 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (404) | 55 | (349) |
| Conversion transfer from capital | – | (55) | (55) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,826 | (293) | 1,533 |
| Deduct: Revenue received on the creation of shares | (4,755) | 569 | (4,186) |
| **Net impact** | | 276 | |
| Equalisation on conversion | – | 276 | 276 |

## 18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 14.09%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

# Threadneedle Latin America Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI EM Latin America 10/40 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in equities and equity-related securities of companies domiciled in Latin America, or which have significant Latin American business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI EM Latin America 10/40 Index.

The MSCI EM Latin American 10/40 Index is designed to measure the share performance of large and medium-sized companies across 5 Emerging Market countries within Latin America (Brazil, Chile, Colombia, Mexico, and Peru). The Index currently includes approximately 100 companies, and is constructed to reflect the regulatory framework applicable to the Fund. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 65 companies, which may include shares of some companies not within the Index.

The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Latin America Fund has risen from 218.10p to 220.59p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -2.61% as compared to a median return of -14.08% over the same period. (For information the MSCI EM Latin America 10/40 Index returned -14.00% over the same period).

### Market Overview and Portfolio Activity

Latin American equities declined modestly during the 12 months to 7 March. The period began with sharp declines in market values amid the spread of the coronavirus and the associated restrictions on economic activity. Unprecedented global central-bank monetary accommodation helped to support financial system liquidity and boost financial markets. Subsequent steady improvement in economic activity amid easing lockdown measures and the rollout of various vaccines later in the period was also supportive.

Brazil was among the weakest markets, given rapid community transmission of the virus, a sharp sell-off in the oil price and a weak real. While second-quarter GDP data proved to be much weaker than expected, shorter-term datapoints exhibited steady improvement. However, political news flow injected further volatility in the summer months, as calls to loosen the public-spending cap caused concern about the fiscal outlook. Equities soon rebounded, however, helped by ongoing economic recovery. Third-quarter GDP rose by a record amount, only for a fresh spike in virus caseloads and concerns about inflationary pressures to cause market weakness as the period ended.

Mexican equities began the period on a particularly weak footing, but ultimately recovered to outperform the benchmark. Rising virus cases and the lockdown restrictions caused manufacturing activity to slump and unemployment to rise. A credit-rating downgrade also undermined confidence. Despite a decline in second-quarter GDP, equities recovered as the central bank cut interest rates to the lowest level in four years. The tentative recovery in manufacturing that began in the second quarter gathered pace and continued until the end of the period, notching up seven successive months of expansion. However, equity markets weakened as the period ended, hurt by deteriorating virus trends and weakness in the peso.

The Andean region performed best, with Argentina, Chile and Peru all delivering healthy double-digit returns. With these markets highly dependent on the extractive industries, the collapse in demand for commodities initially soured sentiment. However, commodity prices later recovered, aided by the gradual recovery in economic activity and hopes that vaccines may accelerate a return to normality. Argentina also benefited from optimism surrounding the renegotiation of the country's debt between the government and creditors. Colombia was the region's worst performer amid dismal economic data and concern about the country's oil production.

The fund continues to focus on long-term secular growth opportunities, which we believe will generate strong, long-term returns whatever the economic backdrop. In this vein, the fund participated in the initial public offering of Vasta Platform, which provides online educational content to schools. The company's content and ed-tech solutions platform should allow it to benefit from the digital transformation of education. The firm operates the largest laser hair-removal clinic chain in Brazil – a market experiencing significant growth as disposable incomes rise over the long term. Online home-furnishing retailer Mobly was another notable addition. Offering various branded and private-label products, its value-for-money positioning should allow rapid growth in the Brazilian market.

Notable sales included those companies facing fundamental challenges as a result of COVID-19. We consequently sold Brazilian retailer Companhia Brasileira de Distribuição (GPA) and Chilean shopping-mall manager Parque Arauco. Restaurant operator Alsea also exited, given our view that recovery in footfall following the coronavirus is likely to be protracted. Airline company Copa was another sale. While we see scope for a recovery in journeys within Brazil, Copa is particularly exposed to international travel, where we believe a revival in fortunes will take longer to materialise.

Latin American equities continue to face COVID-related challenges, with the region's economies impacted by the economic slowdown. Despite this, we are witnessing the early signs of recovery. Each economy needs to be assessed individually by evaluating its unique place in the political, monetary and GDP-growth cycles, as well as by its exposure to commodities, which varies across countries.

In terms of trade tensions, Latin America remains reasonably protected compared to other global regions, as some of its economies are relatively closed and most exports are related to raw commodities, which are less exposed to tariffs.

The outlook for the Brazilian economy has been significantly impacted by virus concerns. The pandemic has had negative implications for economic growth and the implementation of further policy reforms. Political tensions present further risks to monitor. However, we continue to identify opportunities and secular growth trends in the consumer and technology sectors. We believe there is potential for growth in consumer finance, as technology is democratising banking and steadily reducing the unbanked section of the population.

Mexico continues to suffer from political uncertainty, resulting in heightened investor concern. We hold a constructive view on the future for US-Mexico trade relations. Additionally, Mexico's manufacturing sector should gain market share as more corporates continue to diversify their supply chains.

In the Andean region, Argentina has been feeling the repercussions of fiscal and monetary imbalances. We currently have limited exposure to domestic stocks, given concerns surrounding the country's deficit, inflation and currency devaluation.

Overall, the fund's focus remains on secular growth trends, quality companies likely to gain market share, and diversified, bottom-up opportunities.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 8,333 | (38,719) |
| Revenue | 3 | 5,125 | 10,713 |
| Expenses | 4 | (3,091) | (4,547) |
| Interest payable and similar charges | 5 | – | (4) |
| Net revenue before taxation | | 2,034 | 6,162 |
| Taxation | 6 | (292) | (755) |
| Net revenue after taxation | | 1,742 | 5,407 |
| **Total return before distributions** | | 10,075 | (33,312) |
| Distributions** | 7 | (1,744) | (5,437) |
| **Change in net assets attributable to shareholders from investment activities** | | 8,331 | (38,749) |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 297,063 | 276,846 |
| **Current assets:** | | | |
| Debtors | 8 | 13,289 | 5,106 |
| Cash and bank balances | | 7,671 | 8,095 |
| Cash equivalents*** | | 6,534 | 18,102 |
| Total assets | | 324,557 | 308,149 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (1) | – |
| **Creditors:** | | | |
| Bank overdrafts | | (4,394) | (270) |
| Other creditors | 9 | (18,209) | (8,745) |
| Total liabilities | | (22,604) | (9,015) |
| **Net assets attributable to shareholders** | | 301,953 | 299,134 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 299,134 | 412,507 |
| Amounts receivable on the issue of shares** | 103,255 | 158,223 |
| Amounts payable on the cancellation of shares** | (110,531) | (237,820) |
| | (7,276) | (79,597) |
| Dilution adjustment | 12 | 122 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 8,331 | (38,749) |
| Retained distribution on accumulation shares | 1,752 | 4,851 |
| **Closing net assets attributable to shareholders** | 301,953 | 299,134 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Accumulation shares**

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.1590 | – | 0.1590 | 2.0193 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | – | 0.1590 | 0.1590 | 2.0193 |
| **Total distributions in the period** | | | **0.1590** | **2.0193** |

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

# Threadneedle Latin America Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.5445 | – | 1.5445 | 4.0503 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.5204 | 1.0241 | 1.5445 | 4.0503 |
| **Total distributions in the period** | | | **1.5445** | **4.0503** |

### Class X – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 1.5653 | – | 1.5653 | 2.7135 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.6653 | 0.9000 | 1.5653 | 2.7135 |
| **Total distributions in the period** | | | **1.5653** | **2.7135** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.6701 | – | 0.6701 | 1.5668 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.3095 | 0.3606 | 0.6701 | 1.5668 |
| **Total distributions in the period** | | | **0.6701** | **1.5668** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Latin America Fund

## Comparative Table Disclosure

| | Class 1 – Accumulation shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 213.99 | 243.25 | 261.20 | 240.50 | 271.71 | 289.96 |
| Return before operating charges (p) | 10.93 | (24.85) | (13.93) | 12.43 | (28.03) | (15.38) |
| Operating charges (p) | (3.46) | (4.41) | (4.02) | (2.50) | (3.18) | (2.87) |
| Return after operating charges (p)* | 7.47 | (29.26) | (17.95) | 9.93 | (31.21) | (18.25) |
| Distributions (p) | (0.16) | (2.02) | (3.29) | (1.54) | (4.05) | (5.30) |
| Retained distributions on accumulation shares (p) | 0.16 | 2.02 | 3.29 | 1.54 | 4.05 | 5.30 |
| Closing net asset value per share (p) | 221.46 | 213.99 | 243.25 | 250.43 | 240.50 | 271.71 |
| *after direct transaction costs of (p) | 0.28 | 0.47 | 0.52 | 0.31 | 0.53 | 0.58 |
| **Performance** | | | | | | |
| Return after charges (%) | 3.49 | (12.03) | (6.87) | 4.13 | (11.49) | (6.29) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 35,319 | 39,303 | 56,823 | 234,563 | 226,061 | 314,532 |
| Closing number of shares | 15,948,307 | 18,366,754 | 23,360,248 | 93,663,105 | 93,996,899 | 115,759,137 |
| Operating charges (%)** | 1.70 | 1.70 | 1.69 | 1.09 | 1.09 | 1.08 |
| Direct transaction costs (%)*** | 0.14 | 0.18 | 0.21 | 0.14 | 0.18 | 0.21 |
| **Prices** | | | | | | |
| Highest share price (p) | 250.02 | 282.98 | 263.19 | 282.48 | 316.86 | 293.64 |
| Lowest share price (p) | 152.15 | 218.10 | 211.51 | 171.05 | 245.11 | 235.19 |

| | Class X – Accumulation shares | | | Class Z – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 100.85 | 112.98 | 119.53 | 82.70 | 93.27 | 99.35 |
| Return before operating charges (p) | 5.25 | (12.02) | (6.46) | 4.29 | (9.66) | (5.26) |
| Operating charges (p) | (0.09) | (0.11) | (0.09) | (0.72) | (0.91) | (0.82) |
| Return after operating charges (p)* | 5.16 | (12.13) | (6.55) | 3.57 | (10.57) | (6.08) |
| Distributions (p) | (1.57) | (2.71) | (3.09) | (0.67) | (1.57) | (1.98) |
| Retained distributions on accumulation shares (p) | 1.57 | 2.71 | 3.09 | 0.67 | 1.57 | 1.98 |
| Closing net asset value per share (p) | 106.01 | 100.85 | 112.98 | 86.27 | 82.70 | 93.27 |
| *after direct transaction costs of (p) | 0.13 | 0.23 | 0.24 | 0.11 | 0.18 | 0.20 |
| **Performance** | | | | | | |
| Return after charges (%) | 5.12 | (10.74) | (5.48) | 4.32 | (11.33) | (6.12) |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 4,387 | 4,236 | 223 | 27,684 | 29,534 | 40,929 |
| Closing number of shares | 4,138,559 | 4,200,888 | 197,394 | 32,091,563 | 35,712,206 | 43,884,360 |
| Operating charges (%)** | 0.09 | 0.09 | 0.08 | 0.91 | 0.91 | 0.90 |
| Direct transaction costs (%)*** | 0.14 | 0.18 | 0.21 | 0.14 | 0.18 | 0.21 |
| **Prices** | | | | | | |
| Highest share price (p) | 119.41 | 132.24 | 122.03 | 97.28 | 108.84 | 100.78 |
| Lowest share price (p) | 71.76 | 102.78 | 97.25 | 58.82 | 84.28 | 80.62 |

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

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

# Threadneedle Latin America Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 9,316 | (38,510) |
| Forward currency contracts | 13 | 204 |
| Other losses | (989) | (406) |
| Transaction costs | (7) | (7) |
| Net capital gains/(losses) | 8,333 | (38,719) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Overseas dividends | 5,094 | 10,472 |
| Interest on short term investments | – | 37 |
| Bank interest | 31 | 204 |
| Total revenue | 5,125 | 10,713 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (2,818) | (4,136) |
| Registration fees | (154) | (232) |
| | (2,972) | (4,368) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (33) | (48) |
| Safe custody fees | (71) | (115) |
| | (104) | (163) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (8) | (9) |
| | (15) | (16) |
| Total expenses* | (3,091) | (4,547) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | – | (4) |
| Total interest payable and similar charges | – | (4) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (292) | (755) |
| Total current tax (note 6b) | (292) | (755) |
| Total tax charge for the period | (292) | (755) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 2,034 | 6,162 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (407) | (1,232) |
| Effects of: | | |
| Revenue not subject to taxation | 790 | 1,343 |
| Overseas taxes | (292) | (755) |
| Overseas tax expensed | 41 | 121 |
| Excess expenses* | (424) | (226) |
| Conversion transfer from capital | – | (6) |
| Current tax charge for period (note 6a) | (292) | (755) |

**For details on restatement please refer to note 17.*

The fund has not recognised a deferred tax asset of £12,479,342 (2020: £12,055,142) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

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

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 1,752 | 4,852 |
| | 1,752 | 4,852 |
| Add: Revenue deducted on the cancellation of shares* | 280 | 1,361 |
| Deduct: Revenue received on the creation of shares* | (288) | (776) |
| Net distribution for the period | 1,744 | 5,437 |
| Net revenue after taxation | 1,742 | 5,407 |
| Equalisation on conversion* | 2 | 30 |
| Total distributions | 1,744 | 5,437 |

**For details on restatement please refer to note 17.*

Details of the distribution per share are set out in the table on pages 191 to 192.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 10,879 | 316 |
| Sales awaiting settlement | 2,180 | 3,968 |
| Accrued revenue | 230 | 822 |
| Total debtors | 13,289 | 5,106 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (553) | (360) |
| Purchases awaiting settlement | (15,408) | (6,064) |
| Accrued expenses | (17) | (21) |
| Amounts payable to ACD | (321) | (390) |
| Corporation tax payable | (1,910) | (1,910) |
| Total other creditors | (18,209) | (8,745) |

### 10 DILUTION ADJUSTMENT

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

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

### 12 SHAREHOLDER FUNDS

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

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

# Threadneedle Latin America Fund

## Notes to the financial statements

*(continued)*

**Registration fees**

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 193. The distribution per share class is given in the distribution table on pages 191 to 192.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Accumulation shares** | |
| Opening shares | 18,366,754 |
| Shares issued | 21,184,805 |
| Shares redeemed | (23,225,601) |
| Net conversions | (377,651) |
| Closing shares | 15,948,307 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 93,996,899 |
| Shares issued | 22,240,303 |
| Shares redeemed | (22,559,995) |
| Net conversions | (14,102) |
| Closing shares | 93,663,105 |
| **Class X – Accumulation shares** | |
| Opening shares | 4,200,888 |
| Shares issued | 906 |
| Shares redeemed | (63,235) |
| Net conversions | – |
| Closing shares | 4,138,559 |
| **Class Z – Accumulation shares** | |
| Opening shares | 35,712,206 |
| Shares issued | 5,542,395 |
| Shares redeemed | (10,178,370) |
| Net conversions | 1,015,332 |
| Closing shares | 32,091,563 |

## 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.84% and vice versa (2020: 4.44%).

**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 2021** | **£000** |
| Brazilian Real | 169,250 |
| Canadian Dollar | 3,928 |
| Chilean Peso | 3,438 |
| Euro | 3,885 |
| Mexican Peso | 33,337 |
| US Dollar | 90,999 |
| **Currency 2020** | **£000** |
| Brazilian Real | 167,876 |
| Canadian Dollar | 1,670 |
| Chilean Peso | 8,472 |
| Euro | 1 |
| Mexican Peso | 31,658 |
| US Dollar | 94,084 |

**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 2021** | **%** | **%** |
| Brazilian Real | 30.69 | 17.20 |
| Mexican Peso | 12.14 | 1.34 |
| US Dollar | 6.22 | 1.87 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | **%** | **%** |
| Brazilian Real | 19.05 | 10.81 |
| Mexican Peso | 3.02 | 0.31 |
| US Dollar | 0.97 | 0.29 |

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Brazilian Real | – | – | 173,055 | 173,055 |
| Canadian Dollar | – | – | 4,388 | 4,388 |
| Chilean Peso | – | – | 3,438 | 3,438 |
| Euro | – | – | 3,885 | 3,885 |
| Mexican Peso | – | – | 34,235 | 34,235 |
| UK Sterling | – | – | 13,246 | 13,246 |
| US Dollar | 7,671 | 6,534 | 78,292 | 92,497 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Brazilian Real | 6,595 | – | 162,228 | 168,823 |
| Canadian Dollar | – | – | 1,670 | 1,670 |
| Chilean Peso | – | – | 8,472 | 8,472 |
| Euro | 1 | – | – | 1 |
| Mexican Peso | – | – | 31,658 | 31,658 |
| UK Sterling | – | – | 1,996 | 1,996 |
| US Dollar | 1,499 | 18,102 | 75,928 | 95,529 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Brazilian Real | (50) | – | (3,755) | (3,805) |
| Canadian Dollar | – | – | (460) | (460) |
| Mexican Peso | – | – | (898) | (898) |
| UK Sterling | (4,344) | – | (11,786) | (16,130) |
| US Dollar | – | – | (1,498) | (1,498) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Brazilian Real | – | – | (947) | (947) |
| UK Sterling | (270) | – | (6,353) | (6,623) |
| US Dollar | – | – | (1,445) | (1,445) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

# Threadneedle Latin America Fund

## Notes to the financial statements

*(continued)*

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £Nil) and a liability value of £1,000 (2020: £Nil).

### 14 FAIR VALUE DISCLOSURE

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

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

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

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

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 303,597 | – | 294,948 | – |
| Level 2 | – | (1) | – | – |
| | 303,597 | (1) | 294,948 | – |

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 157,842 | 167 | 0.11 | 32 | 0.02 |
| Collective investment schemes | 50,551 | – | – | – | – |
| Corporate actions | 160 | – | – | – | – |
| **Total** | 208,553 | 167 | | 32 | |
| **Gross purchases total:** | 208,752 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 147,423 | 153 | 0.10 | 31 | 0.02 |
| Collective investment schemes | 60,094 | – | – | – | – |
| **Total** | 207,517 | 153 | | 31 | |
| **Total sales net of transaction costs:** | 207,333 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0,12% |
| Taxes: | 0.02% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Equities | 248,910 | 223 | 0.09 | 52 | 0.02 |
| Collective investment schemes | 86,722 | – | – | – | – |
| **Total** | 335,632 | 223 | | 52 | |
| **Gross purchases total:** | 335,907 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Equities | 340,308 | 379 | 0.11 | 77 | 0.02 |
| Collective investment schemes | 73,052 | – | – | – | – |
| Corporate actions | 866 | – | – | – | – |
| **Total** | 414,226 | 379 | | 77 | |
| **Total sales net of transaction costs:** | 413,770 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.15% |
| Taxes: | 0.03% |

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 0.18% (7 March 2020: 0.19%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF TOTAL RETURN** | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (5,407) | (30) | (5,437) |
| **Net impact** | | (30) | |

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 165,359 | (7,136) | 158,223 |
| Amounts payable on the cancellation of shares | (244,986) | 7,166 | (237,820) |
| | (79,627) | 30 | (79,597) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (38,719) | (30) | (38,749) |
| **Impact on net assets attributable to shareholders** | | – | |

# Threadneedle Latin America Fund

## Notes to the financial statements

*(continued)*

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 6 TAXATION** | | | |
| Excess expenses | (232) | 6 | (226) |
| Conversion transfer from capital | – | (6) | (6) |
| **Net impact** | | – | |

| | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 1,385 | (24) | 1,361 |
| Deduct: Revenue received on the creation of shares | (830) | 54 | (776) |
| **Net impact** | | 30 | |
| Equalisation on conversion | – | 30 | 30 |

### 18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 – Accumulation shares | (17.06) |

# Threadneedle Emerging Market Bond Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the J.P. Morgan Emerging Market Bond Index Global (EMBI Global) over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two thirds of its assets in bonds issued by governments (or quasi-government entities) of Emerging Market countries and companies which are domiciled or have significant business operations in such countries.

The Fund considers Emerging Market countries to be those characterised as developing or emerging by the World Bank, the United Nations, or the EMBI Global.

The selected bonds may be of any credit quality, including those rated below investment grade or unrated, and are typically denominated in US dollars. Due to the perceived higher risk of investing in bonds issued by emerging market borrowers, these bonds typically offer higher yields than those of more stable bonds issued in developed countries.

The Fund may also invest in other securities (including bonds issued by developed countries), money market instruments, deposits, cash and near cash, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when deemed appropriate.

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

The EMBI Global is regarded as an appropriate performance measure of US dollar-denominated emerging market bonds issued by government and quasi-government entities. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

### Performance of Gross Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 294.70p to 275.35p. The sterling total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -6.75% as compared to a median return of -5.93% over the same period. (For information the JPM Emerging Market Bonds Global Index gave a total return of -7.73% for the same period).

### Market Overview and Portfolio Activity

Emerging-market (EM) bonds registered a modest positive return during the 12 months to 7 March 2021. The asset class endured a turbulent start to the period as the coronavirus outbreak in China spread around the world, and measures to control the spread of the virus brought cities, regions, and even entire countries to a near-standstill. The asset class found support as central banks responded with an unprecedented wave of monetary and fiscal stimulus, helping to maintain financial-system liquidity and boosting investor confidence. Sentiment further improved as lockdowns were lifted and economies reopened. EMs benefited from the dual tailwinds of a weaking dollar and rising commodity prices. Risk appetite weakened, again, in early autumn amid concerns around a resurgence in global COVID-19 infections, but rebounded in November, as investors were encouraged by positive vaccine news, Joe Biden's success in the US election, and further stimulus measures, as a $900 billion US stimulus package was signed into law in late December.

EM bonds weakened towards the end of the period as the 'reflation trade' gathered pace. Core government bond yields surged amid expectations that a revival in growth may drive inflation higher. Meanwhile, rising COVID-19 cases and the slow pace of vaccination roll-outs within EM countries were further headwinds for the asset class.

Central banks were very much in focus over the period. The US Federal Reserve lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus, causing the dollar to weaken. Policymakers across EM countries also responded with a wave of rate cuts to help cushion the blow from the pandemic, while governments announced fiscal stimulus measures. Later in the review period there were signs that the market was nearing the end of its easing cycle, with most central banks opting to keep rates unchanged. However, Turkey was a notable exception – the central bank raised rates in late 2020, in an effort to counter inflation pressures, the first EM country to do so since the March sell-off.

In Brazil, the real remained weak as political issues outweighed tentative signs of economic recovery. Large-scale fiscal stimulus measures prompted concern about the deficit outlook, while the resignation of senior economic officials cast doubt on the government's commitment to its reform agenda. Third-quarter GDP rose by a record amount, but a fresh spike in virus caseloads and concerns about inflationary pressures weakened sentiment towards the end of the review period.

Argentine assets were volatile amid concerns about the prospect of default ahead of critical negotiations with the IMF and creditors on restructuring $65bn of debt. However, local bonds were boosted in August, as a restructuring agreement was reached. Later in the period, investor sentiment was hit by fears of a possible devaluation of the peso, despite the government's efforts to stabilise the currency. Concerns about Argentina's finances also resurfaced following news that public debt now equals the country's GDP.

Mexico was hit hard by COVID-19 as the economy in the US, its main trading partner, went into recession. A credit-rating downgrade in April undermined investor confidence, while deteriorating virus trends and weakness in the peso dampened sentiment later in the review period. More positively, the tentative recovery in manufacturing that began in Q2 2020 gathered pace and continued until the end of the period, notching up seven successive months of expansion.

In Turkey, the lira remained under pressure against both the euro and the US dollar, owing to negative real interest rates, a widening current-account deficit and waning confidence in the government's financial policies.

Russia's approval of a coronavirus vaccine in August and plans to begin a large-scale vaccination programme were met with caution, given the speed of the vaccine's development and a lack of testing data. Later in the period, sentiment was boosted by the rise in oil prices and appreciation in the ruble. The central bank left its key interest rate unchanged following some stabilisation in inflation and indicated that it did not intend to implement further cuts.

South Africa's economy was hampered by intermittent blackouts as the national electric utility failed to meet demand, causing doubt about the likely pace of economic recovery. However, official data showed that GDP rebounded strongly in the third quarter, exceeding market expectations. Less positively, tougher restrictions were introduced in December in response to a surge in new COVID-19 cases, linked to the new variant of the coronavirus. By the end of the period, there was positive news on the COVID-19 front, with the government commencing its vaccination programme and the number of new cases declining.

In terms of activity, among government bonds, we established positions in South Africa and Panama.

We increased our holdings in Colombia, Mexico, Turkey, Saudi Arabia, Qatar, El Salvador and Russia. Peru, Ukraine, Croatia, Brazil, Egypt, the Dominican Republic, Pakistan, Emirate of Abu Dhabi, Oman, Sri Lanka and Paraguay were among holdings that were reduced. The fund sold out of the Philippines, Honduras, Mongolia, Nigeria and Senegal.

Within quasi-sovereigns, the fund initiated exposure to the sovereign sukuks of Indonesia and Saudi Arabia and increased its exposure to Russia's Ministry of Finance. We sold the holdings of Abu Dhabi's sovereign wealth fund and exited sukuks issued by the Central Bank of Bahrain.

In the corporate-debt portfolio, new allocations included Philippine conglomerate JG Summit, Dubai-based logistics firm DP World, chemical company MEGlobal. gas pipeline consortium Galaxy Pipeline Assets and Peruvian mining company Volcan. We added to Inalum (Indonesia Asahan Aluminium), computer manufacturer Lenovo, petrochemical company Braskem, telecommunications company Millicom and Philippine energy company SMC Global Power.

Within the oil and gas industry, we opened a position in Petronas, and increased the holdings in Pemex (Petroleos Mexicanos). We reduced the allocation to Sinopec and exited the positions in Gazprom, CNOOC and Indonesian firm Pertamina. Elsewhere, we trimmed the holdings of South Africa's national electricity utility Eskom, agribusiness Syngenta and Indonesia's PLN (Perusahaan Listrik Negara) and exited the positions in pan-African Liquid Telecom and Mexican cement firm Cemex. Among mining companies, we sold Codelco (Corporacion Nacional del Cobre de Chile), Metinvest and Vale.

EM fixed-income valuations, especially in the sovereign space and in lower-quality strata, still look cheap relative to historical ranges, but only marginally so. Much of the 2020 distortion has now been corrected as fund flows into the asset class have recovered and global risk sentiment has stabilised. Primary markets have proven accessible to a broad section of the issuer community, and multilateral lenders have so far shown themselves to be generous in the provision of relief and the conditionality associated with it.

International liquidity conditions have remained extremely favourable up until now. But with advanced economies beginning to transition to a post-vaccine normalisation phase, the risks to EM assets from any moderation of the US monetary stance are becoming pertinent. EM fixed income markets (and investors) may be haunted by the spectre of the 2013 "taper tantrum", and the fiscal response to COVID-19 has left many EM balance sheets stretched. However, relatively modest credit expansions, benign core inflation and improved external positions should insulate local-currency assets to a degree.

Rising US real yields do carry risks, not least to borrowers unable to shift liabilities either into local currency or further out along the yield curve. High debt levels pose financing risks, especially among smaller, more vulnerable borrowers.

We continue to believe that a focus on the best risk-adjusted opportunities across EMs, coupled with appropriate portfolio risk management, is key to success when investing in EM bonds.

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital (losses)/gains | 2 | (15,847) | 17,162 |
| Revenue | 3 | 8,397 | 11,025 |
| Expenses | 4 | (1,877) | (2,225) |
| Interest payable and similar charges | 5 | (1) | (1) |
| Net revenue before taxation | | 6,519 | 8,799 |
| Taxation | 6 | (36) | – |
| Net revenue after taxation | | 6,483 | 8,799 |
| **Total return before distributions** | | (9,364) | 25,961 |
| Distributions** | 7 | (8,154) | (10,751) |
| **Change in net assets attributable to shareholders from investment activities** | | (17,518) | 15,210 |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 152,020 | 167,848 |
| **Current assets:** | | | |
| Debtors | 8 | 1,969 | 4,999 |
| Cash and bank balances | 9 | 3,739 | 167 |
| Cash equivalents*** | | 7,142 | 8,319 |
| Total assets | | 164,870 | 181,333 |
| **Liabilities:** | | | |
| **Investment liabilities** | | – | (199) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | – | (1,557) |
| Distribution payable | | (1,930) | (2,709) |
| Other creditors | 10 | (354) | (1,665) |
| Total liabilities | | (2,284) | (6,130) |
| **Net assets attributable to shareholders** | | 162,586 | 175,203 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 175,203 | 178,516 |
| Amounts receivable on the issue of shares** | 30,881 | 22,582 |
| Amounts payable on the cancellation of shares** | (30,198) | (45,273) |
| | 683 | (22,691) |
| Dilution adjustment | 207 | 21 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | (17,518) | 15,210 |
| Retained distribution on accumulation shares | 4,010 | 4,147 |
| Unclaimed distributions | 1 | – |
| **Closing net assets attributable to shareholders** | 162,586 | 175,203 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

### Class 1 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.3585 | – | 1.3585 | 1.9297 |
| 08/09/20 to 07/03/21 | 1.2962 | – | 1.2962 | 1.5836 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.8563 | 0.5022 | 1.3585 | 1.9297 |
| 08/09/20 to 07/03/21 | 0.7110 | 0.5852 | 1.2962 | 1.5836 |
| **Total distributions in the period** | | | **2.6547** | **3.5133** |

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

# Threadneedle Emerging Market Bond Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.3100 | – | 2.3100 | 3.2802 |
| 08/09/20 to 07/03/21 | 2.2035 | – | 2.2035 | 2.6919 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.2856 | 1.0244 | 2.3100 | 3.2802 |
| 08/09/20 to 07/03/21 | 1.2301 | 0.9734 | 2.2035 | 2.6919 |
| **Total distributions in the period** | | | **4.5135** | **5.9721** |

### Class 1 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 6.5880 | – | 6.5880 | 8.8498 |
| 08/09/20 to 07/03/21 | 6.4313 | – | 6.4313 | 7.4732 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 2.6762 | 3.9118 | 6.5880 | 8.8498 |
| 08/09/20 to 07/03/21 | 2.6176 | 3.8137 | 6.4313 | 7.4732 |
| **Total distributions in the period** | | | **13.0193** | **16.3230** |

### Class 2 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.4855 | – | 2.4855 | 3.5153 |
| 08/09/20 to 07/03/21 | 2.3886 | – | 2.3886 | 2.8980 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.2201 | 1.2654 | 2.4855 | 3.5153 |
| 08/09/20 to 07/03/21 | 1.4572 | 0.9314 | 2.3886 | 2.8980 |
| **Total distributions in the period** | | | **4.8741** | **6.4133** |

### Class 2 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 6.7933 | – | 6.7933 | 9.1298 |
| 08/09/20 to 07/03/21 | 6.7171 | – | 6.7171 | 7.7472 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 3.8072 | 2.9861 | 6.7933 | 9.1298 |
| 08/09/20 to 07/03/21 | 2.0004 | 4.7167 | 6.7171 | 7.7472 |
| **Total distributions in the period** | | | **13.5104** | **16.8770** |

### Class X – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.7355 | – | 2.7355 | 3.8132 |
| 08/09/20 to 07/03/21 | 2.6302 | – | 2.6302 | 3.1594 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 2.7355 | – | 2.7355 | 3.8132 |
| 08/09/20 to 07/03/21 | 2.6302 | – | 2.6302 | 3.1594 |
| **Total distributions in the period** | | | **5.3657** | **6.9726** |

### Class X – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 3.0759 | – | 3.0759 | 4.0539 |
| 08/09/20 to 07/03/21 | 3.0276 | – | 3.0276 | 3.4572 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 2.1251 | 0.9508 | 3.0759 | 4.0539 |
| 08/09/20 to 07/03/21 | 1.8972 | 1.1304 | 3.0276 | 3.4572 |
| **Total distributions in the period** | | | **6.1035** | **7.5111** |

### Class Z – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.3328 | – | 2.3328 | 3.2859 |
| 08/09/20 to 07/03/21 | 2.2359 | – | 2.2359 | 2.7082 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.3353 | 0.9975 | 2.3328 | 3.2859 |
| 08/09/20 to 07/03/21 | 1.1242 | 1.1117 | 2.2359 | 2.7082 |
| **Total distributions in the period** | | | **4.5687** | **5.9941** |

### Class Z – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 2.1848 | – | 2.1848 | 3.0776 |
| 08/09/20 to 07/03/21 | 2.0941 | – | 2.0941 | 2.5364 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.4125 | 0.7723 | 2.1848 | 3.0776 |
| 08/09/20 to 07/03/21 | 0.6460 | 1.4481 | 2.0941 | 2.5364 |
| **Total distributions in the period** | | | **4.2789** | **5.6140** |

### Class Z – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 3.7275 | – | 3.7275 | 4.9652 |
| 08/09/20 to 07/03/21 | 3.6544 | – | 3.6544 | 4.2106 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.5078 | 2.2197 | 3.7275 | 4.9652 |
| 08/09/20 to 07/03/21 | 1.1918 | 2.4626 | 3.6544 | 4.2106 |
| **Total distributions in the period** | | | **7.3819** | **9.1758** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Emerging Market Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Gross income shares[5] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 60.66 | 56.01 | 59.25 | 103.11 | 95.21 | 100.72 |
| Return before operating charges (p) | (2.98) | 9.15 | 1.70 | (5.06) | 15.56 | 2.90 |
| Operating charges (p) | (0.93) | (0.99) | (0.95) | (1.58) | (1.69) | (1.62) |
| Return after operating charges (p)* | (3.91) | 8.16 | 0.75 | (6.64) | 13.87 | 1.28 |
| Distributions (p) | (2.65) | (3.51) | (3.99) | (4.51) | (5.97) | (6.79) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 54.10 | 60.66 | 56.01 | 91.96 | 103.11 | 95.21 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (6.45) | 14.57 | 1.27 | (6.44) | 14.57 | 1.27 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 4,082 | 5,974 | 6,452 | 46,510 | 57,116 | 66,994 |
| Closing number of shares | 7,545,453 | 9,849,009 | 11,519,472 | 50,578,988 | 55,393,856 | 70,365,338 |
| Operating charges (%)** | 1.60 | 1.61 | 1.61 | 1.60 | 1.61 | 1.61 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 60.68 | 67.22 | 61.74 | 103.15 | 114.27 | 104.95 |
| Lowest share price (p) | 52.49 | 57.87 | 57.07 | 89.23 | 98.37 | 97.01 |

| | Class 1 – Gross accumulation shares[5] | | | Class 2 – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 294.08 | 257.18 | 253.91 | 109.54 | 100.68 | 106.02 |
| Return before operating charges (p) | (14.76) | 41.52 | 7.42 | (5.39) | 16.48 | 3.06 |
| Operating charges (p) | (4.55) | (4.62) | (4.15) | (1.13) | (1.21) | (1.16) |
| Return after operating charges (p)* | (19.31) | 36.90 | 3.27 | (6.52) | 15.27 | 1.90 |
| Distributions (p) | (13.02) | (16.32) | (17.41) | (4.87) | (6.41) | (7.24) |
| Retained distributions on accumulation shares (p) | 13.02 | 16.32 | 17.41 | – | – | – |
| Closing net asset value per share (p) | 274.77 | 294.08 | 257.18 | 98.15 | 109.54 | 100.68 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (6.57) | 14.35 | 1.29 | (5.95) | 15.17 | 1.79 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 31,474 | 31,259 | 30,844 | 293 | 411 | 1,477 |
| Closing number of shares | 11,454,560 | 10,629,550 | 11,993,171 | 298,900 | 374,983 | 1,466,898 |
| Operating charges (%)** | 1.60 | 1.61 | 1.61 | 1.08 | 1.09 | 1.09 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 298.57 | 308.28 | 272.53 | 109.80 | 121.10 | 110.72 |
| Lowest share price (p) | 254.47 | 265.40 | 246.41 | 94.83 | 104.03 | 102.40 |

# Threadneedle Emerging Market Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 – Gross accumulation shares[§] | | | Class X – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 300.92 | 261.79 | 257.11 | 119.72 | 108.93 | 113.56 |
| Return before operating charges (p) | (15.10) | 42.32 | 7.53 | (5.91) | 17.87 | 3.28 |
| Operating charges (p) | (3.17) | (3.19) | (2.85) | (0.09) | (0.11) | (0.11) |
| Return after operating charges (p)* | (18.27) | 39.13 | 4.68 | (6.00) | 17.76 | 3.17 |
| Distributions (p) | (13.51) | (16.88) | (17.87) | (5.37) | (6.97) | (7.80) |
| Retained distributions on accumulation shares (p) | 13.51 | 16.88 | 17.87 | – | – | – |
| Closing net asset value per share (p) | 282.65 | 300.92 | 261.79 | 108.35 | 119.72 | 108.93 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (6.07) | 14.95 | 1.82 | (5.01) | 16.30 | 2.79 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 6,982 | 7,233 | 9,451 | 220 | 508 | 462 |
| Closing number of shares | 2,470,255 | 2,403,634 | 3,610,315 | 203,244 | 424,476 | 424,476 |
| Operating charges (%)** | 1.08 | 1.09 | 1.09 | 0.08 | 0.09 | 0.10 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 306.78 | 314.52 | 277.33 | 120.46 | 131.60 | 119.61 |
| Lowest share price (p) | 260.48 | 270.19 | 249.59 | 103.71 | 112.59 | 110.30 |

| | Class X – Gross accumulation shares[§] | | | Class Z – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 134.63 | 115.95 | 112.75 | 103.96 | 95.17 | 99.82 |
| Return before operating charges (p) | (6.79) | 18.80 | 3.30 | (5.12) | 15.58 | 2.87 |
| Operating charges (p) | (0.11) | (0.12) | (0.10) | (0.75) | (0.80) | (0.76) |
| Return after operating charges (p)* | (6.90) | 18.68 | 3.20 | (5.87) | 14.78 | 2.11 |
| Distributions (p) | (6.10) | (7.51) | (7.88) | (4.57) | (5.99) | (6.76) |
| Retained distributions on accumulation shares (p) | 6.10 | 7.51 | 7.88 | – | – | – |
| Closing net asset value per share (p) | 127.73 | 134.63 | 115.95 | 93.52 | 103.96 | 95.17 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (5.13) | 16.11 | 2.84 | (5.65) | 15.53 | 2.11 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 31,873 | 20,851 | 11,115 | 28,249 | 37,969 | 40,558 |
| Closing number of shares | 24,953,978 | 15,487,680 | 9,585,709 | 30,207,822 | 36,522,812 | 42,615,065 |
| Operating charges (%)** | 0.08 | 0.09 | 0.09 | 0.75 | 0.76 | 0.76 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 138.34 | 139.91 | 122.76 | 104.33 | 114.64 | 104.50 |
| Lowest share price (p) | 116.61 | 119.70 | 109.50 | 90.01 | 98.35 | 96.63 |

# Threadneedle Emerging Market Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Gross income shares[§] | | | Class Z – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 97.37 | 89.14 | 93.49 | 166.05 | 143.98 | 140.95 |
| Return before operating charges (p) | (4.80) | 14.59 | 2.69 | (8.37) | 23.30 | 4.12 |
| Operating charges (p) | (0.70) | (0.75) | (0.71) | (1.21) | (1.23) | (1.09) |
| Return after operating charges (p)* | (5.50) | 13.84 | 1.98 | (9.58) | 22.07 | 3.03 |
| Distributions (p) | (4.28) | (5.61) | (6.33) | (7.38) | (9.18) | (9.71) |
| Retained distributions on accumulation shares (p) | – | – | – | 7.38 | 9.18 | 9.71 |
| Closing net asset value per share (p) | 87.59 | 97.37 | 89.14 | 156.47 | 166.05 | 143.98 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (5.65) | 15.53 | 2.12 | (5.77) | 15.33 | 2.15 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 1,264 | 1,867 | 1,743 | 11,639 | 12,015 | 9,420 |
| Closing number of shares | 1,442,842 | 1,918,013 | 1,955,506 | 7,438,443 | 7,235,839 | 6,542,098 |
| Operating charges (%)** | 0.75 | 0.76 | 0.76 | 0.75 | 0.76 | 0.76 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 97.72 | 107.37 | 97.88 | 169.72 | 173.23 | 152.50 |
| Lowest share price (p) | 84.31 | 92.12 | 90.50 | 143.77 | 148.62 | 136.85 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle Emerging Market Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL (LOSSES)/GAINS

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (16,066) | 16,752 |
| Forward currency contracts | 202 | 475 |
| Other gains/(losses) | 19 | (62) |
| Transaction costs | (2) | (3) |
| Net capital (losses)/gains | (15,847) | 17,162 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 8,362 | 10,703 |
| Interest on short term investments | – | 50 |
| Bank interest | 35 | 272 |
| Total revenue | 8,397 | 11,025 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,648) | (1,951) |
| Registration fees | (164) | (186) |
| | (1,812) | (2,137) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (21) | (23) |
| Safe custody fees | (16) | (23) |
| Revenue collection expenses | (6) | (18) |
| | (43) | (64) |
| Other expenses: | | |
| Regulatory fees | (7) | (7) |
| Audit fees | (15) | (16) |
| Non-audit service fees payable to auditors | – | (1) |
| | (22) | (24) |
| Total expenses* | (1,877) | (2,225) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (1) | (1) |
| Total interest payable and similar charges | (1) | (1) |

### 6 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (13) | – |
| Overseas capital gains tax | (23) | – |
| Total current tax (note 6b) | (36) | – |
| Total tax charge for the period | (36) | – |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 6,519 | 8,799 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (1,304) | (1,760) |
| Effects of: | | |
| Overseas taxes | (13) | – |
| Overseas tax expensed | 3 | 29 |
| Excess expenses | 1,000 | 1,000 |
| Distributions treated as tax deductible | 301 | 731 |
| Overseas capital gains tax | (23) | – |
| Current tax charge for period (note 6a) | (36) | – |

The fund has not recognised a deferred tax asset of £93,719 (2020: £1,093,719) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

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

### 7 DISTRIBUTIONS

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

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 4,237 | 5,837 |
| Final | 3,860 | 4,530 |
| | 8,097 | 10,367 |
| Add: Revenue deducted on the cancellation of shares* | 368 | 715 |
| Deduct: Revenue received on the creation of shares* | (311) | (331) |
| Net distribution for the period | 8,154 | 10,751 |
| Net revenue after taxation | 6,483 | 8,799 |
| Annual management charge to capital | 1,648 | 1,951 |
| Overseas capital gains tax | 23 | – |
| Equalisation on conversion* | – | 2 |
| Undistributed revenue carried forward | – | (1) |
| Total distributions | 8,154 | 10,751 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 198 to 199.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 56 | 160 |
| Sales awaiting settlement | – | 2,734 |
| Accrued revenue | 1,913 | 2,105 |
| Total debtors | 1,969 | 4,999 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | – | 123 |
| Cash and bank balances | 3,739 | 44 |
| | 3,739 | 167 |
| Bank overdrafts | – | (1,557) |
| Total cash and bank balances | 3,739 | (1,390) |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (174) | (135) |
| Purchases awaiting settlement | – | (1,314) |
| Accrued expenses | (14) | (15) |
| Amounts payable to ACD | (166) | (201) |
| Total other creditors | (354) | (1,665) |

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.45% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.60% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 200 to 202. The distribution per share class is given in the distribution table on pages 198 to 199.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 9,849,009 |
| Shares issued | 528,177 |
| Shares redeemed | (911,809) |
| Net conversions | (1,919,924) |
| Closing shares | 7,545,453 |
| **Class 1 – Gross income shares** | |
| Opening shares | 55,393,856 |
| Shares issued | 1,123,739 |
| Shares redeemed | (5,933,656) |
| Net conversions | (4,951) |
| Closing shares | 50,578,988 |
| **Class 1 – Gross accumulation shares** | |
| Opening shares | 10,629,550 |
| Shares issued | 2,053,140 |
| Shares redeemed | (1,228,130) |
| Net conversions | – |
| Closing shares | 11,454,560 |
| **Class 2 – Income shares** | |
| Opening shares | 374,983 |
| Shares issued | 41,037 |
| Shares redeemed | (137,299) |
| Net conversions | 20,179 |
| Closing shares | 298,900 |
| **Class 2 – Gross accumulation shares** | |
| Opening shares | 2,403,634 |
| Shares issued | 1,500,011 |
| Shares redeemed | (1,433,390) |
| Net conversions | – |
| Closing shares | 2,470,255 |
| **Class X – Gross income shares** | |
| Opening shares | 424,476 |
| Shares issued | – |
| Shares redeemed | (221,232) |
| Net conversions | – |
| Closing shares | 203,244 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 15,487,680 |
| Shares issued | 13,380,711 |
| Shares redeemed | (3,914,413) |
| Net conversions | – |
| Closing shares | 24,953,978 |
| **Class Z – Income shares** | |
| Opening shares | 36,522,812 |
| Shares issued | 1,652,962 |
| Shares redeemed | (9,069,754) |
| Net conversions | 1,101,802 |
| Closing shares | 30,207,822 |
| **Class Z – Gross income shares** | |
| Opening shares | 1,918,013 |
| Shares issued | 249,395 |
| Shares redeemed | (731,033) |
| Net conversions | 6,467 |
| Closing shares | 1,442,842 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 7,235,839 |
| Shares issued | 790,765 |
| Shares redeemed | (584,455) |
| Net conversions | (3,706) |
| Closing shares | 7,438,443 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 8.17% and vice versa (2020: 8.19%).

**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 2021** | **£000** |
| Dominican Republic Peso | 1,351 |
| Egyptian Pound | 1,868 |
| Euro | 243 |
| Mexican Peso | (22) |
| Russian Ruble | 2,605 |
| US Dollar | 158,514 |
| **Currency 2020** | **£000** |
| Brazilian Real | 142 |
| Dominican Republic Peso | 3,568 |
| Egyptian Pound | 2,765 |
| Euro | (123) |
| Mexican Peso | 104 |
| Russian Ruble | 1,292 |
| US Dollar | 170,245 |

**Currency sensitivity analysis**

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

# Threadneedle Emerging Market Bond Fund

## Notes to the financial statements

*(continued)*

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2021** | % | % |
| US Dollar | 6.22 | 0.97 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | % | % |
| US Dollar | 6.06 | 0.94 |

**Credit/Counterparty exposure**

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

| 2021 | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | £000 | £000 |
| HSBC | 81 | – |
| UBS | 69 | – |

| 2020 | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | £000 | £000 |
| HSBC | 396 | – |
| J.P. Morgan | – | 123 |

The fund did not hold any collateral received from the fund's counterparties in the current year (2020: £208,000). 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**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AA | 2,515 | 1.58 | 3,681 | 2.09 |
| Aa2 | 1,808 | 1.14 | 1,480 | 0.84 |
| AA- | 8,876 | 5.58 | 7,908 | 4.49 |
| A+ | 3,291 | 2.07 | 10,057 | 5.71 |
| A1 | 6,502 | 4.09 | 4,626 | 2.63 |
| A | 2,049 | 1.29 | 1,577 | 0.90 |
| A- | 946 | 0.59 | 2,751 | 1.56 |
| BBB+ | 2,064 | 1.30 | 20,669 | 11.75 |
| BBB | 22,487 | 14.13 | 6,146 | 3.49 |
| Baa2 | 7,374 | 4.63 | 8,122 | 4.62 |
| BBB- | 15,227 | 9.57 | 19,429 | 11.04 |
| Baa3 | 5,025 | 3.16 | 2,623 | 1.49 |
| BB+ | 3,922 | 2.46 | 1,056 | 0.60 |
| Ba1 | – | – | 942 | 0.54 |
| BB | 2,999 | 1.88 | 7,926 | 4.50 |
| Ba2 | 2,091 | 1.31 | 2,560 | 1.45 |
| BB- | 11,978 | 7.53 | 14,135 | 8.03 |
| B+ | – | – | 1,851 | 1.05 |
| B1 | 821 | 0.52 | 7,999 | 4.55 |
| B | 6,103 | 3.83 | 14,384 | 8.17 |
| Ba3 | 4,956 | 3.11 | 2,757 | 1.57 |
| B2 | 11,515 | 7.23 | 322 | 0.18 |
| B- | 6,059 | 3.81 | 6,503 | 3.70 |
| B3 | 225 | 0.14 | 1,578 | 0.90 |
| CCC+ | 4,133 | 2.60 | 3,216 | 1.83 |
| Caa1 | 1,790 | 1.12 | – | – |
| CCC | 537 | 0.34 | – | – |
| CCC- | – | – | 1,830 | 1.04 |
| D | 612 | 0.38 | 984 | 0.56 |
| Not Rated* | 15,965 | 10.03 | 10,340 | 5.88 |
| Liquidity Funds | 7,142 | 4.49 | 8,319 | 4.73 |
| Derivatives** | 150 | 0.09 | 197 | 0.11 |
| | 159,162 | 100.00 | 175,968 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

***The derivative positions do not have a significant impact on the risk profile.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | £000 | £000 | £000 | £000 |
| Dominican Republic Peso | – | 1,341 | 10 | 1,351 |
| Egyptian Pound | 1,868 | – | – | 1,868 |
| Euro | 1 | 3,586 | 127 | 3,714 |
| Mexican Peso | – | 1,400 | 24 | 1,424 |
| Russian Ruble | – | 2,532 | 73 | 2,605 |
| UK Sterling | 205 | – | 106 | 311 |
| US Dollar | 3,566 | 148,252 | 6,705 | 158,523 |
| **Currency 2020** | £000 | £000 | £000 | £000 |
| Brazilian Real | – | 2,840 | – | 2,840 |
| Dominican Republic Peso | – | 2,833 | 735 | 3,568 |
| Egyptian Pound | – | 1,781 | 984 | 2,765 |
| Euro | 4 | 4,371 | 150 | 4,525 |
| Mexican Peso | – | 2,751 | 49 | 2,800 |
| Russian Ruble | – | 1,281 | 11 | 1,292 |
| UK Sterling | 39 | – | 231 | 270 |
| US Dollar | 1,545 | 158,492 | 13,125 | 173,162 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | £000 | £000 | £000 | £000 |
| Euro | – | – | (3,471) | (3,471) |
| Mexican Peso | – | – | (1,446) | (1,446) |
| UK Sterling | – | – | (2,284) | (2,284) |
| US Dollar | – | – | (9) | (9) |
| **Currency 2020** | £000 | £000 | £000 | £000 |
| Brazilian Real | – | – | (2,698) | (2,698) |
| Euro | – | – | (4,648) | (4,648) |
| Mexican Peso | – | – | (2,696) | (2,696) |
| UK Sterling | – | – | (3,060) | (3,060) |
| US Dollar | (1,557) | – | (1,360) | (2,917) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £150,000 (2020: £396,000) and a liability value of £Nil (2020: £199,000).

### 15 FAIR VALUE DISCLOSURE

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

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

# Threadneedle Emerging Market Bond Fund

## Notes to the financial statements

*(continued)*

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

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

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 9,006 | – | 8,319 | – |
| Level 2 | 149,303 | – | 166,213 | (199) |
| Level 3 | 853 | – | 1,635 | – |
| | 159,162 | – | 176,167 | (199) |

Included within Level 1, are debt securities of £9,006,000 (2020: £8,319,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £184,654,500 (2020: £302,778,893) and £184,963,547 (2020: £321,752,272) respectively. Collective investment schemes purchases and sales amounted to £33,573,456 (2020: £24,837,397) and £34,009,395 (2020: £22,343,515) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £134,866 (2020: £94,978) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.43% (7 March 2020: 0.45%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (10,749) | (2) | (10,751) |
| **Net impact** | | (2) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 35,460 | (12,878) | 22,582 |
| Amounts payable on the cancellation of shares | (58,153) | 12,880 | (45,273) |
| | (22,693) | 2 | (22,691) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 15,212 | (2) | 15,210 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 944 | (229) | 715 |
| Deduct: Revenue received on the creation of shares | (562) | 231 | (331) |
| **Net impact** | | 2 | |
| Equalisation on conversion | – | 2 | 2 |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 – Income shares | (11.11) |
| Class Z – Gross income shares | (10.32) |

# Threadneedle High Yield Bond Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to provide income. It looks to outperform the ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued by companies worldwide that are denominated in euros (EUR) or sterling (GBP) and rated below investment grade. The Fund may invest to a lesser extent in bonds denominated in currencies other than euro and sterling, bonds of other credit quality (as well as unrated bonds) and bonds issued by governments and quasi-government entities. Non-sterling bonds are typically hedged into sterling.

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

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

The ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index is regarded as an appropriate performance measure of euro and sterling-denominated below investment grade bonds, issued by a broad range of companies. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle High Yield Bond Fund has risen from 41.74p to 42.63p.

The total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +5.07% as compared to a median return of +5.58% over the same period. (For information the ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index gave a total return of +5.83% for the same period).

### Market Overview and Portfolio Activity

European high yield (EHY) bonds ultimately showed a positive return for the period under review, following considerable volatility driven mainly by developments concerning COVID-19 and the related global wave of monetary and fiscal stimulus.

The term began with extreme weakness in the asset class as the escalating pandemic and lockdown measures brought cities, regions and even countries to a near-halt, causing economies to contract sharply. Central banks and governments around the world responded with measures including interest-rate cuts and spending packages. Against this backdrop, the EHY market delivered a very strong positive return in 2020's second quarter. Further advances followed over the rest of the review period, with an acceleration in the fourth quarter as risk assets were lifted by the approval of COVID-19 vaccines and prospects for additional US fiscal stimulus.

As indicated, the leading central banks were very accommodative during the review period, and the European Central Bank (ECB) was no exception. Among other measures, the ECB announced a €750bn programme of bond purchases in March, which was subsequently increased by €1.1tn. Elsewhere, the Federal Reserve indicated that its policy rate will likely remain near zero through 2023, while a $1.9tn fiscal-stimulus proposal was on the verge of approval by the US Congress at the end of the review period. The steps discussed above were supportive for fixed income generally. Indeed, some Italian and Portuguese government debt traded at negative yields in the secondary market as investors took positions reflecting anticipation of additional monetary support from the ECB. The EHY market was further helped by the ongoing hunt for yield among investors, which continued to drive funds into the asset class. As such, credit spreads, after the massive widening in March, finished tighter over the review period as a whole.

On the supply side, issuance was active once the market revived, after slamming shut in March, as a broad variety of companies moved to raise cash. We took part in new issues including CMA CGM (container shipping), Virgin Media O2 (telecoms), Ineos (chemicals), Carnival (cruise line), Getlink (infrastructure) and Tennet (utilities).

The fund also established several new holdings in fallen angels, as a number of rating downgrades brought numerous new entrants to the HY universe. These included Ford, Valeo and ZF Finance in the automotive industry, along with Petroleos Mexicanos (oil and gas), Electricite De France (utilities) and Lufthansa (airlines) in other sectors. Conversely, we closed some positions in companies that returned to investment-grade status, thus moving out of HY benchmarks; Fiat Chrysler (automotive) and Smurfit Kappa (packaging) were among these.

In terms of selling, the fund trimmed allocations including Casino Group (retail), Elis (textile/hygiene services), Netflix (streaming), Teva Pharmaceutical (healthcare) and Telefonica (telecoms). Portfolio holdings Interxion (data centres) and Refinitiv (financial market data) were acquired by new owners, and elsewhere, Enel (utilities), Petrobras (oil and gas) and Orange (telecoms) were among exits.

With spreads now back to pre-pandemic levels, where we go from here rests much on the outlook and the post-COVID path.

At the macro level, positive news (falling infection numbers and rising vaccinations) has boosted the post-coronavirus outlook. This has been buoyed by the US fiscal-stimulus plan. However, the vaccine rollout is progressing at an uneven pace, with Europe lagging behind the US and the UK. Asia remains ahead of the pack with improving growth figures. Given the market-positive news, inflation concerns – and with it, the risk of rising interest rates – have re-emerged, pushing yields on government bonds higher, even as central banks maintain that rate hikes are still far away and plan to continue bond-purchase programmes.

We are halfway through reporting season, and figures generally look better than low expectations. Given robust demand for bonds, market anticipation is that profits will come later as conditions improve. While manufacturing continues to surprise on the upside, companies heavily exposed to COVID still struggle, especially in the travel and leisure sectors. Investor demand for HY remains strong, as most firms are perceived to have sufficient liquidity. Companies focusing on cost control, cashflow and liquidity management have been rewarded with strong demand for their bonds. The lack of forward guidance remains unchanged for 2021, looking further out towards 2022. Overall, credit quality appears to be stabilising, with talk of "rising stars" on the horizon. High leverage profiles are not an immediate market concern, with lower default rates expected in 2021.

Valuations remain fair, with the recovery largely priced in by current spreads. Still, there is potential for further tightening, as we continue to see pockets of opportunity in the market. HY investors are compensated at the lower expected default rates.

Technicals remain the driving force, underpinned by central banks as monetary authorities re-emphasise "lower for longer". Supply from the primary market and fallen angels is expected to be lower than 2020, while rising star potential is on the upside. The search for yield remains a major driving force for the asset class as managed accounts continue to experience strong demand. With a very supportive market outlook for risk, strengthening growth, improving corporate profits and balance sheets, and a low default outlook, the main worry is a general market complacency.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 27,923 | 9,053 |
| Revenue | 3 | 36,231 | 33,377 |
| Expenses | 4 | (6,477) | (6,005) |
| Interest payable and similar charges | 5 | (16) | (16) |
| Net revenue before taxation | | 29,738 | 27,356 |
| Taxation | 6 | – | – |
| Net revenue after taxation | | 29,738 | 27,356 |
| **Total return before distributions** | | 57,661 | 36,409 |
| Distributions | 7 | (35,353) | (32,555) |
| **Change in net assets attributable to shareholders from investment activities** | | 22,308 | 3,854 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 892,893 | 811,436 |
| **Current assets:** | | | |
| Debtors | 8 | 11,644 | 11,489 |
| Cash and bank balances | 9 | 11,293 | 40,513 |
| Cash equivalents*** | | 47,605 | 33,308 |
| Total assets | | 963,435 | 896,746 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (197) | (32,930) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (2,044) | – |
| Distribution payable | | (1,155) | (1,260) |
| Other creditors | 10 | (29,105) | (3,483) |
| Total liabilities | | (32,501) | (37,673) |
| **Net assets attributable to shareholders** | | 930,934 | 859,073 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 859,073 | 743,937 |
| Amounts receivable on the issue of shares** | 183,282 | 215,517 |
| Amounts payable on the cancellation of shares** | (153,797) | (120,991) |
| | 29,485 | 94,526 |
| Dilution adjustment | 624 | 510 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 22,308 | 3,854 |
| Retained distribution on accumulation shares | 19,441 | 16,234 |
| Unclaimed distributions | 3 | 12 |
| **Closing net assets attributable to shareholders** | 930,934 | 859,073 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1270 | – | 0.1270 | 0.1457 |
| 08/04/20 to 07/05/20 | 0.1364 | – | 0.1364 | 0.1556 |
| 08/05/20 to 07/06/20 | 0.1159 | – | 0.1159 | 0.1559 |
| 08/06/20 to 07/07/20 | 0.1607 | – | 0.1607 | 0.1513 |
| 08/07/20 to 07/08/20 | 0.1352 | – | 0.1352 | 0.1533 |
| 08/08/20 to 07/09/20 | 0.1349 | – | 0.1349 | 0.1326 |
| 08/09/20 to 07/10/20 | 0.1456 | – | 0.1456 | 0.1497 |
| 08/10/20 to 07/11/20 | 0.1323 | – | 0.1323 | 0.1257 |
| 08/11/20 to 07/12/20 | 0.1305 | – | 0.1305 | 0.1129 |
| 08/12/20 to 07/01/21 | 0.1259 | – | 0.1259 | 0.1333 |
| 08/01/21 to 07/02/21 | 0.1052 | – | 0.1052 | 0.1240 |
| 08/02/21 to 07/03/21 | 0.1204 | – | 0.1204 | 0.1348 |

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

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.0732 | 0.0538 | 0.1270 | 0.1457 |
| 08/04/20 to 07/05/20 | 0.0603 | 0.0761 | 0.1364 | 0.1556 |
| 08/05/20 to 07/06/20 | 0.0216 | 0.0943 | 0.1159 | 0.1559 |
| 08/06/20 to 07/07/20 | 0.0823 | 0.0784 | 0.1607 | 0.1513 |
| 08/07/20 to 07/08/20 | 0.0813 | 0.0539 | 0.1352 | 0.1533 |
| 08/08/20 to 07/09/20 | 0.0396 | 0.0953 | 0.1349 | 0.1326 |
| 08/09/20 to 07/10/20 | 0.0764 | 0.0692 | 0.1456 | 0.1497 |
| 08/10/20 to 07/11/20 | 0.0241 | 0.1082 | 0.1323 | 0.1257 |
| 08/11/20 to 07/12/20 | 0.0344 | 0.0961 | 0.1305 | 0.1129 |
| 08/12/20 to 07/01/21 | 0.0510 | 0.0749 | 0.1259 | 0.1333 |
| 08/01/21 to 07/02/21 | 0.0479 | 0.0573 | 0.1052 | 0.1240 |
| 08/02/21 to 07/03/21 | 0.0573 | 0.0631 | 0.1204 | 0.1348 |
| **Total distributions in the period** | | | **1.5700** | **1.6748** |

### Class 1 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1297 | – | 0.1297 | 0.1458 |
| 08/04/20 to 07/05/20 | 0.1365 | – | 0.1365 | 0.1558 |
| 08/05/20 to 07/06/20 | 0.1316 | – | 0.1316 | 0.1560 |
| 08/06/20 to 07/07/20 | 0.1451 | – | 0.1451 | 0.1514 |
| 08/07/20 to 07/08/20 | 0.1353 | – | 0.1353 | 0.1534 |
| 08/08/20 to 07/09/20 | 0.1351 | – | 0.1351 | 0.1328 |
| 08/09/20 to 07/10/20 | 0.1457 | – | 0.1457 | 0.1498 |
| 08/10/20 to 07/11/20 | 0.1324 | – | 0.1324 | 0.1259 |
| 08/11/20 to 07/12/20 | 0.1305 | – | 0.1305 | 0.1129 |
| 08/12/20 to 07/01/21 | 0.1261 | – | 0.1261 | 0.1335 |
| 08/01/21 to 07/02/21 | 0.1052 | – | 0.1052 | 0.1241 |
| 08/02/21 to 07/03/21 | 0.1205 | – | 0.1205 | 0.1350 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.0798 | 0.0499 | 0.1297 | 0.1458 |
| 08/04/20 to 07/05/20 | 0.0272 | 0.1093 | 0.1365 | 0.1558 |
| 08/05/20 to 07/06/20 | 0.0126 | 0.1190 | 0.1316 | 0.1560 |
| 08/06/20 to 07/07/20 | 0.1033 | 0.0418 | 0.1451 | 0.1514 |
| 08/07/20 to 07/08/20 | 0.0641 | 0.0712 | 0.1353 | 0.1534 |
| 08/08/20 to 07/09/20 | 0.0211 | 0.1140 | 0.1351 | 0.1328 |
| 08/09/20 to 07/10/20 | 0.0315 | 0.1142 | 0.1457 | 0.1498 |
| 08/10/20 to 07/11/20 | 0.0227 | 0.1097 | 0.1324 | 0.1259 |
| 08/11/20 to 07/12/20 | 0.0300 | 0.1005 | 0.1305 | 0.1129 |
| 08/12/20 to 07/01/21 | 0.0049 | 0.1212 | 0.1261 | 0.1335 |
| 08/01/21 to 07/02/21 | 0.0150 | 0.0902 | 0.1052 | 0.1241 |
| 08/02/21 to 07/03/21 | 0.0886 | 0.0319 | 0.1205 | 0.1350 |
| **Total distributions in the period** | | | **1.5737** | **1.6764** |

### Class 1 USD Hedged – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.2544 | – | 0.2544 | 0.2577 |
| 08/04/20 to 07/05/20 | 0.2603 | – | 0.2603 | 0.2785 |
| 08/05/20 to 07/06/20 | 0.2544 | – | 0.2544 | 0.2849 |
| 08/06/20 to 07/07/20 | 0.2749 | – | 0.2749 | 0.2795 |
| 08/07/20 to 07/08/20 | 0.2520 | – | 0.2520 | 0.2894 |
| 08/08/20 to 07/09/20 | 0.2434 | – | 0.2434 | 0.2557 |
| 08/09/20 to 07/10/20 | 0.2681 | – | 0.2681 | 0.2842 |
| 08/10/20 to 07/11/20 | 0.2423 | – | 0.2423 | 0.2314 |
| 08/11/20 to 07/12/20 | 0.2333 | – | 0.2333 | 0.2058 |
| 08/12/20 to 07/01/21 | 0.2220 | – | 0.2220 | 0.2391 |
| 08/01/21 to 07/02/21 | 0.1833 | – | 0.1833 | 0.2237 |
| 08/02/21 to 07/03/21 | 0.2062 | – | 0.2062 | 0.2468 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1444 | 0.1100 | 0.2544 | 0.2577 |
| 08/04/20 to 07/05/20 | 0.1240 | 0.1363 | 0.2603 | 0.2785 |
| 08/05/20 to 07/06/20 | 0.1214 | 0.1330 | 0.2544 | 0.2849 |
| 08/06/20 to 07/07/20 | 0.2484 | 0.0265 | 0.2749 | 0.2795 |
| 08/07/20 to 07/08/20 | 0.0685 | 0.1835 | 0.2520 | 0.2894 |
| 08/08/20 to 07/09/20 | 0.1931 | 0.0503 | 0.2434 | 0.2557 |
| 08/09/20 to 07/10/20 | – | 0.2681 | 0.2681 | 0.2842 |
| 08/10/20 to 07/11/20 | – | 0.2423 | 0.2423 | 0.2314 |
| 08/11/20 to 07/12/20 | 0.0805 | 0.1528 | 0.2333 | 0.2058 |
| 08/12/20 to 07/01/21 | 0.0811 | 0.1409 | 0.2220 | 0.2391 |
| 08/01/21 to 07/02/21 | – | 0.1833 | 0.1833 | 0.2237 |
| 08/02/21 to 07/03/21 | 0.0775 | 0.1287 | 0.2062 | 0.2468 |
| **Total distributions in the period** | | | **2.8946** | **3.0767** |

### Class 1 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3729 | – | 0.3729 | 0.4025 |
| 08/04/20 to 07/05/20 | 0.3933 | – | 0.3933 | 0.4314 |
| 08/05/20 to 07/06/20 | 0.3813 | – | 0.3813 | 0.4338 |
| 08/06/20 to 07/07/20 | 0.4202 | – | 0.4202 | 0.4227 |
| 08/07/20 to 07/08/20 | 0.3939 | – | 0.3939 | 0.4295 |
| 08/08/20 to 07/09/20 | 0.3945 | – | 0.3945 | 0.3731 |
| 08/09/20 to 07/10/20 | 0.4270 | – | 0.4270 | 0.4224 |
| 08/10/20 to 07/11/20 | 0.3894 | – | 0.3894 | 0.3560 |
| 08/11/20 to 07/12/20 | 0.3850 | – | 0.3850 | 0.3204 |
| 08/12/20 to 07/01/21 | 0.3730 | – | 0.3730 | 0.3798 |
| 08/01/21 to 07/02/21 | 0.3122 | – | 0.3122 | 0.3541 |
| 08/02/21 to 07/03/21 | 0.3586 | – | 0.3586 | 0.3856 |

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.3729 | – | 0.3729 | 0.4025 |
| 08/04/20 to 07/05/20 | 0.2035 | 0.1898 | 0.3933 | 0.4314 |
| 08/05/20 to 07/06/20 | 0.3813 | – | 0.3813 | 0.4338 |
| 08/06/20 to 07/07/20 | 0.4202 | – | 0.4202 | 0.4227 |
| 08/07/20 to 07/08/20 | 0.2639 | 0.1300 | 0.3939 | 0.4295 |
| 08/08/20 to 07/09/20 | 0.3945 | – | 0.3945 | 0.3731 |
| 08/09/20 to 07/10/20 | 0.4270 | – | 0.4270 | 0.4224 |
| 08/10/20 to 07/11/20 | 0.3894 | – | 0.3894 | 0.3560 |
| 08/11/20 to 07/12/20 | 0.3450 | 0.0400 | 0.3850 | 0.3204 |
| 08/12/20 to 07/01/21 | 0.3730 | – | 0.3730 | 0.3798 |
| 08/01/21 to 07/02/21 | 0.0422 | 0.2700 | 0.3122 | 0.3541 |
| 08/02/21 to 07/03/21 | 0.3586 | – | 0.3586 | 0.3856 |
| **Total distributions in the period** | | | **4.6013** | **4.7113** |

### Class 2 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1805 | – | 0.1805 | 0.2154 |
| 08/04/20 to 07/05/20 | 0.2026 | – | 0.2026 | 0.2297 |
| 08/05/20 to 07/06/20 | 0.1958 | – | 0.1958 | 0.2304 |
| 08/06/20 to 07/07/20 | 0.2151 | – | 0.2151 | 0.2238 |
| 08/07/20 to 07/08/20 | 0.2014 | – | 0.2014 | 0.2268 |
| 08/08/20 to 07/09/20 | 0.2010 | – | 0.2010 | 0.1969 |
| 08/09/20 to 07/10/20 | 0.2166 | – | 0.2166 | 0.2216 |
| 08/10/20 to 07/11/20 | 0.1973 | – | 0.1973 | 0.1870 |
| 08/11/20 to 07/12/20 | 0.1947 | – | 0.1947 | 0.1679 |
| 08/12/20 to 07/01/21 | 0.1883 | – | 0.1883 | 0.1984 |
| 08/01/21 to 07/02/21 | 0.1577 | – | 0.1577 | 0.1846 |
| 08/02/21 to 07/03/21 | 0.1802 | – | 0.1802 | 0.2003 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1535 | 0.0270 | 0.1805 | 0.2154 |
| 08/04/20 to 07/05/20 | 0.0976 | 0.1050 | 0.2026 | 0.2297 |
| 08/05/20 to 07/06/20 | 0.0708 | 0.1250 | 0.1958 | 0.2304 |
| 08/06/20 to 07/07/20 | 0.0196 | 0.1955 | 0.2151 | 0.2238 |
| 08/07/20 to 07/08/20 | 0.0966 | 0.1048 | 0.2014 | 0.2268 |
| 08/08/20 to 07/09/20 | 0.0629 | 0.1381 | 0.2010 | 0.1969 |
| 08/09/20 to 07/10/20 | 0.0534 | 0.1632 | 0.2166 | 0.2216 |
| 08/10/20 to 07/11/20 | 0.0459 | 0.1514 | 0.1973 | 0.1870 |
| 08/11/20 to 07/12/20 | 0.0576 | 0.1371 | 0.1947 | 0.1679 |
| 08/12/20 to 07/01/21 | 0.1043 | 0.0840 | 0.1883 | 0.1984 |
| 08/01/21 to 07/02/21 | 0.0567 | 0.1010 | 0.1577 | 0.1846 |
| 08/02/21 to 07/03/21 | 0.0495 | 0.1307 | 0.1802 | 0.2003 |
| **Total distributions in the period** | | | **2.3312** | **2.4828** |

### Class 2 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.1658 | – | 0.1658 | 0.1854 |
| 08/04/20 to 07/05/20 | 0.1743 | – | 0.1743 | 0.1978 |
| 08/05/20 to 07/06/20 | 0.1685 | – | 0.1685 | 0.1983 |
| 08/06/20 to 07/07/20 | 0.1852 | – | 0.1852 | 0.1926 |
| 08/07/20 to 07/08/20 | 0.1733 | – | 0.1733 | 0.1952 |
| 08/08/20 to 07/09/20 | 0.1730 | – | 0.1730 | 0.1695 |
| 08/09/20 to 07/10/20 | 0.1864 | – | 0.1864 | 0.1908 |
| 08/10/20 to 07/11/20 | 0.1697 | – | 0.1697 | 0.1609 |
| 08/11/20 to 07/12/20 | 0.1676 | – | 0.1676 | 0.1446 |
| 08/12/20 to 07/01/21 | 0.1621 | – | 0.1621 | 0.1707 |
| 08/01/21 to 07/02/21 | 0.1356 | – | 0.1356 | 0.1590 |
| 08/02/21 to 07/03/21 | 0.1552 | – | 0.1552 | 0.1724 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.1058 | 0.0600 | 0.1658 | 0.1854 |
| 08/04/20 to 07/05/20 | 0.0433 | 0.1310 | 0.1743 | 0.1978 |
| 08/05/20 to 07/06/20 | 0.1386 | 0.0299 | 0.1685 | 0.1983 |
| 08/06/20 to 07/07/20 | 0.1575 | 0.0277 | 0.1852 | 0.1926 |
| 08/07/20 to 07/08/20 | 0.0680 | 0.1053 | 0.1733 | 0.1952 |
| 08/08/20 to 07/09/20 | 0.1525 | 0.0205 | 0.1730 | 0.1695 |
| 08/09/20 to 07/10/20 | 0.0790 | 0.1074 | 0.1864 | 0.1908 |
| 08/10/20 to 07/11/20 | 0.0097 | 0.1600 | 0.1697 | 0.1609 |
| 08/11/20 to 07/12/20 | 0.0176 | 0.1500 | 0.1676 | 0.1446 |
| 08/12/20 to 07/01/21 | 0.0222 | 0.1399 | 0.1621 | 0.1707 |
| 08/01/21 to 07/02/21 | 0.0056 | 0.1300 | 0.1356 | 0.1590 |
| 08/02/21 to 07/03/21 | 0.0153 | 0.1399 | 0.1552 | 0.1724 |
| **Total distributions in the period** | | | **2.0167** | **2.1372** |

### Class 2 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.6076 | – | 0.6076 | 0.6526 |
| 08/04/20 to 07/05/20 | 0.6408 | – | 0.6408 | 0.6984 |
| 08/05/20 to 07/06/20 | 0.6216 | – | 0.6216 | 0.7029 |
| 08/06/20 to 07/07/20 | 0.6856 | – | 0.6856 | 0.6853 |
| 08/07/20 to 07/08/20 | 0.6436 | – | 0.6436 | 0.6971 |
| 08/08/20 to 07/09/20 | 0.6449 | – | 0.6449 | 0.6073 |
| 08/09/20 to 07/10/20 | 0.6970 | – | 0.6970 | 0.6859 |
| 08/10/20 to 07/11/20 | 0.6370 | – | 0.6370 | 0.5807 |
| 08/11/20 to 07/12/20 | 0.6310 | – | 0.6310 | 0.5232 |
| 08/12/20 to 07/01/21 | 0.6121 | – | 0.6121 | 0.6197 |
| 08/01/21 to 07/02/21 | 0.5139 | – | 0.5139 | 0.5785 |
| 08/02/21 to 07/03/21 | 0.5891 | – | 0.5891 | 0.6284 |

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.4320 | 0.1756 | 0.6076 | 0.6526 |
| 08/04/20 to 07/05/20 | 0.3051 | 0.3357 | 0.6408 | 0.6984 |
| 08/05/20 to 07/06/20 | 0.1060 | 0.5156 | 0.6216 | 0.7029 |
| 08/06/20 to 07/07/20 | 0.2662 | 0.4194 | 0.6856 | 0.6853 |
| 08/07/20 to 07/08/20 | 0.3072 | 0.3364 | 0.6436 | 0.6971 |
| 08/08/20 to 07/09/20 | 0.3205 | 0.3244 | 0.6449 | 0.6073 |
| 08/09/20 to 07/10/20 | 0.2690 | 0.4280 | 0.6970 | 0.6859 |
| 08/10/20 to 07/11/20 | 0.3801 | 0.2569 | 0.6370 | 0.5807 |
| 08/11/20 to 07/12/20 | 0.3515 | 0.2795 | 0.6310 | 0.5232 |
| 08/12/20 to 07/01/21 | 0.2973 | 0.3148 | 0.6121 | 0.6197 |
| 08/01/21 to 07/02/21 | 0.3616 | 0.1523 | 0.5139 | 0.5785 |
| 08/02/21 to 07/03/21 | 0.3812 | 0.2079 | 0.5891 | 0.6284 |
| **Total distributions in the period** | | | **7.5242** | **7.6600** |

### Class X – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3663 | – | 0.3663 | 0.3534 |
| 08/04/20 to 07/05/20 | 0.3349 | – | 0.3349 | 0.3773 |
| 08/05/20 to 07/06/20 | 0.3239 | – | 0.3239 | 0.3786 |
| 08/06/20 to 07/07/20 | 0.3563 | – | 0.3563 | 0.3678 |
| 08/07/20 to 07/08/20 | 0.3335 | – | 0.3335 | 0.3732 |
| 08/08/20 to 07/09/20 | 0.3333 | – | 0.3333 | 0.3240 |
| 08/09/20 to 07/10/20 | 0.3592 | – | 0.3592 | 0.3651 |
| 08/10/20 to 07/11/20 | 0.3273 | – | 0.3273 | 0.3081 |
| 08/11/20 to 07/12/20 | 0.3234 | – | 0.3234 | 0.2771 |
| 08/12/20 to 07/01/21 | 0.3129 | – | 0.3129 | 0.3274 |
| 08/01/21 to 07/02/21 | 0.2621 | – | 0.2621 | 0.3049 |
| 08/02/21 to 07/03/21 | 0.2999 | – | 0.2999 | 0.3309 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2763 | 0.0900 | 0.3663 | 0.3534 |
| 08/04/20 to 07/05/20 | 0.3349 | – | 0.3349 | 0.3773 |
| 08/05/20 to 07/06/20 | 0.3239 | – | 0.3239 | 0.3786 |
| 08/06/20 to 07/07/20 | 0.2190 | 0.1373 | 0.3563 | 0.3678 |
| 08/07/20 to 07/08/20 | 0.1305 | 0.2030 | 0.3335 | 0.3732 |
| 08/08/20 to 07/09/20 | 0.3333 | – | 0.3333 | 0.3240 |
| 08/09/20 to 07/10/20 | 0.3592 | – | 0.3592 | 0.3651 |
| 08/10/20 to 07/11/20 | 0.3273 | – | 0.3273 | 0.3081 |
| 08/11/20 to 07/12/20 | 0.3234 | – | 0.3234 | 0.2771 |
| 08/12/20 to 07/01/21 | 0.3129 | – | 0.3129 | 0.3274 |
| 08/01/21 to 07/02/21 | 0.2621 | – | 0.2621 | 0.3049 |
| 08/02/21 to 07/03/21 | 0.2999 | – | 0.2999 | 0.3309 |
| **Total distributions in the period** | | | **3.9330** | **4.0878** |

### Class X – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.4008 | – | 0.4008 | 0.4281 |
| 08/04/20 to 07/05/20 | 0.4239 | – | 0.4239 | 0.4587 |
| 08/05/20 to 07/06/20 | 0.4115 | – | 0.4115 | 0.4618 |
| 08/06/20 to 07/07/20 | 0.4541 | – | 0.4541 | 0.4506 |
| 08/07/20 to 07/08/20 | 0.4265 | – | 0.4265 | 0.4586 |
| 08/08/20 to 07/09/20 | 0.4278 | – | 0.4278 | 0.3998 |
| 08/09/20 to 07/10/20 | 0.4625 | – | 0.4625 | 0.4518 |
| 08/10/20 to 07/11/20 | 0.4230 | – | 0.4230 | 0.3827 |
| 08/11/20 to 07/12/20 | 0.4193 | – | 0.4193 | 0.3451 |
| 08/12/20 to 07/01/21 | 0.4070 | – | 0.4070 | 0.4089 |
| 08/01/21 to 07/02/21 | 0.3419 | – | 0.3419 | 0.3821 |
| 08/02/21 to 07/03/21 | 0.3922 | – | 0.3922 | 0.4152 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2608 | 0.1400 | 0.4008 | 0.4281 |
| 08/04/20 to 07/05/20 | 0.0545 | 0.3694 | 0.4239 | 0.4587 |
| 08/05/20 to 07/06/20 | 0.4115 | – | 0.4115 | 0.4618 |
| 08/06/20 to 07/07/20 | 0.4541 | – | 0.4541 | 0.4506 |
| 08/07/20 to 07/08/20 | 0.1591 | 0.2674 | 0.4265 | 0.4586 |
| 08/08/20 to 07/09/20 | 0.4278 | – | 0.4278 | 0.3998 |
| 08/09/20 to 07/10/20 | 0.4625 | – | 0.4625 | 0.4518 |
| 08/10/20 to 07/11/20 | 0.4230 | – | 0.4230 | 0.3827 |
| 08/11/20 to 07/12/20 | 0.2152 | 0.2041 | 0.4193 | 0.3451 |
| 08/12/20 to 07/01/21 | 0.4070 | – | 0.4070 | 0.4089 |
| 08/01/21 to 07/02/21 | 0.3419 | – | 0.3419 | 0.3821 |
| 08/02/21 to 07/03/21 | 0.3922 | – | 0.3922 | 0.4152 |
| **Total distributions in the period** | | | **4.9905** | **5.0434** |

### Class Z – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3161 | – | 0.3161 | 0.3534 |
| 08/04/20 to 07/05/20 | 0.3331 | – | 0.3331 | 0.3777 |
| 08/05/20 to 07/06/20 | 0.3284 | – | 0.3284 | 0.3785 |
| 08/06/20 to 07/07/20 | 0.3477 | – | 0.3477 | 0.3677 |
| 08/07/20 to 07/08/20 | 0.3306 | – | 0.3306 | 0.3726 |
| 08/08/20 to 07/09/20 | 0.3302 | – | 0.3302 | 0.3225 |
| 08/09/20 to 07/10/20 | 0.3564 | – | 0.3564 | 0.3643 |
| 08/10/20 to 07/11/20 | 0.3241 | – | 0.3241 | 0.3061 |
| 08/11/20 to 07/12/20 | 0.3195 | – | 0.3195 | 0.2747 |
| 08/12/20 to 07/01/21 | 0.3088 | – | 0.3088 | 0.3250 |
| 08/01/21 to 07/02/21 | 0.2579 | – | 0.2579 | 0.3022 |
| 08/02/21 to 07/03/21 | 0.2955 | – | 0.2955 | 0.3288 |

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2318 | 0.0843 | 0.3161 | 0.3534 |
| 08/04/20 to 07/05/20 | 0.2086 | 0.1245 | 0.3331 | 0.3777 |
| 08/05/20 to 07/06/20 | 0.1206 | 0.2078 | 0.3284 | 0.3785 |
| 08/06/20 to 07/07/20 | 0.1931 | 0.1546 | 0.3477 | 0.3677 |
| 08/07/20 to 07/08/20 | 0.1590 | 0.1716 | 0.3306 | 0.3726 |
| 08/08/20 to 07/09/20 | 0.1617 | 0.1685 | 0.3302 | 0.3225 |
| 08/09/20 to 07/10/20 | 0.1389 | 0.2175 | 0.3564 | 0.3643 |
| 08/10/20 to 07/11/20 | 0.1478 | 0.1763 | 0.3241 | 0.3061 |
| 08/11/20 to 07/12/20 | 0.1549 | 0.1646 | 0.3195 | 0.2747 |
| 08/12/20 to 07/01/21 | 0.1612 | 0.1476 | 0.3088 | 0.3250 |
| 08/01/21 to 07/02/21 | 0.1119 | 0.1460 | 0.2579 | 0.3022 |
| 08/02/21 to 07/03/21 | 0.1625 | 0.1330 | 0.2955 | 0.3288 |
| **Total distributions in the period** | | | **3.8483** | **4.0735** |

### Class Z – Accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3867 | – | 0.3867 | 0.4148 |
| 08/04/20 to 07/05/20 | 0.4080 | – | 0.4080 | 0.4450 |
| 08/05/20 to 07/06/20 | 0.3957 | – | 0.3957 | 0.4474 |
| 08/06/20 to 07/07/20 | 0.4361 | – | 0.4361 | 0.4362 |
| 08/07/20 to 07/08/20 | 0.4091 | – | 0.4091 | 0.4436 |
| 08/08/20 to 07/09/20 | 0.4100 | – | 0.4100 | 0.3853 |
| 08/09/20 to 07/10/20 | 0.4439 | – | 0.4439 | 0.4364 |
| 08/10/20 to 07/11/20 | 0.4051 | – | 0.4051 | 0.3681 |
| 08/11/20 to 07/12/20 | 0.4007 | – | 0.4007 | 0.3314 |
| 08/12/20 to 07/01/21 | 0.3885 | – | 0.3885 | 0.3931 |
| 08/01/21 to 07/02/21 | 0.3253 | – | 0.3253 | 0.3666 |
| 08/02/21 to 07/03/21 | 0.3737 | – | 0.3737 | 0.3995 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2932 | 0.0935 | 0.3867 | 0.4148 |
| 08/04/20 to 07/05/20 | 0.1925 | 0.2155 | 0.4080 | 0.4450 |
| 08/05/20 to 07/06/20 | 0.1811 | 0.2146 | 0.3957 | 0.4474 |
| 08/06/20 to 07/07/20 | 0.1886 | 0.2475 | 0.4361 | 0.4362 |
| 08/07/20 to 07/08/20 | 0.1992 | 0.2099 | 0.4091 | 0.4436 |
| 08/08/20 to 07/09/20 | 0.1779 | 0.2321 | 0.4100 | 0.3853 |
| 08/09/20 to 07/10/20 | 0.1812 | 0.2627 | 0.4439 | 0.4364 |
| 08/10/20 to 07/11/20 | 0.1915 | 0.2136 | 0.4051 | 0.3681 |
| 08/11/20 to 07/12/20 | 0.2153 | 0.1854 | 0.4007 | 0.3314 |
| 08/12/20 to 07/01/21 | 0.2039 | 0.1846 | 0.3885 | 0.3931 |
| 08/01/21 to 07/02/21 | 0.1025 | 0.2228 | 0.3253 | 0.3666 |
| 08/02/21 to 07/03/21 | 0.2516 | 0.1221 | 0.3737 | 0.3995 |
| **Total distributions in the period** | | | **4.7828** | **4.8674** |

### Class Z – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.3064 | – | 0.3064 | 0.3442 |
| 08/04/20 to 07/05/20 | 0.3244 | – | 0.3244 | 0.3678 |
| 08/05/20 to 07/06/20 | 0.3135 | – | 0.3135 | 0.3686 |
| 08/06/20 to 07/07/20 | 0.3445 | – | 0.3445 | 0.3581 |
| 08/07/20 to 07/08/20 | 0.3220 | – | 0.3220 | 0.3629 |
| 08/08/20 to 07/09/20 | 0.3215 | – | 0.3215 | 0.3141 |
| 08/09/20 to 07/10/20 | 0.3472 | – | 0.3472 | 0.3548 |
| 08/10/20 to 07/11/20 | 0.3156 | – | 0.3156 | 0.2981 |
| 08/11/20 to 07/12/20 | 0.3112 | – | 0.3112 | 0.2676 |
| 08/12/20 to 07/01/21 | 0.3008 | – | 0.3008 | 0.3165 |
| 08/01/21 to 07/02/21 | 0.2510 | – | 0.2510 | 0.2944 |
| 08/02/21 to 07/03/21 | 0.2879 | – | 0.2879 | 0.3203 |
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.2077 | 0.0987 | 0.3064 | 0.3442 |
| 08/04/20 to 07/05/20 | 0.1649 | 0.1595 | 0.3244 | 0.3678 |
| 08/05/20 to 07/06/20 | 0.1205 | 0.1930 | 0.3135 | 0.3686 |
| 08/06/20 to 07/07/20 | 0.1488 | 0.1957 | 0.3445 | 0.3581 |
| 08/07/20 to 07/08/20 | 0.1714 | 0.1506 | 0.3220 | 0.3629 |
| 08/08/20 to 07/09/20 | 0.1328 | 0.1887 | 0.3215 | 0.3141 |
| 08/09/20 to 07/10/20 | 0.0841 | 0.2631 | 0.3472 | 0.3548 |
| 08/10/20 to 07/11/20 | 0.1258 | 0.1898 | 0.3156 | 0.2981 |
| 08/11/20 to 07/12/20 | 0.1394 | 0.1718 | 0.3112 | 0.2676 |
| 08/12/20 to 07/01/21 | 0.1570 | 0.1438 | 0.3008 | 0.3165 |
| 08/01/21 to 07/02/21 | 0.1241 | 0.1269 | 0.2510 | 0.2944 |
| 08/02/21 to 07/03/21 | 0.1077 | 0.1802 | 0.2879 | 0.3203 |
| **Total distributions in the period** | | | **3.7460** | **3.9674** |

### Class Z – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/04/20 | 0.4748 | – | 0.4748 | 0.5117 |
| 08/04/20 to 07/05/20 | 0.5032 | – | 0.5032 | 0.5486 |
| 08/05/20 to 07/06/20 | 0.4881 | – | 0.4881 | 0.5519 |
| 08/06/20 to 07/07/20 | 0.5380 | – | 0.5380 | 0.5382 |
| 08/07/20 to 07/08/20 | 0.5047 | – | 0.5047 | 0.5471 |
| 08/08/20 to 07/09/20 | 0.5056 | – | 0.5056 | 0.4754 |
| 08/09/20 to 07/10/20 | 0.5476 | – | 0.5476 | 0.5388 |
| 08/10/20 to 07/11/20 | 0.4997 | – | 0.4997 | 0.4541 |
| 08/11/20 to 07/12/20 | 0.4941 | – | 0.4941 | 0.4089 |
| 08/12/20 to 07/01/21 | 0.4792 | – | 0.4792 | 0.4849 |
| 08/01/21 to 07/02/21 | 0.4011 | – | 0.4011 | 0.4524 |
| 08/02/21 to 07/03/21 | 0.4611 | – | 0.4611 | 0.4927 |

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

*(continued)*

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 2** | | | | |
| 08/03/20 to 07/04/20 | 0.3503 | 0.1245 | 0.4748 | 0.5117 |
| 08/04/20 to 07/05/20 | 0.2763 | 0.2269 | 0.5032 | 0.5486 |
| 08/05/20 to 07/06/20 | 0.2221 | 0.2660 | 0.4881 | 0.5519 |
| 08/06/20 to 07/07/20 | 0.3333 | 0.2047 | 0.5380 | 0.5382 |
| 08/07/20 to 07/08/20 | 0.4152 | 0.0895 | 0.5047 | 0.5471 |
| 08/08/20 to 07/09/20 | 0.2304 | 0.2752 | 0.5056 | 0.4754 |
| 08/09/20 to 07/10/20 | 0.2777 | 0.2699 | 0.5476 | 0.5388 |
| 08/10/20 to 07/11/20 | 0.2460 | 0.2537 | 0.4997 | 0.4541 |
| 08/11/20 to 07/12/20 | 0.2891 | 0.2050 | 0.4941 | 0.4089 |
| 08/12/20 to 07/01/21 | 0.3114 | 0.1678 | 0.4792 | 0.4849 |
| 08/01/21 to 07/02/21 | 0.2145 | 0.1866 | 0.4011 | 0.4524 |
| 08/02/21 to 07/03/21 | 0.2435 | 0.2176 | 0.4611 | 0.4927 |
| **Total distributions in the period** | | | **5.8972** | **6.0047** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle High Yield Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 41.65 | 41.53 | 42.59 | 41.68 | 41.57 | 42.63 |
| Return before operating charges (p) | 2.81 | 2.36 | 1.31 | 2.81 | 2.36 | 1.31 |
| Operating charges (p) | (0.54) | (0.57) | (0.56) | (0.54) | (0.57) | (0.56) |
| Return after operating charges (p)* | 2.27 | 1.79 | 0.75 | 2.27 | 1.79 | 0.75 |
| Distributions (p) | (1.57) | (1.67) | (1.81) | (1.57) | (1.68) | (1.81) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 42.35 | 41.65 | 41.53 | 42.38 | 41.68 | 41.57 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 5.45 | 4.31 | 1.76 | 5.45 | 4.31 | 1.76 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 46,299 | 65,253 | 74,794 | 6,684 | 7,869 | 31,262 |
| Closing number of shares | 109,312,689 | 156,682,843 | 180,080,571 | 15,769,622 | 18,880,847 | 75,196,806 |
| Operating charges (%)** | 1.33 | 1.33 | 1.33 | 1.33 | 1.34 | 1.33 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 42.86 | 43.18 | 42.85 | 42.89 | 43.22 | 42.89 |
| Lowest share price (p) | 34.24 | 41.60 | 40.37 | 34.27 | 41.64 | 40.41 |

| | Class 1 USD Hedged – Gross income shares[§] | | | Class 1 – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 75.59 | 73.54 | 70.35 | 119.69 | 114.75 | 112.67 |
| Return before operating charges (p) | 1.28 | 6.17 | 7.34 | 8.36 | 6.53 | 3.59 |
| Operating charges (p) | (0.99) | (1.04) | (0.98) | (1.59) | (1.59) | (1.51) |
| Return after operating charges (p)* | 0.29 | 5.13 | 6.36 | 6.77 | 4.94 | 2.08 |
| Distributions (p) | (2.89) | (3.08) | (3.17) | (4.60) | (4.71) | (4.90) |
| Retained distributions on accumulation shares (p) | – | – | – | 4.60 | 4.71 | 4.90 |
| Closing net asset value per share (p) | 72.99 | 75.59 | 73.54 | 126.46 | 119.69 | 114.75 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 0.38 | 6.98 | 9.04 | 5.66 | 4.31 | 1.85 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 12,274 | 6,116 | 5,312 | 852 | 844 | 776 |
| Closing number of shares | 16,815,727 | 8,091,370 | 7,223,373 | 673,787 | 704,496 | 675,945 |
| Operating charges (%)** | 1.33 | 1.33 | 1.33 | 1.33 | 1.33 | 1.34 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 78.47 | 83.96 | 76.62 | 127.47 | 123.70 | 115.30 |
| Lowest share price (p) | 69.39 | 73.40 | 68.51 | 98.40 | 114.93 | 110.32 |

# Threadneedle High Yield Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 – Income shares | | | Class 2 – Gross income shares[5] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 60.73 | 60.29 | 61.54 | 52.27 | 51.89 | 52.96 |
| Return before operating charges (p) | 4.13 | 3.42 | 1.91 | 3.57 | 2.95 | 1.65 |
| Operating charges (p) | (0.48) | (0.50) | (0.49) | (0.42) | (0.43) | (0.42) |
| Return after operating charges (p)* | 3.65 | 2.92 | 1.42 | 3.15 | 2.52 | 1.23 |
| Distributions (p) | (2.33) | (2.48) | (2.67) | (2.02) | (2.14) | (2.30) |
| Retained distributions on accumulation shares (p) | – | – | – | – | – | – |
| Closing net asset value per share (p) | 62.05 | 60.73 | 60.29 | 53.40 | 52.27 | 51.89 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 6.01 | 4.84 | 2.31 | 6.03 | 4.86 | 2.32 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 4,953 | 6,606 | 9,527 | 861 | 1,107 | 2,122 |
| Closing number of shares | 7,982,991 | 10,878,864 | 15,801,121 | 1,612,953 | 2,117,240 | 4,089,792 |
| Operating charges (%)** | 0.81 | 0.81 | 0.81 | 0.81 | 0.81 | 0.81 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 62.77 | 62.95 | 61.95 | 54.02 | 54.19 | 53.32 |
| Lowest share price (p) | 49.94 | 60.39 | 58.55 | 42.99 | 51.98 | 50.40 |

| | Class 2 – Gross accumulation shares[5] | | | Class X – Gross income shares[5] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 191.47 | 182.61 | 178.37 | 100.37 | 98.90 | 100.19 |
| Return before operating charges (p) | 13.46 | 10.41 | 5.70 | 6.88 | 5.62 | 3.14 |
| Operating charges (p) | (1.56) | (1.55) | (1.46) | (0.06) | (0.06) | (0.06) |
| Return after operating charges (p)* | 11.90 | 8.86 | 4.24 | 6.82 | 5.56 | 3.08 |
| Distributions (p) | (7.52) | (7.66) | (7.90) | (3.93) | (4.09) | (4.37) |
| Retained distributions on accumulation shares (p) | 7.52 | 7.66 | 7.90 | – | – | – |
| Closing net asset value per share (p) | 203.37 | 191.47 | 182.61 | 103.26 | 100.37 | 98.90 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 6.22 | 4.85 | 2.38 | 6.79 | 5.62 | 3.07 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 316,501 | 296,173 | 184,313 | 6,968 | 2,948 | 8,042 |
| Closing number of shares | 155,625,473 | 154,682,281 | 100,931,916 | 6,747,781 | 2,936,664 | 8,131,106 |
| Operating charges (%)** | 0.81 | 0.81 | 0.81 | 0.06 | 0.06 | 0.06 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 204.95 | 197.84 | 183.49 | 104.39 | 104.02 | 100.95 |
| Lowest share price (p) | 157.46 | 182.90 | 175.41 | 82.58 | 99.07 | 95.93 |

# Threadneedle High Yield Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class X – Gross accumulation shares[§] | | | Class Z – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 126.56 | 119.80 | 116.14 | 101.61 | 100.72 | 102.66 |
| Return before operating charges (p) | 8.95 | 6.84 | 3.73 | 6.93 | 5.71 | 3.18 |
| Operating charges (p) | (0.08) | (0.08) | (0.07) | (0.73) | (0.75) | (0.74) |
| Return after operating charges (p)* | 8.87 | 6.76 | 3.66 | 6.20 | 4.96 | 2.44 |
| Distributions (p) | (4.99) | (5.04) | (5.17) | (3.85) | (4.07) | (4.38) |
| Retained distributions on accumulation shares (p) | 4.99 | 5.04 | 5.17 | – | – | – |
| Closing net asset value per share (p) | 135.43 | 126.56 | 119.80 | 103.96 | 101.61 | 100.72 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 7.01 | 5.64 | 3.15 | 6.10 | 4.92 | 2.38 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 125,339 | 115,450 | 76,912 | 300,612 | 266,458 | 272,757 |
| Closing number of shares | 92,548,539 | 91,223,235 | 64,200,212 | 289,161,149 | 262,241,834 | 270,795,387 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.73 | 0.73 | 0.73 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 136.44 | 130.73 | 120.37 | 105.15 | 105.32 | 103.36 |
| Lowest share price (p) | 104.11 | 120.00 | 114.93 | 83.56 | 100.89 | 97.79 |

| | Class Z – Accumulation shares | | | Class Z – Gross income shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 124.03 | 118.21 | 115.38 | 98.97 | 98.11 | 99.99 |
| Return before operating charges (p) | 8.72 | 6.72 | 3.68 | 6.74 | 5.57 | 3.11 |
| Operating charges (p) | (0.91) | (0.90) | (0.85) | (0.71) | (0.74) | (0.72) |
| Return after operating charges (p)* | 7.81 | 5.82 | 2.83 | 6.03 | 4.83 | 2.39 |
| Distributions (p) | (4.78) | (4.87) | (5.02) | (3.75) | (3.97) | (4.27) |
| Retained distributions on accumulation shares (p) | 4.78 | 4.87 | 5.02 | – | – | – |
| Closing net asset value per share (p) | 131.84 | 124.03 | 118.21 | 101.25 | 98.97 | 98.11 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | 6.30 | 4.92 | 2.45 | 6.09 | 4.92 | 2.39 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 26,470 | 24,074 | 21,275 | 27,557 | 32,842 | 37,501 |
| Closing number of shares | 20,076,709 | 19,409,718 | 17,998,360 | 27,217,256 | 33,185,019 | 38,225,545 |
| Operating charges (%)** | 0.73 | 0.73 | 0.73 | 0.73 | 0.73 | 0.73 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 132.86 | 128.16 | 118.77 | 102.41 | 102.58 | 100.67 |
| Lowest share price (p) | 102.00 | 118.40 | 113.53 | 81.39 | 98.26 | 95.25 |

# Threadneedle High Yield Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Gross accumulation shares[§] | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 153.01 | 145.82 | 142.32 |
| Return before operating charges (p) | 10.75 | 8.31 | 4.55 |
| Operating charges (p) | (1.13) | (1.12) | (1.05) |
| Return after operating charges (p)* | 9.62 | 7.19 | 3.50 |
| Distributions (p) | (5.90) | (6.00) | (6.20) |
| Retained distributions on accumulation shares (p) | 5.90 | 6.00 | 6.20 |
| Closing net asset value per share (p) | 162.63 | 153.01 | 145.82 |
| *after direct transaction costs of (p) | – | – | – |
| **Performance** | | | |
| Return after charges (%) | 6.29 | 4.93 | 2.46 |
| **Other information** | | | |
| Closing net asset value (£000) | 55,564 | 33,333 | 19,344 |
| Closing number of shares | 34,166,360 | 21,785,459 | 13,266,056 |
| Operating charges (%)** | 0.73 | 0.73 | 0.73 |
| Direct transaction costs (%)*** | – | – | – |
| **Prices** | | | |
| Highest share price (p) | 163.88 | 158.09 | 146.51 |
| Lowest share price (p) | 125.83 | 146.05 | 140.05 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle High Yield Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 14,504 | 9,351 |
| Derivative contracts | (77) | (204) |
| Forward currency contracts | 1,948 | (11,533) |
| Other gains | 11,552 | 11,442 |
| Transaction costs | (4) | (3) |
| Net capital gains | 27,923 | 9,053 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Unfranked dividend distributions | 110 | 481 |
| Interest on debt securities | 36,025 | 31,794 |
| Interest on short term investments | 3 | 80 |
| Derivative revenue | 52 | 746 |
| Bank interest | 41 | 276 |
| Total revenue | 36,231 | 33,377 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (5,615) | (5,199) |
| Registration fees | (674) | (633) |
| | (6,289) | (5,832) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (109) | (99) |
| Safe custody fees | (58) | (51) |
| | (167) | (150) |
| Other expenses: | | |
| Regulatory fees | (6) | (7) |
| Audit fees | (15) | (16) |
| | (21) | (23) |
| Total expenses* | (6,477) | (6,005) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (16) | (16) |
| Total interest payable and similar charges | (16) | (16) |

### 6 TAXATION

| | 2021 £000 | 2020 £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 | 29,738 | 27,356 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (5,948) | (5,471) |
| Effects of: | | |
| Distributions treated as tax deductible | 5,948 | 5,471 |
| 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 32,716 | 29,982 |
| Final | 2,670 | 2,799 |
| | 35,386 | 32,781 |
| Add: Revenue deducted on the cancellation of shares* | 259 | 211 |
| Deduct: Revenue received on the creation of shares* | (292) | (437) |
| Net distribution for the period | 35,353 | 32,555 |
| Net revenue after taxation | 29,738 | 27,356 |
| Annual management charge to capital | 5,615 | 5,199 |
| Total distributions | 35,353 | 32,555 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 207 to 210.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 260 | 381 |
| Sales awaiting settlement | 533 | 400 |
| Accrued revenue | 10,851 | 10,708 |
| Total debtors | 11,644 | 11,489 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 2,043 | 31,535 |
| Cash and bank balances | 9,250 | 8,978 |
| | 11,293 | 40,513 |
| Cash overdrafts at broker | (2,044) | – |
| Total cash and bank balances | 9,249 | 40,513 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (21,192) | (1,463) |
| Purchases awaiting settlement | (7,246) | (1,382) |
| Accrued expenses | (27) | (27) |
| Amounts payable to ACD | (640) | (611) |
| Total other creditors | (29,105) | (3,483) |

### 11 DILUTION ADJUSTMENT

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

### 12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

# Threadneedle High Yield Bond Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| **Annual management charge** | |
|---|---|
| Class 1 shares | 1.20% |
| Class 2 shares | 0.75% |
| Class X shares | N/A* |
| Class Z shares | 0.60% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 211 to 214. The distribution per share class is given in the distribution table on pages 207 to 210.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 156,682,843 |
| Shares issued | 4,287,220 |
| Shares redeemed | (18,285,846) |
| Net conversions | (33,371,528) |
| Closing shares | 109,312,689 |
| **Class 1 – Gross income shares** | |
| Opening shares | 18,880,847 |
| Shares issued | 455,122 |
| Shares redeemed | (3,456,690) |
| Net conversions | (109,657) |
| Closing shares | 15,769,622 |
| **Class 1 USD Hedged – Gross income shares** | |
| Opening shares | 8,091,370 |
| Shares issued | 8,757,078 |
| Shares redeemed | (32,721) |
| Net conversions | – |
| Closing shares | 16,815,727 |
| **Class 1 – Gross accumulation shares** | |
| Opening shares | 704,496 |
| Shares issued | 87,768 |
| Shares redeemed | (68,165) |
| Net conversions | (50,312) |
| Closing shares | 673,787 |
| **Class 2 – Income shares** | |
| Opening shares | 10,878,864 |
| Shares issued | 78,292 |
| Shares redeemed | (2,968,570) |
| Net conversions | (5,595) |
| Closing shares | 7,982,991 |
| **Class 2 – Gross income shares** | |
| Opening shares | 2,117,240 |
| Shares issued | 27,782 |
| Shares redeemed | (532,069) |
| Net conversions | – |
| Closing shares | 1,612,953 |
| **Class 2 – Gross accumulation shares** | |
| Opening shares | 154,682,281 |
| Shares issued | 21,535,378 |
| Shares redeemed | (20,592,186) |
| Net conversions | – |
| Closing shares | 155,625,473 |
| **Class X – Gross income shares** | |
| Opening shares | 2,936,664 |
| Shares issued | 3,442,011 |
| Shares redeemed | (4,435,301) |
| Net conversions | 4,804,407 |
| Closing shares | 6,747,781 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 91,223,235 |
| Shares issued | 7,313,360 |
| Shares redeemed | (5,988,056) |
| Net conversions | – |
| Closing shares | 92,548,539 |
| **Class Z – Income shares** | |
| Opening shares | 262,241,834 |
| Shares issued | 86,042,749 |
| Shares redeemed | (65,958,746) |
| Net conversions | 6,835,312 |
| Closing shares | 289,161,149 |
| **Class Z – Accumulation shares** | |
| Opening shares | 19,409,718 |
| Shares issued | 9,527,420 |
| Shares redeemed | (8,912,985) |
| Net conversions | 52,556 |
| Closing shares | 20,076,709 |
| **Class Z – Gross income shares** | |
| Opening shares | 33,185,019 |
| Shares issued | 1,795,249 |
| Shares redeemed | (9,936,664) |
| Net conversions | 2,173,652 |
| Closing shares | 27,217,256 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 21,785,459 |
| Shares issued | 15,134,015 |
| Shares redeemed | (2,757,102) |
| Net conversions | 3,988 |
| Closing shares | 34,166,360 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 3.76% and vice versa (2020: 3.78%).

**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 2021** | **£000** |
| Euro | (687) |
| US Dollar | 12,414 |
| **Currency 2020** | **£000** |
| Euro | (7,582) |
| US Dollar | 6,119 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

# Threadneedle High Yield Bond Fund

## Notes to the financial statements

*(continued)*

**Credit/Counterparty exposure**

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

| 2021 | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Bank of Scotland | 2 | – |
| Barclays | 732 | – |
| Citigroup | 1 | – |
| J.P. Morgan | 1,067 | – |
| Lloyds | 5 | – |
| UBS | 893 | – |

| 2020 | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Barclays | – | 10,350 |
| Citigroup | 244 | 260 |
| Credit Suisse | 21 | – |
| Goldman Sachs | 101 | 120 |
| J.P. Morgan | – | 640 |
| Lloyds | 46 | 20 |
| RBS | – | 10,260 |
| UBS | – | 10,370 |

The fund held £2,430,000 (2020: £490,000) 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**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| BBB+ | 496 | 0.05 | 516 | 0.06 |
| BBB | 23,497 | 2.50 | 4,136 | 0.51 |
| Baa2 | 4,144 | 0.44 | 4,196 | 0.52 |
| BBB- | 14,966 | 1.59 | 48,023 | 5.92 |
| BB+ | 258,788 | 27.52 | 252,545 | 31.11 |
| Ba1 | 2,850 | 0.30 | 3,007 | 0.37 |
| BB | 111,073 | 11.81 | 117,393 | 14.46 |
| Ba2 | 20,738 | 2.21 | 10,145 | 1.25 |
| BB- | 147,537 | 15.69 | 112,284 | 13.83 |
| B+ | 44,210 | 4.70 | 67,413 | 8.30 |
| B1 | 8,808 | 0.94 | – | – |
| B | 122,475 | 13.03 | 109,146 | 13.45 |
| (P)B | 1,767 | 0.19 | – | – |
| Ba3 | – | – | 2,288 | 0.28 |
| B2 | – | – | 3,462 | 0.43 |
| B- | 53,661 | 5.71 | 39,232 | 4.83 |
| (P)B- | 4,739 | 0.51 | 730 | 0.09 |
| B3 | 16,117 | 1.71 | 6,641 | 0.82 |
| CCC+ | 30,259 | 3.22 | 14,556 | 1.79 |
| Caa1 | 10,652 | 1.13 | – | – |
| CCC | 3,224 | 0.34 | 3,633 | 0.45 |
| Caa2 | – | – | 766 | 0.09 |
| CCC- | 886 | 0.10 | – | – |
| CC | 3,509 | 0.37 | 1,303 | 0.16 |
| Not Rated* | 5,639 | 0.60 | 9,269 | 1.14 |
| Liquidity Funds | 47,605 | 5.06 | 33,308 | 4.10 |
| Derivatives** | 2,661 | 0.28 | (32,178) | (3.96) |
| | 940,301 | 100.00 | 811,814 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

***The derivative positions do not have a significant impact on the risk profile.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 89,743 | 685,524 | 35,279 | 810,546 |
| UK Sterling | 7,119 | 151,167 | 825,457 | 983,743 |
| US Dollar | 3,254 | 12,125 | 13,873 | 29,252 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 47,950 | 634,458 | 61,786 | 744,194 |
| UK Sterling | 40,556 | 135,099 | 747,639 | 923,294 |
| US Dollar | 706 | 25,737 | 7,354 | 33,797 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (811,233) | (811,233) |
| UK Sterling | (2,044) | – | (62,492) | (64,536) |
| US Dollar | – | – | (16,838) | (16,838) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | – | – | (751,776) | (751,776) |
| UK Sterling | – | – | (62,758) | (62,758) |
| US Dollar | – | – | (27,678) | (27,678) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £2,858,000 (2020: £752,000) and a liability value of £197,000 (2020: £32,930,000).

### 15 FAIR VALUE DISCLOSURE

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

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

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

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

# Threadneedle High Yield Bond Fund

## Notes to the financial statements

*(continued)*

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 47,605 | – | 33,308 | – |
| Level 2 | 890,589 | (197) | 802,970 | (32,930) |
| Level 3 | 2,304 | – | 8,466 | – |
| | 940,498 | (197) | 844,744 | (32,930) |

Included within Level 1, are debt securities of £47,605,000 (2020: £33,308,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Bonds | 623,234 | – | – | – | – |
| Collective investment schemes | 178,392 | 10 | 0.01 | – | – |
| **Total** | 801,626 | 10 | | – | |
| **Gross purchases total:** | 801,636 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Bonds | 557,081 | – | – | – | – |
| Collective investment schemes | 163,689 | 10 | 0.01 | – | – |
| Corporate actions | 3,657 | – | – | – | – |
| **Total** | 724,427 | 10 | | – | |
| **Total sales net of transaction costs:** | 724,417 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.00% |
| Taxes: | 0.00% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | £000 | £000 | % | £000 | % |
| Bonds | 452,754 | – | – | – | – |
| Collective investment schemes | 168,532 | 4 | 0.00 | – | – |
| **Total** | 621,286 | 4 | | – | |
| **Gross purchases total:** | 621,290 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | £000 | £000 | % | £000 | % |
| Bonds | 310,685 | – | – | – | – |
| Collective investment schemes | 182,123 | 18 | 0.01 | – | – |
| Corporate actions | 12,127 | – | – | – | – |
| **Total** | 504,935 | 18 | | – | |
| **Total sales net of transaction costs:** | 504,917 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.00% |
| 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 0.75% (7 March 2020: 0.98%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| **STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS** | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 240,773 | (25,256) | 215,517 |
| Amounts payable on the cancellation of shares | (146,247) | 25,256 | (120,991) |
| | 94,526 | – | 94,526 |
| **Impact on net assets attributable to shareholders** | | – | |

| | **Previously reported 2020** | **Adjustments** | **Restated 2020** |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 251 | (40) | 211 |
| Deduct: Revenue received on the creation of shares | (477) | 40 | (437) |
| **Net impact** | | – | |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| **Share class** | **% Movement** |
|---|---|
| Class Z – Income shares | (10.56) |

# Threadneedle Global Select Fund

## Investment Report

### Investment Objective and Policy

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

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

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

The MSCI ACWI Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies worldwide, with over 2,700 companies currently included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 90 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Global Select Fund has risen from 250.71p to 302.03p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +21.49% as compared to a median return of +20.92% over the same period. (For information the MSCI AC World Index returned +19.56% over the same period).

### Market Overview and Portfolio Activity

Global equities rose during the 12 months to 7 March. Early in the period, markets fell sharply, amid concerns about the likely impact of COVID-19 on the global economy. Governments and central banks responded with an unprecedented series of supportive policy measures. This fuelled a subsequent rally in risk assets, as did declining COVID-19 infections and the easing of lockdown measures in some countries. The positive sentiment was reinforced by better-than-expected economic data and corporate earnings. Caution returned to equity markets in September and October, amid fears of a second wave of the virus and uncertainty surrounding November's US presidential election. However, risk appetite returned in the last two months of the year, thanks to Joe Biden's victory in the US election, positive news on coronavirus vaccines, and the signing of the long-awaited Brexit deal.

Markets had a more volatile start to 2021, as the expectation of more US fiscal stimulus was set against the slow pace of vaccinations in some countries, and the threats posed by new strains of the virus. As the period ended, a rise in global bond yields led to some volatility in equities, as investors mulled the prospect of inflationary pressures. This led to profit taking in high-valuation growth sectors and a rotation into more value-oriented cyclicals.

US equities were helped by strong gains from the market's sizeable technology sector, which benefited from the pandemic-driven shift towards online services. Gains of Europe ex UK stocks were capped by concerns about the toll of slowing global growth on the region's export-dependent economy. UK equities were hurt by the market's high exposure to energy and financial stocks, which underperformed, as well as jitters about a no-deal Brexit. As the period came to a close, the UK was leading the way in vaccinating its population, which fuelled hopes of a swifter economic rebound in 2021.

Japanese stocks fared better than global markets, given the relative success of the country's containment measures. The period was notable for the resignation of Prime Minister Shinzo Abe in August. However, the swift election of Yoshihide Suga – an ally of Abe and prominent figure in the "Abenomics" reform initiatives – allayed market concerns. Elsewhere, emerging-market stocks were supported by US dollar weakness and rising commodity prices over much of the period. The strong performance of index heavyweight China was also beneficial, though trade tensions proved a headwind.

New additions over the period included Roche, T-Mobile US and Intuit.

Roche enjoys a dominant market position, which we believe is sustainable given the healthcare company's global footprint and broad range of products. Roche's strong branding, historic reputation and best-in-class execution through patents provide it with competitive edges that peers cannot replicate. Furthermore, the company's rich pipeline of product launches could accelerate growth.

T-Mobile US is the leading challenger brand in American wireless. The company boasts a resilient business model and a strong reputation. T-Mobile US is well positioned to benefit and gain market share post-pandemic, as the demand for cloud computing and the development of 5G increases.

Intuit develops business and financial management software solutions, and is well-placed to monetise its growing customer base over time. The firm is seeing increasing momentum across its business segments. Top-line growth should be strengthened by the increasing depth of offerings across products and geographies. We feel that this should lead to healthy growth in earnings and cash flow, thanks to operational efficiencies and strong financial discipline.

To help fund these purchases, we closed our position in Alibaba. The tightening of Chinese regulations has clouded the firm's outlook, so we decided to reallocate this capital elsewhere. We profitably sold Illumina and Nintendo, following both stocks' strong gains.

The indiscriminate market movements of early 2020 have increased the relative attractiveness of the competitively advantaged companies in which we invest. While markets have since recovered, uncertainties around the coronavirus pandemic remain. We believe that the ongoing global responses to the virus have accelerated certain structural trends, and created an environment in which companies with a sustainable edge can thrive. We also feel that the market will increasingly come to recognise the long-term merits of these businesses.

We remain firmly of the view that companies with the ability to sustain above-average growth rates should be attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to continue delivering high returns and earnings growth across a range of market conditions.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains | 2 | 206,715 | 129,347 |
| Revenue | 3 | 12,986 | 12,508 |
| Expenses | 4 | (7,416) | (7,658) |
| Interest payable and similar charges | 5 | (1) | (1) |
| Net revenue before taxation | | 5,569 | 4,849 |
| Taxation | 6 | (2,281) | (1,258) |
| Net revenue after taxation | | 3,288 | 3,591 |
| **Total return before distributions** | | 210,003 | 132,938 |
| Distributions** | 7 | (5,990) | (5,619) |
| **Change in net assets attributable to shareholders from investment activities** | | 204,013 | 127,319 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 1,203,903 | 939,172 |
| **Current assets:** | | | |
| Debtors | 8 | 7,862 | 3,147 |
| Cash and bank balances | | 6,401 | 3,812 |
| Cash equivalents*** | | 8,688 | 43,630 |
| Total assets | | 1,226,854 | 989,761 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (4) | (18) |
| **Creditors:** | | | |
| Bank overdrafts | | (1,168) | – |
| Distribution payable | | (4) | (5) |
| Other creditors | 9 | (20,380) | (2,025) |
| Total liabilities | | (21,556) | (2,048) |
| **Net assets attributable to shareholders** | | 1,205,298 | 987,713 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 987,713 | 872,378 |
| Amounts receivable on the issue of shares** | 119,657 | 170,692 |
| Amounts payable on the cancellation of shares** | (112,246) | (188,410) |
| | 7,411 | (17,718) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 204,013 | 127,319 |
| Retained distribution on accumulation shares | 6,161 | 5,734 |
| **Closing net assets attributable to shareholders** | 1,205,298 | 987,713 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 17.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

**Class 1 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: Nil).*

**Class 2 – Accumulation shares**

*There is no distribution for the accounting period 8 March 2020 to 7 March 2021, as expenses exceed revenue (2020: 0.326).*

**Class X – Accumulation shares**

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 2.2075 | – | 2.2075 | 2.1221 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.8104 | 1.3971 | 2.2075 | 2.1221 |
| **Total distributions in the period** | | | **2.2075** | **2.1221** |

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

# Threadneedle Global Select Fund

## DISTRIBUTION TABLE

*(continued)*

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.4677 | – | 0.4677 | 0.6130 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.0217 | 0.4460 | 0.4677 | 0.6130 |
| **Total distributions in the period** | | | **0.4677** | **0.6130** |

### Class Z – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/03/21 | 0.5965 | – | 0.5965 | 0.7792 |
| **Group 2** | | | | |
| 08/03/20 to 07/03/21 | 0.0321 | 0.5644 | 0.5965 | 0.7792 |
| **Total distributions in the period** | | | **0.5965** | **0.7792** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Global Select Fund

## Comparative Table Disclosure

| | Class 1 – Accumulation shares | | | Class 1 EUR – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 25/01/2019[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 255.03 | 223.00 | 214.97 | 228.14 |
| Return before operating charges (p) | 55.39 | 36.13 | 11.63 | (12.22) |
| Operating charges (p) | (4.63) | (4.10) | (3.60) | (1.94) |
| Return after operating charges (p)* | 50.76 | 32.03 | 8.03 | (14.16) |
| Distributions (p) | – | – | – | – |
| Retained distributions on accumulation shares (p) | – | – | – | – |
| Closing net asset value per share (p) | 305.79 | 255.03 | 223.00 | 213.98 |
| *after direct transaction costs of (p) | 0.12 | 0.13 | 0.16 | 0.19 |
| **Performance** | | | | |
| Return after charges (%) | 19.90 | 14.36 | 3.74 | (6.21) |
| **Other information** | | | | |
| Closing net asset value (£000) | 310,284 | 296,819 | 394,056 | – |
| Closing number of shares | 101,470,265 | 116,385,509 | 176,705,657 | – |
| Operating charges (%)** | 1.63 | 1.63 | 1.63 | – |
| Direct transaction costs (%)*** | 0.04 | 0.06 | 0.07 | – |
| **Prices** | | | | |
| Highest share price (p) | 319.52 | 283.30 | 238.91 | 238.91 |
| Lowest share price (p) | 219.11 | 221.19 | 198.87 | 198.87 |

| | Class 1 USD – Accumulation shares | Class 2 – Accumulation shares | | |
|---|---|---|---|---|
| | 25/01/2019[1] | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 228.14 | 370.08 | 321.74 | 308.39 |
| Return before operating charges (p) | (12.15) | 80.59 | 52.23 | 16.71 |
| Operating charges (p) | (2.01) | (4.38) | (3.89) | (3.36) |
| Return after operating charges (p)* | (14.16) | 76.21 | 48.34 | 13.35 |
| Distributions (p) | – | – | (0.33) | (1.18) |
| Retained distributions on accumulation shares (p) | – | – | 0.33 | 1.18 |
| Closing net asset value per share (p) | 213.98 | 446.29 | 370.08 | 321.74 |
| *after direct transaction costs of (p) | 0.29 | 0.18 | 0.19 | 0.23 |
| **Performance** | | | | |
| Return after charges (%) | (6.21) | 20.59 | 15.02 | 4.33 |
| **Other information** | | | | |
| Closing net asset value (£000) | – | 41,453 | 38,481 | 32,258 |
| Closing number of shares | – | 9,288,527 | 10,398,051 | 10,026,116 |
| Operating charges (%)** | – | 1.06 | 1.06 | 1.07 |
| Direct transaction costs (%)*** | – | 0.04 | 0.06 | 0.07 |
| **Prices** | | | | |
| Highest share price (p) | 238.91 | 465.93 | 411.00 | 343.60 |
| Lowest share price (p) | 198.87 | 318.00 | 319.13 | 286.62 |

# Threadneedle Global Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 EUR – Accumulation shares | Class 2 USD – Accumulation shares |
|---|---|---|
| | 25/01/2019[1] | 25/01/2019[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 327.82 | 327.82 |
| Return before operating charges (p) | (17.35) | (17.43) |
| Operating charges (p) | (1.92) | (1.84) |
| Return after operating charges (p)* | (19.27) | (19.27) |
| Distributions (p) | (0.73) | (0.73) |
| Retained distributions on accumulation shares (p) | 0.73 | 0.73 |
| Closing net asset value per share (p) | 308.55 | 308.55 |
| *after direct transaction costs of (p) | 0.28 | 0.21 |
| **Performance** | | |
| Return after charges (%) | (5.88) | (5.88) |
| **Other information** | | |
| Closing net asset value (£000) | – | – |
| Closing number of shares | – | – |
| Operating charges (%)** | – | – |
| Direct transaction costs (%)*** | – | – |
| **Prices** | | |
| Highest share price (p) | 343.60 | 343.60 |
| Lowest share price (p) | 286.62 | 286.62 |

| | Class X – Accumulation shares | | | Class Z – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 197.62 | 170.11 | 161.42 | 210.03 | 182.77 | 175.83 |
| Return before operating charges (p) | 43.22 | 27.63 | 8.79 | 45.78 | 29.65 | 9.53 |
| Operating charges (p) | (0.13) | (0.12) | (0.10) | (2.01) | (1.78) | (1.54) |
| Return after operating charges (p)* | 43.09 | 27.51 | 8.69 | 43.77 | 27.87 | 7.99 |
| Distributions (p) | (2.21) | (2.12) | (2.29) | (0.47) | (0.61) | (1.05) |
| Retained distributions on accumulation shares (p) | 2.21 | 2.12 | 2.29 | – | – | – |
| Closing net asset value per share (p) | 240.71 | 197.62 | 170.11 | 253.33 | 210.03 | 182.77 |
| *after direct transaction costs of (p) | 0.10 | 0.10 | 0.12 | 0.10 | 0.11 | 0.13 |
| **Performance** | | | | | | |
| Return after charges (%) | 21.80 | 16.17 | 5.38 | 20.84 | 15.25 | 4.54 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 626,658 | 486,283 | 272,362 | 2,218 | 1,635 | 1,421 |
| Closing number of shares | 260,332,551 | 246,064,523 | 160,111,848 | 875,543 | 778,688 | 777,506 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.85 | 0.85 | 0.85 |
| Direct transaction costs (%)*** | 0.04 | 0.06 | 0.07 | 0.04 | 0.06 | 0.07 |
| **Prices** | | | | | | |
| Highest share price (p) | 251.03 | 219.38 | 180.63 | 264.89 | 233.93 | 196.07 |
| Lowest share price (p) | 169.86 | 168.73 | 151.24 | 180.49 | 181.29 | 163.68 |

# Threadneedle Global Select Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Accumulation shares | | | Class Z USD – Accumulation shares |
|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 25/01/2019[1] |
| **Change in net assets per share** | | | | |
| Opening net asset value per share (p) | 267.83 | 232.35 | 222.25 | 236.38 |
| Return before operating charges (p) | 58.38 | 37.73 | 12.05 | (12.52) |
| Operating charges (p) | (2.56) | (2.25) | (1.95) | (1.09) |
| Return after operating charges (p)* | 55.82 | 35.48 | 10.10 | (13.61) |
| Distributions (p) | (0.60) | (0.78) | (1.32) | (0.94) |
| Retained distributions on accumulation shares (p) | 0.60 | 0.78 | 1.32 | 0.94 |
| Closing net asset value per share (p) | 323.65 | 267.83 | 232.35 | 222.77 |
| *after direct transaction costs of (p) | 0.13 | 0.14 | 0.17 | 0.21 |
| **Performance** | | | | |
| Return after charges (%) | 20.84 | 15.27 | 4.54 | (5.76) |
| **Other information** | | | | |
| Closing net asset value (£000) | 224,685 | 164,495 | 172,281 | – |
| Closing number of shares | 69,422,164 | 61,417,341 | 74,146,666 | – |
| Operating charges (%)** | 0.85 | 0.85 | 0.85 | – |
| Direct transaction costs (%)*** | 0.04 | 0.06 | 0.07 | – |
| **Prices** | | | | |
| Highest share price (p) | 337.79 | 297.39 | 247.84 | 247.84 |
| Lowest share price (p) | 230.16 | 230.47 | 206.90 | 206.90 |

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

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

[1]*Commenced 15 June 2018 and closed 25 January 2019.*

# Threadneedle Global Select Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 206,585 | 128,418 |
| Forward currency contracts | 194 | 66 |
| Other (losses)/gains | (63) | 865 |
| Transaction costs | (1) | (2) |
| Net capital gains | 206,715 | 129,347 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 1,005 | 988 |
| Overseas dividends | 11,863 | 11,036 |
| Interest on short term investments | – | 66 |
| Bank interest | 118 | 418 |
| Total revenue | 12,986 | 12,508 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (6,490) | (6,793) |
| Registration fees | (710) | (678) |
| | (7,200) | (7,471) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (133) | (117) |
| Safe custody fees | (70) | (53) |
| | (203) | (170) |
| Other expenses: | | |
| Regulatory fees | (6) | (7) |
| Audit fees | (7) | (8) |
| Non-audit service fees payable to auditors | – | (2) |
| | (13) | (17) |
| Total expenses* | (7,416) | (7,658) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (1) | (1) |
| Total interest payable and similar charges | (1) | (1) |

### 6 TAXATION

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Capital gains tax | (178) | – |
| Overseas taxes | (1,308) | (1,258) |
| Total current tax | (1,486) | (1,258) |
| Deferred tax (note 6c) | (795) | – |
| Total tax charge for the period (note 6b) | (2,281) | (1,258) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 5,569 | 4,849 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (1,114) | (970) |
| Effects of: | | |
| Revenue not subject to taxation | 2,512 | 2,346 |
| Overseas taxes | (1,308) | (1,258) |
| Overseas tax expensed | 10 | 9 |
| Excess expenses* | (1,401) | (1,270) |
| Conversion transfer from capital* | (7) | (115) |
| Overseas capital gains tax | (973) | – |
| Current tax charge for period (note 6a) | (2,281) | (1,258) |
| **c) Deferred tax** | | |
| Deferred tax charge in statement of total return for year (note 6a) | (795) | – |
| Provision at the end of the period | (795) | – |

**For details on restatement please refer to note 17.*

The fund has not recognised a deferred tax asset of £17,418,732 (2020: £16,029,428) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Final | 6,165 | 5,739 |
| | 6,165 | 5,739 |
| Add: Revenue deducted on the cancellation of shares | 119 | 125 |
| Deduct: Revenue received on the creation of shares | (294) | (245) |
| Net distribution for the period | 5,990 | 5,619 |
| Net revenue after taxation | 3,288 | 3,591 |
| Equalisation on conversion | 36 | 574 |
| Shortfall transfer from capital to revenue | 1,693 | 1,454 |
| Overseas capital gains tax | 973 | – |
| Total distributions | 5,990 | 5,619 |

**For details on restatement please refer to note 17.*

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 219 to 220.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 5,417 | 1,708 |
| Sales awaiting settlement | 525 | – |
| Accrued revenue | 1,373 | 952 |
| Foreign withholding tax recoverable | 547 | 487 |
| Total debtors | 7,862 | 3,147 |

### 9 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (4,894) | (1,300) |
| Purchases awaiting settlement | (13,931) | – |
| Accrued expenses | (25) | (22) |
| Amounts payable to ACD | (735) | (703) |
| Deferred Indian capital gains tax payable | (795) | – |
| Total other creditors | (20,380) | (2,025) |

### 10 DILUTION ADJUSTMENT

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

# Threadneedle Global Select Fund

## Notes to the financial statements

*(continued)*

### 11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

### 12 SHAREHOLDER FUNDS

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

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 1.50% |
| Class 2 shares | 1.00% |
| Class X shares | N/A* |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.080% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 221 to 223. The distribution per share class is given in the distribution table on pages 219 to 220.

All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Accumulation shares** | |
| Opening shares | 116,385,509 |
| Shares issued | 18,904,836 |
| Shares redeemed | (21,421,533) |
| Net conversions | (12,398,547) |
| Closing shares | 101,470,265 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 10,398,051 |
| Shares issued | 1,008,437 |
| Shares redeemed | (2,117,961) |
| Net conversions | – |
| Closing shares | 9,288,527 |
| **Class X – Accumulation shares** | |
| Opening shares | 246,064,523 |
| Shares issued | 17,230,700 |
| Shares redeemed | (2,962,672) |
| Net conversions | – |
| Closing shares | 260,332,551 |
| **Class Z – Income shares** | |
| Opening shares | 778,688 |
| Shares issued | 159,533 |
| Shares redeemed | (78,894) |
| Net conversions | 16,216 |
| Closing shares | 875,543 |
| **Class Z – Accumulation shares** | |
| Opening shares | 61,417,341 |
| Shares issued | 7,444,049 |
| Shares redeemed | (11,214,926) |
| Net conversions | 11,775,700 |
| Closing shares | 69,422,164 |

### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 4.91% and vice versa (2020: 4.99%).

**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 2021** | **£000** |
| Danish Krone | 31,641 |
| Euro | 102,459 |
| Hong Kong Dollar | 53,452 |
| Indian Rupee | 19,387 |
| Indonesian Rupiah | 10,234 |
| Japanese Yen | 59,475 |
| Singapore Dollar | 1 |
| South Korean Won | 43,163 |
| Swiss Franc | 29,380 |
| Taiwan Dollar | 20,781 |
| US Dollar | 805,776 |
| **Currency 2020** | **£000** |
| Canadian Dollar | 109 |
| Danish Krone | 12,954 |
| Euro | 109,555 |
| Hong Kong Dollar | 37,743 |
| Indian Rupee | 17,454 |
| Japanese Yen | 47,165 |
| Singapore Dollar | 1 |
| South Korean Won | 25,270 |
| Taiwan Dollar | 76 |
| US Dollar | 695,148 |

**Currency 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 2021** | **%** | **%** |
| US Dollar | 6.22 | 4.16 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | **%** | **%** |
| Euro | 1.19 | 0.13 |
| US Dollar | 0.97 | 0.68 |

**Credit/Counterparty exposure**

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

| 2020 | Forward Foreign Exchange Contracts Exposure |
|---|---|
| **Counterparty** | **£000** |
| Barclays | 9 |

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.

# Threadneedle Global Select Fund

## Notes to the financial statements

*(continued)*

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | 113 | – | 41,841 | 41,954 |
| Euro | – | – | 102,459 | 102,459 |
| Hong Kong Dollar | – | – | 53,452 | 53,452 |
| Indian Rupee | – | – | 19,387 | 19,387 |
| Indonesian Rupiah | – | – | 10,234 | 10,234 |
| Japanese Yen | – | – | 59,475 | 59,475 |
| Singapore Dollar | 1 | – | – | 1 |
| South Korean Won | – | – | 43,163 | 43,163 |
| Swiss Franc | – | – | 29,380 | 29,380 |
| Taiwan Dollar | 77 | – | 20,704 | 20,781 |
| UK Sterling | – | – | 40,797 | 40,797 |
| US Dollar | 6,210 | 8,688 | 791,343 | 806,241 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Canadian Dollar | – | – | 109 | 109 |
| Danish Krone | – | – | 12,954 | 12,954 |
| Euro | – | – | 109,555 | 109,555 |
| Hong Kong Dollar | – | – | 37,743 | 37,743 |
| Indian Rupee | – | – | 17,454 | 17,454 |
| Japanese Yen | – | – | 47,165 | 47,165 |
| Singapore Dollar | 1 | – | – | 1 |
| South Korean Won | – | – | 25,270 | 25,270 |
| Taiwan Dollar | 76 | – | – | 76 |
| UK Sterling | 73 | – | 45,400 | 45,473 |
| US Dollar | 3,662 | 43,630 | 648,472 | 695,764 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Danish Krone | – | – | (10,313) | (10,313) |
| UK Sterling | (1,168) | – | (10,080) | (11,248) |
| US Dollar | – | – | (465) | (465) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (3,235) | (3,235) |
| US Dollar | – | – | (616) | (616) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £9,000) and a liability value of £4,000 (2020: £18,000).

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 1,212,591 | – | 982,793 | – |
| Level 2 | – | (4) | 9 | (18) |
| | 1,212,591 | (4) | 982,802 | (18) |

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

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 428,658 | 156 | 0.04 | 184 | 0.04 |
| Collective investment schemes | 131,759 | – | – | – | – |
| Corporate actions | 570 | – | – | – | – |
| **Total** | 560,987 | 156 | | 184 | |
| **Gross purchases total:** | 561,327 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 370,571 | 117 | 0.03 | 30 | 0.01 |
| Collective investment schemes | 167,687 | – | – | – | – |
| **Total** | 538,258 | 117 | | 30 | |
| **Total sales net of transaction costs:** | 538,111 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.02% |
| Taxes: | 0.02% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 339,894 | 116 | 0.03 | 180 | 0.05 |
| Collective investment schemes | 146,984 | – | – | – | – |
| **Total** | 486,878 | 116 | | 180 | |
| **Gross purchases total:** | 487,174 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 385,580 | 139 | 0.04 | 70 | 0.02 |
| Collective investment schemes | 111,963 | – | – | – | – |
| **Total** | 497,543 | 139 | | 70 | |
| **Total sales net of transaction costs:** | 497,334 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.03% |
| Taxes: | 0.03% |

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.

# Threadneedle Global Select Fund

## Notes to the financial statements

*(continued)*

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% (7 March 2020: 0.04%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (5,048) | (571) | (5,619) |
| **Net impact** | | (571) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 304,631 | (133,939) | 170,692 |
| Amounts payable on the cancellation of shares | (322,920) | 134,510 | (188,410) |
| | (18,289) | 571 | (17,718) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 127,890 | (571) | 127,319 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 6 TAXATION** | | | |
| Excess expenses | (1,385) | 115 | (1,270) |
| Conversion transfer from capital | – | (115) | (115) |
| **Net impact** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 171 | (46) | 125 |
| Deduct: Revenue received on the creation of shares | (862) | 617 | (245) |
| **Net impact** | | 571 | |
| Equalisation on conversion | 3 | 571 | 574 |

### 18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 21 June 2021, the net asset value of the Fund decreased by 25.40%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 28 June with no material movements noted since 21 June.

# Threadneedle Global Bond Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the JP Morgan Government Bond Index Global (GBI Global) over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued or guaranteed by governments, government agencies or quasi-government entities worldwide. In addition, the Fund may invest in other bonds, including bonds issued by companies.

The Fund usually selects bonds that are investment grade, but may include some bonds with a lower credit rating in the portfolio, if this is considered appropriate. The bonds selected may be denominated in various currencies.

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

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

The GBI Global is regarded as a good performance measure of local currency bonds issued by developed market governments. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

### Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle Global Bond Fund has fallen from 69.77p to 63.17p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is -6.06% as compared to a median return of -4.27% over the same period. (For information the JPM GBI Global Index gave a total return of -6.34% for the same period).

### Market Overview and Portfolio Activity

The period under review was one of considerable volatility for government bonds and financial assets generally, due mainly to developments concerning COVID-19 and the related global wave of monetary and fiscal stimulus.

Bond yields fell sharply at the start of the review term as the escalating pandemic and lockdown measures brought cities, regions and even countries to a near-halt, prompting a rush by investors for the safety of government debt. Over the remainder of 2020, yields generally remained low in absolute terms, helped by continuing monetary support from central banks. There were also local factors that influenced particular markets, such as the US, where the presidential election was a key event. Expectations of increased government spending under the new administration propelled Treasury yields higher in the final quarter of 2020. Meanwhile, in the UK, where prospects for a post-Brexit trade deal with the EU were uncertain until an agreement was announced on Christmas Eve.

However, the picture changed swiftly in the new year as vaccine rollouts and the likely approval of a $1.9tn US fiscal-stimulus package fed anticipation of a strong rebound in global growth as well as concerns about possible inflationary effects. This prompted investors to move out of sovereign issues, and yields climbed sharply into the end of the review term. For the period as a whole, yields on benchmark 10-year US Treasuries, UK gilts and German bunds were higher.

As indicated, the leading central banks were very accommodative during the review term. The Federal Reserve (Fed) cut its key interest rate back to near zero in March and subsequently indicated that any rise is unlikely before 2024. The bank also announced a variety of liquidity support programmes, including a $700bn round of fresh monetary stimulus; these include direct purchases of corporate debt, a step not taken during the global financial crisis. In August, the Fed made a major shift in policy, announcing it would target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and no longer view the approach of full employment as a cue to hike rates. Elsewhere, the European Central Bank initially unveiled a €750bn programme of bond purchases, which was subsequently increased by €1.1tn. Also in March, the Bank of England cut its policy rate to a record low and announced a £200bn debt-buying programme, later expanded by £250bn.

Within sovereigns, we increased exposure to Italy, Spain, Japan and Australia. We initiated a small position in Austria via the newly issued century bond. The holdings in US Treasuries and France were reduced. We sold out of Ireland.

Within agency debt/quasi-sovereigns, new positions included the World Bank, the European Investment Bank, the Swedish Export Credit Corporation, the Inter American Development Bank and Italian sovereign-wealth fund CDP (Cassa Depositi e Prestiti). We also initiated a position in FADE, a securitisation platform sponsored by the Spanish government. We topped up the holdings in French state owned railway operator Societe Nationale SNCF, the Province of Ontario (Canada), and the International Bank for Reconstruction and Development. We reduced exposure to the Federal Home Loan Bank.

In social bonds, we bought new bonds issued as part of the EU SURE programme to protect jobs threatened by the pandemic. We also initiated positions in French government organisation Caisse D'Amort Dette Society, responsible for financing the debt associated with the provision of social security; and the International Finance Facility for Immunisation, which raised funds for UN-supported vaccine alliance Gavi.

As the world economy emerges from the shadow of COVID-19, market pricing will aim to reconcile a very buoyant recovery in services activity during the initial phase of reopening with a medium- and long-term outlook that is far less certain.

It is likely that high, but transitory, rates of inflation over the coming months will put pressure on the Fed to choose one of two paths. The bank may choose to endorse the market's repricing of a more aggressive rate path, concluding that labour market healing will be full and rapid, and that the US economy – boosted by ongoing fiscal stimulus – is likely to return to pre-pandemic patterns of saving and investment behaviour.

Or the Fed may reinforce its commitment to inflation overshoots by strengthening its forward guidance for well-anchored policy rates, being cognisant that the degree of economic scarring is likely to suppress rates of growth and medium-term price pressures relative to pre-COVID norms. The level of bond yields and the shape of yield curves will depend upon the resolution of the Fed's dilemma.

Hopes for a return to a higher growth path (and, thus, a sustainably higher level of real interest rates) rest on the ability of the Democrat majority in Congress to bring about a permanent shift towards more expansive fiscal policy in order to increase the potential growth rate through investments in infrastructure.

We reserve judgement on the success of this project, which makes us inclined to become more positive towards duration in portfolios when longer-dated yields approach estimates of 'neutral' interest rates.

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital (losses)/gains | 2 | (47,612) | 58,730 |
| Revenue | 3 | 6,107 | 9,497 |
| Expenses | 4 | (1,556) | (2,539) |
| Interest payable and similar charges | 5 | (15) | (20) |
| Net revenue before taxation | | 4,536 | 6,938 |
| Taxation | 6 | (5) | (5) |
| Net revenue after taxation | | 4,531 | 6,933 |
| **Total return before distributions** | | (43,081) | 65,663 |
| Distributions** | 7 | (5,733) | (9,177) |
| **Change in net assets attributable to shareholders from investment activities** | | (48,814) | 56,486 |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 522,175 | 459,842 |
| **Current assets:** | | | |
| Debtors | 8 | 6,159 | 37,932 |
| Cash and bank balances | 9 | 5,364 | 12,040 |
| Cash equivalents*** | | 18,835 | 12,134 |
| Total assets | | 552,533 | 521,948 |
| **Liabilities:** | | | |
| **Investment liabilities** | | (2,117) | (1,443) |
| **Creditors:** | | | |
| Bank overdrafts | 9 | (1,204) | (1,654) |
| Distribution payable | | (171) | (133) |
| Other creditors | 10 | (2,270) | (50,255) |
| Total liabilities | | (5,762) | (53,485) |
| **Net assets attributable to shareholders** | | 546,771 | 468,463 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 468,463 | 378,444 |
| Amounts receivable on the issue of shares** | 310,922 | 156,978 |
| Amounts payable on the cancellation of shares** | (189,567) | (132,492) |
| | 121,355 | 24,486 |
| Dilution adjustment | 122 | 45 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)* | (48,814) | 56,486 |
| Retained distribution on accumulation shares | 5,645 | 9,002 |
| **Closing net assets attributable to shareholders** | 546,771 | 468,463 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 18.*

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Interest distribution in pence per share

**Class 1 – Income shares**

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4187 | – | 0.4187 | 0.7206 |
| 08/09/20 to 07/03/21 | 0.2763 | – | 0.2763 | 0.5912 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.1846 | 0.2341 | 0.4187 | 0.7206 |
| 08/09/20 to 07/03/21 | 0.1286 | 0.1477 | 0.2763 | 0.5912 |
| **Total distributions in the period** | | | **0.6950** | **1.3118** |

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

# Threadneedle Global Bond Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 1 – Accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.4197 | – | 0.4197 | 0.7066 |
| 08/09/20 to 07/03/21 | 0.2777 | – | 0.2777 | 0.5854 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.1977 | 0.2220 | 0.4197 | 0.7066 |
| 08/09/20 to 07/03/21 | 0.1583 | 0.1194 | 0.2777 | 0.5854 |
| **Total distributions in the period** | | | **0.6974** | **1.2920** |

### Class 1 – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.5747 | – | 0.5747 | 0.9853 |
| 08/09/20 to 07/03/21 | 0.3875 | – | 0.3875 | 0.8086 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.3350 | 0.2397 | 0.5747 | 0.9853 |
| 08/09/20 to 07/03/21 | 0.3875 | – | 0.3875 | 0.8086 |
| **Total distributions in the period** | | | **0.9622** | **1.7939** |

### Class 1 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.8814 | – | 0.8814 | 1.4902 |
| 08/09/20 to 07/03/21 | 0.5856 | – | 0.5856 | 1.2344 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.4675 | 0.4139 | 0.8814 | 1.4902 |
| 08/09/20 to 07/03/21 | 0.2278 | 0.3578 | 0.5856 | 1.2344 |
| **Total distributions in the period** | | | **1.4670** | **2.7246** |

### Class 2 – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.5008 | – | 0.5008 | 0.8345 |
| 08/09/20 to 07/03/21 | 0.3396 | – | 0.3396 | 0.6910 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.1197 | 0.3811 | 0.5008 | 0.8345 |
| 08/09/20 to 07/03/21 | 0.2153 | 0.1243 | 0.3396 | 0.6910 |
| **Total distributions in the period** | | | **0.8404** | **1.5255** |

### Class 2 – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.7769 | – | 0.7769 | 1.2697 |
| 08/09/20 to 07/03/21 | 0.5306 | – | 0.5306 | 1.0622 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.3379 | 0.4390 | 0.7769 | 1.2697 |
| 08/09/20 to 07/03/21 | 0.3762 | 0.1544 | 0.5306 | 1.0622 |
| **Total distributions in the period** | | | **1.3075** | **2.3319** |

### Class X – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.8271 | – | 0.8271 | 1.3417 |
| 08/09/20 to 07/03/21 | 0.5670 | – | 0.5670 | 1.1266 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.4284 | 0.3987 | 0.8271 | 1.3417 |
| 08/09/20 to 07/03/21 | 0.2168 | 0.3502 | 0.5670 | 1.1266 |
| **Total distributions in the period** | | | **1.3941** | **2.4683** |

### Class Z – Income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.7298 | – | 0.7298 | 1.2423 |
| 08/09/20 to 07/03/21 | 0.4814 | – | 0.4814 | 1.0230 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.3617 | 0.3681 | 0.7298 | 1.2423 |
| 08/09/20 to 07/03/21 | 0.2329 | 0.2485 | 0.4814 | 1.0230 |
| **Total distributions in the period** | | | **1.2112** | **2.2653** |

### Class Z – Gross income shares

| Distribution Period | Gross Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.7423 | – | 0.7423 | 1.2421 |
| 08/09/20 to 07/03/21 | 0.4813 | – | 0.4813 | 1.0228 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.5162 | 0.2261 | 0.7423 | 1.2421 |
| 08/09/20 to 07/03/21 | 0.1739 | 0.3074 | 0.4813 | 1.0228 |
| **Total distributions in the period** | | | **1.2236** | **2.2649** |

### Class Z – Gross accumulation shares

| Distribution Period | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.8794 | – | 0.8794 | 1.4730 |
| 08/09/20 to 07/03/21 | 0.5854 | – | 0.5854 | 1.2254 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.2770 | 0.6024 | 0.8794 | 1.4730 |
| 08/09/20 to 07/03/21 | 0.3425 | 0.2429 | 0.5854 | 1.2254 |
| **Total distributions in the period** | | | **1.4648** | **2.6984** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle Global Bond Fund

## Comparative Table Disclosure

| | Class 1 – Income shares | | | Class 1 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 69.14 | 61.35 | 61.41 | 69.11 | 60.16 | 58.96 |
| Return before operating charges (p) | (4.72) | 10.02 | 2.12 | (4.79) | 9.85 | 2.03 |
| Operating charges (p) | (0.87) | (0.92) | (0.86) | (0.87) | (0.90) | (0.83) |
| Return after operating charges (p)* | (5.59) | 9.10 | 1.26 | (5.66) | 8.95 | 1.20 |
| Distributions (p) | (0.70) | (1.31) | (1.32) | (0.70) | (1.29) | (1.27) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.70 | 1.29 | 1.27 |
| Closing net asset value per share (p) | 62.85 | 69.14 | 61.35 | 63.45 | 69.11 | 60.16 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (8.09) | 14.83 | 2.05 | (8.19) | 14.88 | 2.04 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 2,057 | 2,377 | 2,084 | 2,730 | 2,386 | 1,609 |
| Closing number of shares | 3,272,606 | 3,437,869 | 3,396,893 | 4,301,880 | 3,453,192 | 2,674,651 |
| Operating charges (%)** | 1.25 | 1.38 | 1.38 | 1.24 | 1.38 | 1.38 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 73.25 | 73.31 | 64.91 | 73.19 | 71.88 | 62.95 |
| Lowest share price (p) | 62.44 | 61.10 | 59.65 | 62.77 | 59.92 | 57.27 |

| | Class 1 – Gross income shares[§] | | | Class 1 – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 94.44 | 83.79 | 83.88 | 145.67 | 126.86 | 124.33 |
| Return before operating charges (p) | (6.39) | 13.66 | 2.88 | (10.03) | 20.71 | 4.27 |
| Operating charges (p) | (1.24) | (1.22) | (1.17) | (1.83) | (1.90) | (1.74) |
| Return after operating charges (p)* | (7.63) | 12.44 | 1.71 | (11.86) | 18.81 | 2.53 |
| Distributions (p) | (0.96) | (1.79) | (1.80) | (1.47) | (2.72) | (2.69) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.47 | 2.72 | 2.69 |
| Closing net asset value per share (p) | 85.85 | 94.44 | 83.79 | 133.81 | 145.67 | 126.86 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (8.08) | 14.85 | 2.04 | (8.14) | 14.83 | 2.03 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 4 | 30 | 247,003 | 29,792 | 30,664 | 32,591 |
| Closing number of shares | 4,554 | 32,165 | 294,771,253 | 22,263,932 | 21,049,695 | 25,689,992 |
| Operating charges (%)** | 1.30 | 1.40 | 1.38 | 1.25 | 1.38 | 1.38 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 100.06 | 100.13 | 88.66 | 154.34 | 151.59 | 132.75 |
| Lowest share price (p) | 85.30 | 83.46 | 81.48 | 132.36 | 126.36 | 120.76 |

# Threadneedle Global Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class 2 – Income shares | | | Class 2 – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 77.67 | 68.57 | 68.30 | 120.49 | 104.33 | 101.66 |
| Return before operating charges (p) | (5.34) | 11.23 | 2.35 | (8.33) | 17.08 | 3.51 |
| Operating charges (p) | (0.63) | (0.60) | (0.56) | (0.98) | (0.92) | (0.84) |
| Return after operating charges (p)* | (5.97) | 10.63 | 1.79 | (9.31) | 16.16 | 2.67 |
| Distributions (p) | (0.84) | (1.53) | (1.52) | (1.31) | (2.33) | (2.28) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.31 | 2.33 | 2.28 |
| Closing net asset value per share (p) | 70.86 | 77.67 | 68.57 | 111.18 | 120.49 | 104.33 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (7.69) | 15.50 | 2.62 | (7.73) | 15.49 | 2.63 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 255 | 264 | 20,610 | 69,165 | 99,497 | 44,395 |
| Closing number of shares | 360,174 | 340,401 | 30,057,613 | 62,211,964 | 82,574,940 | 42,550,857 |
| Operating charges (%)** | 0.81 | 0.81 | 0.81 | 0.81 | 0.80 | 0.81 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 82.31 | 82.16 | 72.50 | 127.69 | 125.02 | 109.07 |
| Lowest share price (p) | 70.42 | 68.30 | 66.38 | 109.96 | 103.93 | 98.81 |

| | Class X – Gross accumulation shares[§] | | | Class Z – Income shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 128.03 | 110.04 | 106.42 | 119.88 | 105.57 | 104.89 |
| Return before operating charges (p) | (8.92) | 18.06 | 3.69 | (8.26) | 17.30 | 3.61 |
| Operating charges (p) | (0.08) | (0.07) | (0.07) | (0.76) | (0.72) | (0.67) |
| Return after operating charges (p)* | (9.00) | 17.99 | 3.62 | (9.02) | 16.58 | 2.94 |
| Distributions (p) | (1.39) | (2.47) | (2.40) | (1.21) | (2.27) | (2.26) |
| Retained distributions on accumulation shares (p) | 1.39 | 2.47 | 2.40 | – | – | – |
| Closing net asset value per share (p) | 119.03 | 128.03 | 110.04 | 109.65 | 119.88 | 105.57 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (7.03) | 16.35 | 3.40 | (7.52) | 15.71 | 2.80 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 404,073 | 319,493 | 18,494 | 35,380 | 12,502 | 11,282 |
| Closing number of shares | 339,462,337 | 249,536,544 | 16,806,511 | 32,267,332 | 10,428,908 | 10,686,980 |
| Operating charges (%)** | 0.06 | 0.06 | 0.06 | 0.63 | 0.63 | 0.63 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 135.74 | 132.35 | 114.89 | 127.05 | 126.61 | 111.55 |
| Lowest share price (p) | 117.71 | 109.63 | 103.53 | 108.92 | 105.16 | 101.96 |

# Threadneedle Global Bond Fund

## Comparative Table Disclosure

*(continued)*

| | Class Z – Gross income shares[§] | | | Class Z – Gross accumulation shares[§] | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 119.87 | 105.55 | 104.87 | 144.90 | 125.24 | 121.82 |
| Return before operating charges (p) | (8.26) | 17.30 | 3.61 | (10.07) | 20.52 | 4.20 |
| Operating charges (p) | (0.76) | (0.72) | (0.67) | (0.91) | (0.86) | (0.78) |
| Return after operating charges (p)* | (9.02) | 16.58 | 2.94 | (10.98) | 19.66 | 3.42 |
| Distributions (p) | (1.22) | (2.26) | (2.26) | (1.46) | (2.70) | (2.64) |
| Retained distributions on accumulation shares (p) | – | – | – | 1.46 | 2.70 | 2.64 |
| Closing net asset value per share (p) | 109.63 | 119.87 | 105.55 | 133.92 | 144.90 | 125.24 |
| *after direct transaction costs of (p) | – | – | – | – | – | – |
| **Performance** | | | | | | |
| Return after charges (%) | (7.52) | 15.71 | 2.80 | (7.58) | 15.70 | 2.81 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 1,147 | 366 | 263 | 2,168 | 884 | 113 |
| Closing number of shares | 1,046,237 | 305,729 | 249,599 | 1,618,997 | 609,932 | 89,859 |
| Operating charges (%)** | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 |
| Direct transaction costs (%)*** | – | – | – | – | – | – |
| **Prices** | | | | | | |
| Highest share price (p) | 127.04 | 126.59 | 111.53 | 153.55 | 150.19 | 130.88 |
| Lowest share price (p) | 108.90 | 105.15 | 101.95 | 132.45 | 124.76 | 118.42 |

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

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

[§]*Only available to eligible investors.*

# Threadneedle Global Bond Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL (LOSSES)/GAINS

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | (44,479) | 59,987 |
| Derivative contracts | (8) | (267) |
| Forward currency contracts | (1,370) | (1,886) |
| Other (losses)/gains | (1,753) | 897 |
| Transaction costs | (2) | (1) |
| Net capital (losses)/gains | (47,612) | 58,730 |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest on debt securities | 6,074 | 9,337 |
| Interest on short term investments | – | 30 |
| Bank interest | 33 | 130 |
| Total revenue | 6,107 | 9,497 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (1,202) | (2,190) |
| Registration fees | (245) | (252) |
| | (1,447) | (2,442) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (65) | (54) |
| Safe custody fees | (27) | (25) |
| | (92) | (79) |
| Other expenses: | | |
| Regulatory fees | (6) | (7) |
| Audit fees | (11) | (11) |
| | (17) | (18) |
| Total expenses* | (1,556) | (2,539) |

**Including irrecoverable VAT where applicable.*

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest payable | (15) | (19) |
| Derivative expense | – | (1) |
| Total interest payable and similar charges | (15) | (20) |

### 6 TAXATION

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| **a) Analysis of charge in period** | | |
| Overseas taxes | (5) | (5) |
| Total current tax (note 6b) | (5) | (5) |
| Total tax charge for the period | (5) | (5) |
| **b) Factors affecting taxation charge for period** | | |
| Net revenue before taxation | 4,536 | 6,938 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (907) | (1,388) |
| Effects of: | | |
| Overseas taxes | (5) | (5) |
| Overseas tax expensed | 1 | 1 |
| Excess expenses | 906 | 1,000 |
| Distributions treated as tax deductible* | – | 398 |
| Conversion transfer from capital* | – | (11) |
| Current tax charge for period (note 6a) | (5) | (5) |

**For details on restatement please refer to note 18.*

The fund has not recognised a deferred tax asset of £3,533,120 (2020: £4,439,802) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years. Interest distributions were made in respect of all distributions during the prior period.

### 7 DISTRIBUTIONS

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

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 3,514 | 5,490 |
| Final | 2,577 | 4,109 |
| | 6,091 | 9,599 |
| Add: Revenue deducted on the cancellation of shares* | 552 | 496 |
| Deduct: Revenue received on the creation of shares* | (910) | (918) |
| Net distribution for the period | 5,733 | 9,177 |
| Net revenue after taxation | 4,531 | 6,933 |
| Annual management charge to capital | 1,202 | 2,190 |
| Equalisation on conversion* | – | 54 |
| Total distributions | 5,733 | 9,177 |

**For details on restatement please refer to note 18.*

Details of the distribution per share are set out in the table on pages 228 to 229.

### 8 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 4,235 | 20,052 |
| Sales awaiting settlement | – | 15,917 |
| Accrued revenue | 1,924 | 1,963 |
| Total debtors | 6,159 | 37,932 |

### 9 CASH AND BANK BALANCES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 906 | 962 |
| Cash and bank balances | 4,458 | 11,078 |
| | 5,364 | 12,040 |
| Bank overdrafts | (820) | (615) |
| Cash overdrafts at broker | (384) | (1,039) |
| Total cash and bank balances | 4,160 | 10,386 |

### 10 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (138) | (12,587) |
| Purchases awaiting settlement | (1,989) | (37,526) |
| Accrued expenses | (17) | (16) |
| Amounts payable to ACD | (126) | (126) |
| Total other creditors | (2,270) | (50,255) |

### 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 Global Bond Fund

## Notes to the financial statements

*(continued)*

### 13 SHAREHOLDER FUNDS

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

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 1.00% |
| Class 2 shares | 0.75% |
| Class X shares | N/A* |
| Class Z shares | 0.50% |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.035% |
| Class X shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 230 to 232. The distribution per share class is given in the distribution table on pages 228 to 229.
All classes have the same rights on winding up.

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

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Income shares** | |
| Opening shares | 3,437,869 |
| Shares issued | 1,551,204 |
| Shares redeemed | (1,461,066) |
| Net conversions | (255,401) |
| Closing shares | 3,272,606 |
| **Class 1 – Accumulation shares** | |
| Opening shares | 3,453,192 |
| Shares issued | 3,746,907 |
| Shares redeemed | (2,817,108) |
| Net conversions | (81,111) |
| Closing shares | 4,301,880 |
| **Class 1 – Gross income shares** | |
| Opening shares | 32,165 |
| Shares issued | 13 |
| Shares redeemed | (27,624) |
| Net conversions | – |
| Closing shares | 4,554 |
| **Class 1 – Gross accumulation shares** | |
| Opening shares | 21,049,695 |
| Shares issued | 6,419,167 |
| Shares redeemed | (5,204,930) |
| Net conversions | – |
| Closing shares | 22,263,932 |
| **Class 2 – Income shares** | |
| Opening shares | 340,401 |
| Shares issued | 23,962 |
| Shares redeemed | (4,189) |
| Net conversions | – |
| Closing shares | 360,174 |
| **Class 2 – Gross accumulation shares** | |
| Opening shares | 82,574,940 |
| Shares issued | 81,007,634 |
| Shares redeemed | (101,370,610) |
| Net conversions | – |
| Closing shares | 62,211,964 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 249,536,544 |
| Shares issued | 116,391,387 |
| Shares redeemed | (26,465,594) |
| Net conversions | – |
| Closing shares | 339,462,337 |
| **Class Z – Income shares** | |
| Opening shares | 10,428,908 |
| Shares issued | 37,332,349 |
| Shares redeemed | (15,493,925) |
| Net conversions | – |
| Closing shares | 32,267,332 |
| **Class Z – Gross income shares** | |
| Opening shares | 305,729 |
| Shares issued | 2,125,238 |
| Shares redeemed | (1,531,875) |
| Net conversions | 147,145 |
| Closing shares | 1,046,237 |
| **Class Z – Gross accumulation shares** | |
| Opening shares | 609,932 |
| Shares issued | 1,139,400 |
| Shares redeemed | (168,968) |
| Net conversions | 38,633 |
| Closing shares | 1,618,997 |

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 1.00% interest rate decrease applied to the fund would result in an estimated increase on the net asset value of the fund by 9.70% and vice versa (2020: 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 |
|---|---|
| **Currency 2021** | **£000** |
| Australian Dollar | 10,373 |
| Canadian Dollar | 9,904 |
| Euro | 134,323 |
| Japanese Yen | 106,530 |
| Mexican Peso | (5) |
| New Zealand Dollar | 80 |
| Polish Zloty | 142 |
| Swedish Krona | 1,392 |
| US Dollar | 248,296 |
| **Currency 2020** | **£000** |
| Australian Dollar | 6,475 |
| Canadian Dollar | 5,646 |
| Euro | 124,338 |
| Japanese Yen | 105,341 |
| Mexican Peso | 953 |
| New Zealand Dollar | 76 |
| Polish Zloty | 153 |
| Swedish Krona | 998 |
| US Dollar | 183,391 |

**Currency sensitivity analysis**

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

# Threadneedle Global Bond Fund

## Notes to the financial statements

*(continued)*

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2021** | **%** | **%** |
| Euro | 1.08 | 0.27 |
| Japanese Yen | 9.21 | 1.79 |
| US Dollar | 6.22 | 2.82 |

| | Currency movement | Fund movement |
|---|---|---|
| **Currency 2020** | **%** | **%** |
| Euro | 1.19 | 0.31 |
| Japanese Yen | 6.66 | 1.50 |
| US Dollar | 0.97 | 0.38 |

**Credit/Counterparty exposure**

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

| 2021 | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Barclays | – | 369 |
| J.P. Morgan | 84 | 152 |
| Lloyds | 37 | 9 |
| UBS | 61 | – |

| 2020 | Forward Foreign Exchange Contracts Exposure | Collateral Pledged |
|---|---|---|
| **Counterparty** | **£000** | **£000** |
| Bank of Scotland | 13 | – |
| Barclays | 496 | 346 |
| Citigroup | 2,056 | 1,170 |
| HSBC | 1,034 | 1,137 |
| Lloyds | 314 | 18 |
| UBS | 2,182 | 1,314 |

The fund held £101,000 (2020: £4,072,000) 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**

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Value £000 | % of Investment | Value £000 | % of Investment |
| AAA | 78,920 | 14.64 | 18,685 | 3.97 |
| Aaa | 184,373 | 34.21 | 212,731 | 45.21 |
| AA+ | 21,887 | 4.06 | 18,783 | 3.99 |
| AA | 14,650 | 2.72 | 6,375 | 1.35 |
| Aa2 | 18,423 | 3.42 | 4,450 | 0.95 |
| Aa2u | 2,409 | 0.45 | 49,657 | 10.55 |
| AA- | 5,306 | 0.98 | 9,126 | 1.94 |
| Aa3 | 2,538 | 0.47 | – | – |
| Aa3u | 1,856 | 0.34 | – | – |
| A+ | 22,990 | 4.27 | 15,819 | 3.36 |
| A1 | 34,303 | 6.37 | 46,718 | 9.93 |
| A | 9,650 | 1.79 | 2,853 | 0.61 |
| A- | 8,015 | 1.49 | 4,031 | 0.86 |
| A3 | 1,986 | 0.37 | 2,019 | 0.43 |
| BBB+ | 6,116 | 1.13 | 6,071 | 1.29 |
| Baa1 | 14,974 | 2.78 | 12,096 | 2.57 |
| Baa3u | 14,782 | 2.74 | 9,724 | 2.07 |
| BBB | 5,642 | 1.05 | 2,576 | 0.55 |
| BBB- | – | – | 3,960 | 0.84 |
| Not Rated* | 73,059 | 13.56 | 26,630 | 5.66 |
| Liquidity Funds | 18,835 | 3.50 | 12,134 | 2.58 |
| Derivatives** | (1,821) | (0.34) | 6,095 | 1.29 |
| | 538,893 | 100.00 | 470,533 | 100.00 |

**S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.*

***The derivative positions do not have a significant impact on the risk profile.*

**Interest rate risk**

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | 163 | 7,459 | 2,751 | 10,373 |
| Canadian Dollar | 278 | 6,238 | 3,388 | 9,904 |
| Euro | 2,406 | 88,795 | 46,348 | 137,549 |
| Japanese Yen | 109 | 45,513 | 61,980 | 107,602 |
| Mexican Peso | 39 | – | – | 39 |
| New Zealand Dollar | 80 | – | – | 80 |
| Polish Zloty | 142 | – | – | 142 |
| Swedish Krona | 34 | – | 1,358 | 1,392 |
| UK Sterling | 2,113 | 37,170 | 32,140 | 71,423 |
| US Dollar | 42,894 | 312,645 | 38,901 | 394,440 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | 77 | 6,908 | 97 | 7,082 |
| Canadian Dollar | 92 | 4,365 | 1,509 | 5,966 |
| Euro | – | 69,483 | 79,886 | 149,369 |
| Japanese Yen | 456 | 46,718 | 67,243 | 114,417 |
| Mexican Peso | 43 | – | 22,688 | 22,731 |
| New Zealand Dollar | 76 | – | – | 76 |
| Polish Zloty | 153 | – | – | 153 |
| Swedish Krona | 33 | – | 965 | 998 |
| UK Sterling | 2,190 | 32,451 | 44,633 | 79,274 |
| US Dollar | 11,148 | 302,284 | 74,025 | 387,457 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | (225) | – | (3,001) | (3,226) |
| Japanese Yen | – | – | (1,072) | (1,072) |
| Mexican Peso | – | – | (44) | (44) |
| UK Sterling | – | – | (35,687) | (35,687) |
| US Dollar | (979) | – | (145,165) | (146,144) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Australian Dollar | – | – | (607) | (607) |
| Canadian Dollar | – | – | (320) | (320) |
| Euro | (938) | – | (24,093) | (25,031) |
| Japanese Yen | – | – | (9,076) | (9,076) |
| Mexican Peso | – | – | (21,778) | (21,778) |
| UK Sterling | – | – | (38,182) | (38,182) |
| US Dollar | (716) | – | (203,350) | (204,066) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

**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.

At 7 March 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £296,000 (2020: £7,538,000) and a liability value of £2,117,000 (2020: £1,443,000).

# Threadneedle Global Bond Fund

## Notes to the financial statements

*(continued)*

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | £000 | £000 | £000 | £000 |
| Level 1* | 382,166 | – | 343,521 | – |
| Level 2 | 158,844 | (2,117) | 128,455 | (1,443) |
| | 541,010 | (2,117) | 471,976 | (1,443) |

Included within Level 1, are debt securities of £382,166,000 (2020: £343,521,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £903,236,556 (2020: £885,011,552) and £789,202,457 (2020: £864,872,340) respectively. Collective investment schemes purchases and sales amounted to £225,364,057 (2020: £126,931,588) and £217,128,982 (2020: £115,482,471) 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 £Nil (2020: £112).

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

At the balance sheet date, the portfolio dealing spread was 0.12% (7 March 2020: 0.12%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Distributions | (9,122) | (55) | (9,177) |
| **Net impact** | | (55) | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Amounts receivable on the issue of shares | 463,059 | (306,081) | 156,978 |
| Amounts payable on the cancellation of shares | (438,628) | 306,136 | (132,492) |
| | 24,431 | 55 | 24,486 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 56,541 | (55) | 56,486 |
| **Impact on net assets attributable to shareholders** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 6 TAXATION** | | | |
| Distributions treated as tax deductible | 387 | 11 | 398 |
| Conversion transfer from capital | – | (11) | (11) |
| **Net impact** | | – | |

| | Previously reported 2020 | Adjustments | Restated 2020 |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Note 7 DISTRIBUTIONS** | | | |
| Add: Revenue deducted on the cancellation of shares | 2,438 | (1,942) | 496 |
| Deduct: Revenue received on the creation of shares | (2,915) | 1,997 | (918) |
| **Net impact** | | 55 | |
| Equalisation on conversion | – | 54 | 54 |
| Undistributed revenue carried forward | (1) | 1 | – |
| **Net impact** | | 55 | |

### 19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 7 March 2021 and 21 June 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 28 June with no material movements noted since 21 June. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

| Share class | % Movement |
|---|---|
| Class 1 – Income shares | (25.28) |
| Class 1 – Accumulation shares | (16.56) |
| Class Z – Income shares | (49.90) |
| Class Z – Gross income shares | (19.31) |

# Threadneedle UK Institutional Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund selects companies that are considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

The Fund typically invests in fewer than 130 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

### Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Institutional Fund has risen from150.25p to 163.13p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +3.60% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Gains were led by small caps, which posted double-digit returns and were well ahead of the broader FTSE All-Share .

Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US. The increased clarity around Brexit and the resulting strength in the pound was particularly beneficial for UK small caps.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population, which fostered hopes of a swifter economic rebound. This proved particularly beneficial for small caps.

In terms of activity, within large caps, we initiated a position in BHP following the steep sell-off in March, as we wanted to increase exposure to potential beneficiaries of fiscal and monetary stimulus measures.

Other new holdings included BP and Electrocomponents. Both companies' shares were attractively valued. Electrocomponents' trading has recovered well from the impact of the pandemic. The company also benefits from a highly competent management team, strong cash conversion and consistent market-share gains.

We topped up some existing positions such as Unilever. In some cases, we took advantage of the aforementioned refinancing measures. For instance, we added to Whitbread via a rights issue.

London Stock Exchange was sold, given the rise in valuations. In our view, there are some risks associated with the Refinitiv deal. We reduced the position in British American Tobacco; we feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages.

Within small and mid-caps, new positions included Hilton Food Group, Watches of Switzerland and CLS Holdings.

We believe Hilton Food Group to be a quality defensive name. Additionally, the company has significant opportunities that are not recognised in the share price.

Luxury retailer Watches of Switzerland was impacted by lockdown-induced store closures, but sales have held up well, helped by the US business and an acceleration of the e-commerce division, which we believe is sustainable post-COVID.

Commercial real-estate business CLS invests in the non-prime office space, primarily in the UK and Germany. The business benefits from strong management with a long track record. The stock was trading at a 30% discount to net asset value, which presents an opportunity for a post-COVID recovery.

Looking ahead, the announcement of a number of vaccines has buoyed hopes of a swifter economic recovery. Markets have responded by reverting towards value, especially given the prospect of increased fiscal stimulus in the US under the new administration. This rotation has benefited the UK stock market, and is likely to accelerate.

UK equities remain deeply discounted relative to global equities. We feel that this discount should start to narrow, as the global economy recovers and the Brexit-related overhang fades. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations, which have opened up many favourable opportunities in distressed stocks.

We believe there are several positive drivers for small caps. High-quality businesses are likely to emerge from the crisis even stronger. We also see attractive prospects for businesses perceived to have too much debt at a headline level, but which have strong liquidity and the ability to cut costs. Finally, we feel that the share prices of certain companies seem to be discounting significant future equity raising.

Overall, we will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

## STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | Restated 2020** £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 58,931 | (97,533) |
| Revenue | 3 | 25,679 | 45,625 |
| Expenses | 4 | (7,709) | (10,106) |
| Net revenue before taxation | | 17,970 | 35,519 |
| Taxation | 5 | – | – |
| Net revenue after taxation | | 17,970 | 35,519 |
| **Total return before distributions** | | 76,901 | (62,014) |
| Distributions** | 6 | (17,970) | (35,466) |
| **Change in net assets attributable to shareholders from investment activities** | | 58,931 | (97,480) |

## BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 984,286 | 1,080,563 |
| **Current assets:** | | | |
| Debtors | 7 | 9,682 | 12,908 |
| Cash and bank balances | | 10,976 | 1 |
| Cash equivalents*** | | 3,003 | 15,526 |
| Total assets | | 1,007,947 | 1,108,998 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Bank overdrafts | | – | (4,967) |
| Other creditors | 8 | (18,789) | (2,669) |
| Total liabilities | | (18,789) | (7,636) |
| **Net assets attributable to shareholders** | | 989,158 | 1,101,362 |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | Restated 2020** £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 1,101,362 | 1,169,405 |
| Amounts receivable on the issue of shares** | 143,029 | 123,696 |
| Amounts payable on the cancellation of shares** | (331,619) | (129,726) |
| | (188,590) | (6,030) |
| Dilution adjustment | 226 | – |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above)** | 58,931 | (97,480) |
| Retained distribution on accumulation shares | 17,229 | 35,467 |
| **Closing net assets attributable to shareholders** | 989,158 | 1,101,362 |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

***For details on restatement please refer to note 16.*

## DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

### Class 1 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.9038 | – | 0.9038 | 2.3582 |
| 08/09/20 to 07/03/21 | 0.6633 | – | 0.6633 | 1.0218 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.6392 | 0.2646 | 0.9038 | 2.3582 |
| 08/09/20 to 07/03/21 | 0.5287 | 0.1346 | 0.6633 | 1.0218 |
| **Total distributions in the period** | | | **1.5671** | **3.3800** |

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

# Threadneedle UK Institutional Fund

## DISTRIBUTION TABLE

*(continued)*

### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.7048 | – | 1.7048 | 3.4425 |
| 08/09/20 to 07/03/21 | 1.3419 | – | 1.3419 | 1.9506 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.0878 | 0.6170 | 1.7048 | 3.4425 |
| 08/09/20 to 07/03/21 | 0.9659 | 0.3760 | 1.3419 | 1.9506 |
| **Total distributions in the period** | | | **3.0467** | **5.3931** |

### Class X – Gross accumulation shares*

| Distribution Period | Revenue | Equalisation | Gross Revenue Accumulated 2020/2021 | Gross Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 1.2609 | – | 1.2609 | 1.4553 |
| 08/09/20 to 07/03/21 | 1.1190 | – | 1.1190 | 1.4670 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 1.2609 | – | 1.2609 | 1.4553 |
| 08/09/20 to 07/03/21 | 1.1190 | – | 1.1190 | 1.4670 |
| **Total distributions in the period** | | | **2.3799** | **2.9223** |

*Group 2: shares purchased during a distribution period.*
**For launch dates, refer to the footnotes after the comparative tables.*

# Threadneedle UK Institutional Fund

## Comparative Table Disclosure

| | Class 1 – Accumulation shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 149.80 | 159.50 | 157.79 | 171.28 | 180.88 | 177.49 |
| Return before operating charges (p) | 14.37 | (7.01) | 4.38 | 16.61 | (8.08) | 4.88 |
| Operating charges (p) | (2.21) | (2.69) | (2.67) | (1.29) | (1.52) | (1.49) |
| Return after operating charges (p)* | 12.16 | (9.70) | 1.71 | 15.32 | (9.60) | 3.39 |
| Distributions (p) | (1.57) | (3.38) | (3.51) | (3.05) | (5.39) | (5.48) |
| Retained distributions on accumulation shares (p) | 1.57 | 3.38 | 3.51 | 3.05 | 5.39 | 5.48 |
| Closing net asset value per share (p) | 161.96 | 149.80 | 159.50 | 186.60 | 171.28 | 180.88 |
| *after direct transaction costs of (p) | 0.03 | 0.16 | – | 0.03 | 0.18 | – |
| **Performance** | | | | | | |
| Return after charges (%) | 8.12 | (6.08) | 1.08 | 8.94 | (5.31) | 1.91 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 16,649 | 18,431 | 40,772 | 972,508 | 1,073,709 | 1,128,633 |
| Closing number of shares | 10,279,794 | 12,303,689 | 25,561,786 | 521,181,657 | 626,860,113 | 623,973,751 |
| Operating charges (%)** | 1.54 | 1.64 | 1.63 | 0.80 | 0.81 | 0.81 |
| Direct transaction costs (%)*** | 0.12 | 0.09 | 0.13 | 0.12 | 0.09 | 0.13 |
| **Prices** | | | | | | |
| Highest share price (p) | 163.14 | 177.28 | 173.78 | 187.96 | 202.38 | 196.16 |
| Lowest share price (p) | 110.54 | 150.25 | 145.20 | 126.42 | 171.79 | 164.40 |

| | Class X – Gross accumulation shares[§] | |
|---|---|---|
| | 07/03/2021 | 07/03/2020[1] |
| **Change in net assets per share** | | |
| Opening net asset value per share (p) | 94.43 | 100.00 |
| Return before operating charges (p) | 9.30 | (5.52) |
| Operating charges (p) | (0.05) | (0.05) |
| Return after operating charges (p)* | 9.25 | (5.57) |
| Distributions (p) | (2.38) | (2.92) |
| Retained distributions on accumulation shares (p) | 2.38 | 2.92 |
| Closing net asset value per share (p) | 103.68 | 94.43 |
| *after direct transaction costs of (p) | 0.02 | 0.10 |
| **Performance** | | |
| Return after charges (%) | 9.80 | (5.57) |
| **Other information** | | |
| Closing net asset value (£000) | 1 | 9,222 |
| Closing number of shares | 1,000 | 9,765,765 |
| Operating charges (%)** | 0.06 | 0.06[†] |
| Direct transaction costs (%)*** | 0.12 | 0.09 |
| **Prices** | | |
| Highest share price (p) | 104.43 | 111.41 |
| Lowest share price (p) | 69.72 | 94.71 |

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

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

[§] *Only available to eligible investors.*

[1] *Commenced 9 May 2019.*

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

# Threadneedle UK Institutional Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 59,086 | (97,545) |
| Other (losses)/gains | (142) | 17 |
| Transaction costs | (13) | (5) |
| Net capital gains/(losses) | 58,931 | (97,533) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 25,641 | 45,493 |
| Overseas dividends | – | 41 |
| Interest on short term investments | – | 30 |
| Bank interest | 17 | 45 |
| Underwriting commission | 21 | 16 |
| Total revenue | 25,679 | 45,625 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (7,234) | (9,452) |
| Registration fees | (319) | (456) |
| | (7,553) | (9,908) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (115) | (149) |
| Safe custody fees | (28) | (35) |
| | (143) | (184) |
| Other expenses: | | |
| Regulatory fees | (6) | (6) |
| Audit fees | (7) | (8) |
| | (13) | (14) |
| Total expenses* | (7,709) | (10,106) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | 2020 £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 | 17,970 | 35,519 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (3,594) | (7,104) |
| Effects of: | | |
| Revenue not subject to taxation | 5,071 | 9,038 |
| Excess expenses | (1,477) | (1,934) |
| Current tax charge for period (note 5a) | – | – |

The fund has not recognised a deferred tax asset of £62,450,819 (2020: £60,973,921) 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:

| | 2021 £000 | Restated 2020* £000 |
|---|---|---|
| Interim | 10,167 | 22,970 |
| Final | 7,062 | 12,497 |
| | 17,229 | 35,467 |
| Add: Revenue deducted on the cancellation of shares* | 1,174 | 855 |
| Deduct: Revenue received on the creation of shares* | (433) | (856) |
| Net distribution for the period | 17,970 | 35,466 |
| Net revenue after taxation | 17,970 | 35,519 |
| Equalisation on conversion* | – | (53) |
| Total distributions | 17,970 | 35,466 |

**For details on restatement please refer to note 16.*

Details of the distribution per share are set out in the table on pages 237 to 238.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | – | 7,110 |
| Sales awaiting settlement | 5,000 | 49 |
| Accrued revenue | 4,682 | 5,749 |
| Total debtors | 9,682 | 12,908 |

### 8 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (16,938) | (1,594) |
| Purchases awaiting settlement | (1,075) | (84) |
| Accrued expenses | (20) | (23) |
| Amounts payable to ACD | (756) | (968) |
| Total other creditors | (18,789) | (2,669) |

### 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 Institutional Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

| | |
|---|---|
| **Annual management charge** | |
| Class 1 shares | 1.35% |
| Class 2 shares | 0.75% |
| Class X shares | N/A* |
| **Registration fees** | |
| Class 1 shares | 0.110% |
| Class 2 shares | 0.030% |
| Class X shares | 0.030% |

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 239. The distribution per share class is given in the distribution table on pages 237 to 238.

All classes have the same rights on winding up.

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

# Threadneedle UK Institutional Fund

## Notes to the financial statements

*(continued)*

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 1 – Accumulation shares** | |
| Opening shares | 12,303,689 |
| Shares issued | 20,604,075 |
| Shares redeemed | (22,597,038) |
| Net conversions | (30,932) |
| Closing shares | 10,279,794 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 626,860,113 |
| Shares issued | 73,039,554 |
| Shares redeemed | (178,744,988) |
| Net conversions | 26,978 |
| Closing shares | 521,181,657 |
| **Class X – Gross accumulation shares** | |
| Opening shares | 9,765,765 |
| Shares issued | – |
| Shares redeemed | (9,764,765) |
| Net conversions | – |
| Closing shares | 1,000 |

### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.15% and vice versa (2020: 4.98%).

**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 2021** | **£000** |
| Euro | 1 |
| US Dollar | 1,764 |
| **Currency 2020** | **£000** |
| Euro | 1 |
| US Dollar | 2,053 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| Euro | 1 | – | – | 1 |
| UK Sterling | 10,975 | 3,003 | 992,204 | 1,006,182 |
| US Dollar | – | – | 1,764 | 1,764 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| Euro | 1 | – | – | 1 |
| UK Sterling | – | 15,526 | 1,091,418 | 1,106,944 |
| US Dollar | – | – | 2,053 | 2,053 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (18,789) | (18,789) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (4,967) | – | (2,669) | (7,636) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1* | 987,289 | – | 1,096,089 | – |
| | 987,289 | – | 1,096,089 | – |

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

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 213,622 | 95 | 0.04 | 985 | 0.46 |
| Collective investment schemes | 141,516 | – | – | – | – |
| Corporate actions | 3,862 | – | – | – | – |
| **Total** | 359,000 | 95 | | 985 | |
| **Gross purchases total:** | 360,080 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 369,447 | 104 | 0.03 | 2 | – |
| Collective investment schemes | 154,040 | – | – | – | – |
| Corporate actions | 4,584 | – | – | – | – |
| **Total** | 528,071 | 104 | | 2 | |
| **Total sales net of transaction costs:** | 527,965 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.02% |
| Taxes: | 0.10% |

# Threadneedle UK Institutional Fund

## Notes to the financial statements

*(continued)*

**7 March 2020**

| Purchases | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 214,616 | 101 | 0.05 | 1,033 | 0.48 |
| Collective investment schemes | 57,526 | – | – | – | – |
| Corporate actions | 2,048 | – | – | – | – |
| **Total** | 274,190 | 101 | | 1,033 | |
| **Gross purchases total:** | 275,324 | | | | |

| Sales | Value £000 | Commissions £000 | % | Taxes £000 | % |
|---|---|---|---|---|---|
| Equities | 191,973 | 77 | 0.04 | 1 | – |
| Collective investment schemes | 42,000 | – | – | – | – |
| Corporate actions | 5,120 | – | – | – | – |
| **Total** | 239,093 | 77 | | 1 | |
| **Total sales net of transaction costs:** | 239,015 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.08% |

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% (7 March 2020: 0.16%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

| STATEMENT OF TOTAL RETURN | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Distributions | (35,519) | 53 | (35,466) |
| **Net impact** | | 53 | |

| STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Amounts receivable on the issue of shares | 138,162 | (14,466) | 123,696 |
| Amounts payable on the cancellation of shares | (144,139) | 14,413 | (129,726) |
| | (5,977) | (53) | (6,030) |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (97,533) | 53 | (97,480) |
| **Impact on net assets attributable to shareholders** | | – | |

| Note 7 DISTRIBUTIONS | Previously reported 2020 £000 | Adjustments £000 | Restated 2020 £000 |
|---|---|---|---|
| Add: Revenue deducted on the cancellation of shares | 978 | (123) | 855 |
| Deduct: Revenue received on the creation of shares | (926) | 70 | (856) |
| **Net impact** | | (53) | |
| Equalisation on conversion | – | (53) | (53) |

# Threadneedle UK Equity Opportunities Fund

## Investment Report

### Investment Objective and Policy

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

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

The Fund selects companies that are considered to provide good opportunities for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

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

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

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

### Performance of Net Income Class 2 Shares*

Over the twelve months to 7 March 2021, the published share price of the Threadneedle UK Equity Opportunities Fund has risen from 110.23p to 116.45p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2021, including net reinvested income, is +1.60% as compared to a median return of +5.58% over the same period. (For information the FTSE All-Share Total Return Index returned +3.50% over the same period).

### Market Overview and Portfolio Activity

The year under review was a volatile, but ultimately positive period for UK equities. Global markets sold off sharply at the start of the period, as COVID-19 reached pandemic status and much of the world was placed in lockdown.

To mitigate the economic impact, central banks and governments unleashed a flood of unprecedented stimulus measures. These fuelled a rally in equities from late March until September, as did declining virus incidences and easing lockdown restrictions. After some shocking data released in April, subsequent economic news tended to reinforce this sentiment, and although weak was generally better than expected. Meanwhile, UK companies launched fund-raisings to strengthen their positions.

The equity rally weakened in the autumn amid concerns about a second wave of the pandemic and uncertainty ahead of the US presidential election. But the mood turned positive again in November, and remained largely so over the remainder of 2020. Markets were encouraged by Joe Biden's election victory, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK, Europe and the US. The resulting optimism around a return to more 'normalised' economic activity prompted a rotation towards value stocks, to which the UK equity market is heavily geared. Sentiment was also bolstered by the last-minute Brexit trade agreement with the EU, and hopes of increased fiscal stimulus in the US.

However, expectations of higher government spending and a rebound in growth also led investors to anticipate higher future inflation, which triggered some market volatility in 2021. Stocks were also hurt by concerns about new strains of the virus and sluggish vaccine rollouts in some countries. The UK led the way in vaccinating its population. Such has been the success of this programme that the government recently announced a roadmap out of the lockdown, which fostered hopes of a swifter economic rebound. Together with the increased clarity around Brexit, this reignited takeover interest in UK companies. Many UK firms have recently paid out dividends and re-issued guidance that was withdrawn at the onset of the pandemic.

In terms of activity, we initiated new positions in insurer Hiscox and defence manufacturer BAE Systems.

In our view, Hiscox is likely to be impacted to a smaller extent by the Supreme Court ruling on business-interruption claims relating to the pandemic than initially feared. Meanwhile, the business has a strong capital position, as well as opportunities to expand its retail presence and generate higher margins in big-ticket lines.

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

Over the review period, we also topped up some existing holdings such as 3i. In some cases, we took advantage of the aforementioned refinancing measures. For instance, we added to Whitbread via a rights issue and to Rank via a placing.

We profitably closed our position in RSA Insurance ahead of the company's takeover. Other sales included Legal & General and Compass.

The UK equity market is trading at very attractive valuations relative to global peers, partly as a result of the high levels of consensus thinking in markets.

We feel that this discount should start to narrow, owing to the increased clarity around Brexit and the improved prospect of a global economic recovery once vaccines are rolled out. Against this backdrop, a lot of the short positions against UK equities are likely to be closed.

Meanwhile, UK businesses are attractive targets for private-equity names and US corporates seeking to capitalise on the valuation discount. Consequently, the next year or two should be exciting, particularly given the polarised valuations within the market as a result of the narrowly led rally since the lows of March. We feel there are many favourable opportunities in distressed stocks, which should rebound strongly when a shift in momentum finally occurs.

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

### STATEMENT OF TOTAL RETURN

*for the accounting period 8 March 2020 to 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| Income | | | |
| Net capital gains/(losses) | 2 | 3,230 | (9,651) |
| Revenue | 3 | 1,701 | 3,665 |
| Expenses | 4 | (1,002) | (1,467) |
| Net revenue before taxation | | 699 | 2,198 |
| Taxation | 5 | – | – |
| Net revenue after taxation | | 699 | 2,198 |
| **Total return before distributions** | | 3,929 | (7,453) |
| Distributions | 6 | (707) | (2,198) |
| **Change in net assets attributable to shareholders from investment activities** | | 3,222 | (9,651) |

### BALANCE SHEET

*as at 7 March 2021*

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Assets:** | | | |
| **Fixed assets:** | | | |
| **Investments** | | 72,518 | 77,760 |
| **Current assets:** | | | |
| Debtors | 7 | 418 | 3,255 |
| Cash and bank balances | | 665 | – |
| Total assets | | 73,601 | 81,015 |
| **Liabilities:** | | | |
| **Creditors:** | | | |
| Bank overdrafts | | – | (288) |
| Distribution payable | | (223) | (653) |
| Other creditors | 8 | (415) | (2,443) |
| Total liabilities | | (638) | (3,384) |
| **Net assets attributable to shareholders** | | 72,963 | 77,631 |

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

*for the accounting period 8 March 2020 to 7 March 2021*

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Opening net assets attributable to shareholders** | 77,631 | 97,855 |
| Amounts receivable on the issue of shares | 2,517 | 3,165 |
| Amounts payable on the cancellation of shares | (10,410) | (13,743) |
| | (7,893) | (10,578) |
| Dilution adjustment | 3 | 3 |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 3,222 | (9,651) |
| Unclaimed distributions | – | 2 |
| **Closing net assets attributable to shareholders** | 72,963 | 77,631 |

### DISTRIBUTION TABLE

*for the accounting period 8 March 2020 to 7 March 2021*

Dividend distribution in pence per share

#### Class 2 – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.6505 | – | 0.6505 | 1.9115 |
| 08/09/20 to 07/03/21 | 0.3057 | – | 0.3057 | 0.9121 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.3987 | 0.2518 | 0.6505 | 1.9115 |
| 08/09/20 to 07/03/21 | 0.2397 | 0.0660 | 0.3057 | 0.9121 |
| **Total distributions in the period** | | | **0.9562** | **2.8236** |

#### Class 2 – Accumulation shares

| Distribution Period | Revenue | Equalisation | Revenue Accumulated 2020/2021 | Revenue Accumulated 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.6166 | – | 0.6166 | 1.6934 |
| 08/09/20 to 07/03/21 | 0.2771 | – | 0.2771 | 0.8246 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.6166 | – | 0.6166 | 1.6934 |
| 08/09/20 to 07/03/21 | 0.2771 | – | 0.2771 | 0.8246 |
| **Total distributions in the period** | | | **0.8937** | **2.5180** |

**In pound Sterling and against UK peer group (See Performance summary on pages 330 to 331).*

# Threadneedle UK Equity Opportunities Fund

## DISTRIBUTION TABLE

*(continued)*

### Class Z – Income shares

| Distribution Period | Revenue | Equalisation | Distribution Paid/Payable 2020/2021 | Distribution Paid 2019/2020 |
|---|---|---|---|---|
| **Group 1** | | | | |
| 08/03/20 to 07/09/20 | 0.9737 | – | 0.9737 | 2.3327 |
| 08/09/20 to 07/03/21 | 0.6565 | – | 0.6565 | 1.3370 |
| **Group 2** | | | | |
| 08/03/20 to 07/09/20 | 0.6677 | 0.3060 | 0.9737 | 2.3327 |
| 08/09/20 to 07/03/21 | 0.4432 | 0.2133 | 0.6565 | 1.3370 |
| **Total distributions in the period** | | | **1.6302** | **3.6697** |

*Group 2: shares purchased during a distribution period.*

# Threadneedle UK Equity Opportunities Fund

## Comparative Table Disclosure

| | Class 2 – Income shares | | | Class 2 – Accumulation shares | | |
|---|---|---|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | | | | |
| Opening net asset value per share (p) | 109.06 | 122.98 | 123.29 | 98.08 | 107.98 | 105.94 |
| Return before operating charges (p) | 8.66 | (9.13) | 4.39 | 7.88 | (8.18) | 3.70 |
| Operating charges (p) | (1.58) | (1.97) | (2.01) | (1.43) | (1.72) | (1.66) |
| Return after operating charges (p)* | 7.08 | (11.10) | 2.38 | 6.45 | (9.90) | 2.04 |
| Distributions (p) | (0.96) | (2.82) | (2.69) | (0.89) | (2.61) | (2.38) |
| Retained distributions on accumulation shares (p) | – | – | – | 0.89 | 2.61 | 2.38 |
| Closing net asset value per share (p) | 115.18 | 109.06 | 122.98 | 104.53 | 98.08 | 107.98 |
| *after direct transaction costs of (p) | 0.04 | 0.09 | 0.08 | 0.03 | 0.08 | 0.07 |
| **Performance** | | | | | | |
| Return after charges (%) | 6.49 | (9.03) | 1.93 | 6.58 | (9.17) | 1.93 |
| **Other information** | | | | | | |
| Closing net asset value (£000) | 63,196 | 76,629 | 92,626 | 26 | 12 | 3 |
| Closing number of shares | 54,866,141 | 70,260,257 | 75,318,113 | 25,334 | 12,138 | 3,001 |
| Operating charges (%)** | 1.59 | 1.58 | 1.58 | 1.58 | 1.56 | 1.51 |
| Direct transaction costs (%)*** | 0.04 | 0.07 | 0.06 | 0.04 | 0.07 | 0.06 |
| **Prices** | | | | | | |
| Highest share price (p) | 116.45 | 133.69 | 137.49 | 105.40 | 119.23 | 118.16 |
| Lowest share price (p) | 78.22 | 110.23 | 113.67 | 70.46 | 98.31 | 98.99 |

| | Class Z – Income shares | | |
|---|---|---|---|
| | 07/03/2021 | 07/03/2020 | 07/03/2019 |
| **Change in net assets per share** | | | |
| Opening net asset value per share (p) | 108.90 | 122.86 | 123.18 |
| Return before operating charges (p) | 8.70 | (9.17) | 4.37 |
| Operating charges (p) | (0.92) | (1.12) | (1.14) |
| Return after operating charges (p)* | 7.78 | (10.29) | 3.23 |
| Distributions (p) | (1.63) | (3.77) | (3.55) |
| Retained distributions on accumulation shares (p) | – | – | – |
| Closing net asset value per share (p) | 115.05 | 108.90 | 122.86 |
| *after direct transaction costs of (p) | 0.04 | 0.09 | 0.08 |
| **Performance** | | | |
| Return after charges (%) | 7.14 | (8.38) | 2.62 |
| **Other information** | | | |
| Closing net asset value (£000) | 9,741 | 990 | 5,226 |
| Closing number of shares | 8,466,337 | 908,841 | 4,253,130 |
| Operating charges (%)** | 0.91 | 0.90 | 0.90 |
| Direct transaction costs (%)*** | 0.04 | 0.07 | 0.06 |
| **Prices** | | | |
| Highest share price (p) | 116.66 | 133.83 | 137.57 |
| Lowest share price (p) | 78.13 | 110.49 | 113.79 |

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

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

# Threadneedle UK Equity Opportunities Fund

## Notes to the financial statements

*for the accounting period 8 March 2020 to 7 March 2021*

### 1 ACCOUNTING POLICIES

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

### 2 NET CAPITAL GAINS/(LOSSES)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Non-derivative securities | 3,238 | (9,652) |
| Other (losses)/gains | (7) | 2 |
| Transaction costs | (1) | (1) |
| Net capital gains/(losses) | 3,230 | (9,651) |

### 3 REVENUE

| | 2021 £000 | 2020 £000 |
|---|---|---|
| UK dividends | 1,699 | 3,659 |
| Bank interest | – | 3 |
| Underwriting commission | 2 | 3 |
| Total revenue | 1,701 | 3,665 |

### 4 EXPENSES

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable to the ACD or associates of the ACD, and the agents of either of them: | | |
| Annual management charge | (943) | (1,397) |
| Registration fees | (29) | (36) |
| | (972) | (1,433) |
| Payable to the depositary or associates of the depositary, and the agents of either of them: | | |
| Depositary fees | (8) | (11) |
| Safe custody fees | (10) | (11) |
| | (18) | (22) |
| Other expenses: | | |
| Regulatory fees | (4) | (3) |
| Audit fees | (8) | (9) |
| | (12) | (12) |
| Total expenses* | (1,002) | (1,467) |

**Including irrecoverable VAT where applicable.*

### 5 TAXATION

| | 2021 £000 | 2020 £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 | 699 | 2,198 |
| Net revenue before taxation multiplied by the standard rate of corporation tax of 20% | (140) | (440) |
| Effects of: | | |
| Revenue not subject to taxation | 339 | 733 |
| Excess expenses | (197) | (293) |
| Conversion transfer from capital | (2) | – |
| Current tax charge for period (note 5a) | – | – |

The fund has not recognised a deferred tax asset of £11,418,406 (2020: £11,221,193) 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:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interim | 459 | 1,484 |
| Final | 223 | 653 |
| | 682 | 2,137 |
| Add: Revenue deducted on the cancellation of shares | 30 | 73 |
| Deduct: Revenue received on the creation of shares | (5) | (12) |
| Net distribution for the period | 707 | 2,198 |
| Net revenue after taxation | 699 | 2,198 |
| Equalisation on conversion | 8 | – |
| Total distributions | 707 | 2,198 |

Details of the distribution per share are set out in the table on pages 243 to 244.

### 7 DEBTORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts receivable for the issue of shares | 156 | – |
| Sales awaiting settlement | – | 2,817 |
| Accrued revenue | 262 | 438 |
| Total debtors | 418 | 3,255 |

### 8 OTHER CREDITORS

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Amounts payable for the cancellation of shares | (308) | (63) |
| Purchases awaiting settlement | – | (2,239) |
| Accrued expenses | (8) | (8) |
| Amounts payable to ACD | (99) | (133) |
| Total other creditors | (415) | (2,443) |

### 9 DILUTION ADJUSTMENT

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

### 10 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

### 11 SHAREHOLDER FUNDS

Threadneedle UK Equity Opportunities Fund currently has two share classes; Class 2 and Class Z shares. The charges on each share class are as follows:

| | |
|---|---|
| **Annual management charge** | |
| Class 2 shares | 1.50% |
| Class Z shares | 0.75% |
| **Registration fees** | |
| Class 2 shares | 0.035% |
| Class Z shares | 0.110% |

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 245. The distribution per share class is given in the distribution table on pages 243 to 244.

All classes have the same rights on winding up.

# Threadneedle UK Equity Opportunities Fund

## Notes to the financial statements

*(continued)*

**Reconciliation of shares**

| | 2021 |
|---|---|
| **Class 2 – Income shares** | |
| Opening shares | 70,260,257 |
| Shares issued | 1,760,769 |
| Shares redeemed | (9,371,076) |
| Net conversions | (7,783,809) |
| Closing shares | 54,866,141 |
| **Class 2 – Accumulation shares** | |
| Opening shares | 12,138 |
| Shares issued | 13,196 |
| Shares redeemed | – |
| Net conversions | – |
| Closing shares | 25,334 |
| **Class Z – Income shares** | |
| Opening shares | 908,841 |
| Shares issued | 195,209 |
| Shares redeemed | (423,776) |
| Net conversions | 7,786,063 |
| Closing shares | 8,466,337 |

### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 6 to 7.

**Market price risk sensitivity**

The sensitivity figures provided are forecasts. A 5% market increase applied to the fund would result in an estimated increase in net asset value of the fund by 5.16% and vice versa (2020: 5.17%).

**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 2021** | **£000** |
| US Dollar | 37 |
| **Currency 2020** | **£000** |
| US Dollar | 95 |

**Currency sensitivity**

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

**Credit/Counterparty exposure**

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

**Interest rate risk**

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

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

**Interest rate risk profile of financial assets and financial liabilities**

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

| | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | 665 | – | 72,899 | 73,564 |
| US Dollar | – | – | 37 | 37 |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | 80,920 | 80,920 |
| US Dollar | – | – | 95 | 95 |

| | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|---|---|---|---|---|
| **Currency 2021** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | – | – | (638) | (638) |
| **Currency 2020** | **£000** | **£000** | **£000** | **£000** |
| UK Sterling | (288) | – | (3,096) | (3,384) |

**Interest rate risk sensitivity**

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same). Any impact to the rate of the underlying securities is considered in market price risk section.

### 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| **Valuation technique** | **£000** | **£000** | **£000** | **£000** |
| Level 1 | 72,518 | – | 77,760 | – |
| | 72,518 | – | 77,760 | – |

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

**7 March 2021**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 6,137 | 2 | 0.03 | 18 | 0.29 |
| Corporate actions | 273 | – | – | – | – |
| **Total** | 6,410 | 2 | | 18 | |
| **Gross purchases total:** | 6,430 | | | | |

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 14,533 | 5 | 0.03 | – | – |
| Corporate actions | 382 | – | – | – | – |
| **Total** | 14,915 | 5 | | – | |
| **Total sales net of transaction costs:** | 14,910 | | | | |

**Transaction costs as a percentage of average Net Assets**

| | |
|---|---|
| Commissions: | 0.01% |
| Taxes: | 0.03% |

**7 March 2020**

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Purchases** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 10,614 | 5 | 0.05 | 53 | 0.50 |
| Corporate actions | 329 | – | – | – | – |
| **Total** | 10,943 | 5 | | 53 | |
| **Gross purchases total:** | 11,001 | | | | |

# Threadneedle UK Equity Opportunities Fund

## Notes to the financial statements

*(continued)*

| | Value | Commissions | | Taxes | |
|---|---|---|---|---|---|
| **Sales** | **£000** | **£000** | **%** | **£000** | **%** |
| Equities | 20,696 | 9 | 0.04 | – | – |
| Corporate actions | 135 | – | – | – | – |
| **Total** | 20,831 | 9 | | – | |
| **Total sales net of transaction costs:** | 20,822 | | | | |
| **Transaction costs as a percentage of average Net Assets** | | | | | |
| Commissions: | 0.01% | | | | |
| Taxes: | 0.06% | | | | |

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

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

**Direct transaction costs:** Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.14% (7 March 2020: 0.15%), being the difference between the respective buying and selling prices for the fund's investments.

**Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of each sub-fund and its net revenue/(expenses) and the net gains/(losses) on the property of each sub-fund for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Threadneedle Investment Funds ICVC (the Company) for the Period ended 7 March 2021**

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

30 June 2021

# Independent auditors' report to the Shareholders of Threadneedle Investment Funds ICVC

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Threadneedle Investment Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 7 March 2021 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Threadneedle Investment Funds ICVC is an Open Ended Investment Company ('OEIC') with 28 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheets as at 07 March 2021; the Statements of Total Return and the Statements of Changes in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables the Notes to the Annual Reports and Audited Financial Statements for Threadneedle Investment Funds ICVC, which include a description of the significant accounting policies; and the Notes to the financial statements of each of the sub-funds.

### 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

### 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 in relation to the Financial Statements of the Company, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

# Independent auditors' report to the Shareholders of Threadneedle Investment Funds ICVC

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
30 June 2021

# Threadneedle UK Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 3.00% (4.85%)** | | | |
| | **Oil & Gas Producers 1.62% (3.27%)** | | |
| 1,995,654 | Royal Dutch Shell 'B' Shares | 29,679 | 1.62 |
| | **Oil Equipment, Services & Distribution 1.38% (1.58%)** | | |
| 3,220,875 | Hunting | 9,276 | 0.50 |
| 5,027,045 | John Wood Group | 16,162 | 0.88 |
| | **Total Oil & Gas** | **55,117** | **3.00** |
| **BASIC MATERIALS 11.24% (5.85%)** | | | |
| | **Chemicals 3.13% (2.23%)** | | |
| 5,864,299 | Elementis | 7,682 | 0.42 |
| 1,573,781 | Johnson Matthey | 49,826 | 2.71 |
| | **Mining 8.11% (3.62%)** | | |
| 2,772,466 | BHP Group | 60,842 | 3.31 |
| 1,505,852 | Rio Tinto | 88,137 | 4.80 |
| | **Total Basic Materials** | **206,487** | **11.24** |
| **INDUSTRIALS 17.23% (15.29%)** | | | |
| | **Construction & Materials 3.83% (3.21%)** | | |
| 28,891,713 | †Breedon Aggregates | 27,274 | 1.49 |
| 1,306,461 | CRH (London Listing) | 42,969 | 2.34 |
| | **Aerospace & Defence 0.72% (0.77%)** | | |
| 2,749,304 | BAE Systems | 13,290 | 0.72 |
| | **General Industrials 3.17% (2.62%)** | | |
| 6,709,031 | DS Smith | 26,695 | 1.45 |
| 2,097,601 | Smiths Group | 31,569 | 1.72 |
| | **Electronic & Electrical Equipment 0.94% (0.56%)** | | |
| 560,622 | Spectris | 17,323 | 0.94 |
| | **Industrial Engineering 3.08% (2.79%)** | | |
| 5,581,590 | Rotork | 20,384 | 1.11 |
| 2,024,511 | Weir Group | 36,229 | 1.97 |
| | **Industrial Transportation 0.00% (0.40%)** | | |
| | **Support Services 5.49% (4.94%)** | | |
| 2,018,340 | Aggreko | 18,064 | 0.98 |
| 424,944 | Ferguson | 35,585 | 1.94 |
| 3,550,348 | Howden Joinery Group | 24,433 | 1.33 |
| 4,708,878 | Rentokil Initial | 22,716 | 1.24 |
| | **Total Industrials** | **316,531** | **17.23** |
| **CONSUMER GOODS 20.07% (20.79%)** | | | |
| | **Beverages 4.28% (3.67%)** | | |
| 2,673,110 | Diageo | 78,616 | 4.28 |
| | **Food Producers 2.49% (1.91%)** | | |
| 1,939,021 | Associated British Foods | 45,664 | 2.49 |
| | **Household Goods & Home Construction 5.84% (5.34%)** | | |
| 478,359 | Berkeley Group Holdings | 20,589 | 1.12 |
| 3,578,485 | Crest Nicholson Holdings | 13,384 | 0.73 |
| 1,168,411 | Reckitt Benckiser Group | 73,259 | 3.99 |
| | **Personal Goods 6.11% (4.04%)** | | |
| 1,091,354 | Burberry Group | 20,354 | 1.11 |
| 2,361,557 | Unilever | 91,865 | 5.00 |
| | **Tobacco 1.35% (5.83%)** | | |
| 1,781,364 | Imperial Brands | 24,797 | 1.35 |
| | **Total Consumer Goods** | **368,528** | **20.07** |
| **HEALTH CARE 5.16% (7.05%)** | | | |
| | **Health Care Equipment & Services 1.71% (1.78%)** | | |
| 2,327,283 | Smith & Nephew | 31,442 | 1.71 |
| | **Pharmaceuticals & Biotechnology 3.45% (5.27%)** | | |
| 5,101,959 | GlaxoSmithKline | 63,417 | 3.45 |
| | **Total Health Care** | **94,859** | **5.16** |
| **CONSUMER SERVICES 17.24% (18.73%)** | | | |
| | **Food & Drug Retailers 1.74% (2.47%)** | | |
| 14,266,997 | Tesco | 31,944 | 1.74 |
| | **General Retailers 0.89% (0.78%)** | | |
| 2,262,251 | Inchcape | 16,379 | 0.89 |
| | **Media 6.36% (6.69%)** | | |
| 6,059,999 | Informa | 33,621 | 1.83 |
| 25,973,522 | ITV | 30,298 | 1.65 |
| 3,118,297 | RELX (London Listing) | 52,949 | 2.88 |
| | **Travel & Leisure 8.25% (8.79%)** | | |
| 2,502,293 | Compass Group | 38,698 | 2.11 |
| 2,218,421 | easyJet | 21,643 | 1.18 |
| 576,533 | Intercontinental Hotels Group | 27,910 | 1.52 |
| 5,435,102 | SSP Group | 18,795 | 1.02 |
| 1,305,299 | Whitbread | 44,432 | 2.42 |
| | **Total Consumer Services** | **316,669** | **17.24** |
| **TELECOMMUNICATIONS 2.35% (2.02%)** | | | |
| | **Fixed Line Telecommunications 2.35% (2.02%)** | | |
| 30,496,521 | BT Group | 43,137 | 2.35 |
| | **Total Telecommunications** | **43,137** | **2.35** |
| **FINANCIALS 20.89% (22.22%)** | | | |
| | **Banks 3.39% (3.54%)** | | |
| 20,742,352 | Barclays | 35,586 | 1.94 |
| 5,339,328 | Standard Chartered | 26,654 | 1.45 |
| | **Nonlife Insurance 0.00% (0.91%)** | | |
| | **Life Insurance 5.89% (6.91%)** | | |
| 12,491,066 | Legal & General Group | 34,825 | 1.90 |
| 4,984,483 | Prudential | 73,297 | 3.99 |
| | **Real Estate Investment & Services 1.45% (1.68%)** | | |
| 9,847,413 | Grainger | 26,588 | 1.45 |
| | **Real Estate Investment Trusts 0.87% (1.89%)** | | |
| 483,276 | Derwent London | 16,054 | 0.87 |
| | **Financial Services 9.29% (7.29%)** | | |
| 2,202,446 | Intermediate Capital Group | 39,886 | 2.17 |
| 526,348 | London Stock Exchange Group | 42,760 | 2.33 |
| 16,972,909 | Melrose Industries | 29,533 | 1.61 |
| 864,881 | Schroders Non-voting | 20,757 | 1.13 |
| 3,112,888 | St James's Place | 37,650 | 2.05 |
| | **Total Financials** | **383,590** | **20.89** |

# Threadneedle UK Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **TECHNOLOGY 2.68% (2.69%)** | | | | |
| | | **Software & Computer Services 2.68% (2.69%)** | | |
| | 1,447,613 | FDM Group Holdings IPO | 15,229 | 0.83 |
| | 5,746,241 | Sage Group | 33,926 | 1.85 |
| | | **Total Technology** | **49,155** | **2.68** |
| **COLLECTIVE INVESTMENT SCHEMES 0.58% (0.48%)** | | | | |
| | | **Liquidity Funds 0.58% (0.48%)[1]** | | |
| GBP | 10,067,607 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 10,068 | 0.55 |
| GBP | 552,408 | Insight Liquidity Funds - ILF GBP Liquidity Class 3 | 552 | 0.03 |
| | | **Total Collective Investment Schemes** | **10,620** | **0.58** |
| **Total value of investments[2]** | | | **1,844,693** | **100.44** |
| **Net other (liabilities)/assets (0.03%)** | | | **(8,138)** | **(0.44)** |
| **Net assets** | | | **1,836,555** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Alternative Investment Market.*
*[1]Cash equivalents.*
*[2]Includes Cash equivalents.*

# Threadneedle UK Select Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 0.00% (5.55%)** | | | |
| | **Oil & Gas Producers 0.00% (5.55%)** | | |
| | **Total Oil & Gas** | – | – |
| **BASIC MATERIALS 10.71% (3.29%)** | | | |
| | **Chemicals 1.69% (0.00%)** | | |
| 154,896 | Johnson Matthey | 4,904 | 1.69 |
| | **Mining 9.02% (3.29%)** | | |
| 629,278 | BHP Group | 13,810 | 4.75 |
| 212,007 | Rio Tinto | 12,409 | 4.27 |
| | **Total Basic Materials** | **31,123** | **10.71** |
| **INDUSTRIALS 9.90% (4.88%)** | | | |
| | **Aerospace & Defence 2.07% (0.00%)** | | |
| 1,242,403 | BAE Systems | 6,006 | 2.07 |
| | **Construction & Materials 3.39% (3.36%)** | | |
| 10,445,892 | †Breedon Aggregates | 9,861 | 3.39 |
| | **General Industrials 1.04% (0.00%)** | | |
| 1,732,102 | Melrose Industries | 3,014 | 1.04 |
| | **Industrial Engineering 3.40% (1.52%)** | | |
| 552,746 | Weir Group | 9,891 | 3.40 |
| | **Total Industrials** | **28,772** | **9.90** |
| **CONSUMER GOODS 19.26% (18.35%)** | | | |
| | **Beverages 4.06% (3.33%)** | | |
| 400,958 | Diageo | 11,792 | 4.06 |
| | **Food Producers 0.00% (2.01%)** | | |
| | **Household Goods & Home Construction 4.81% (3.13%)** | | |
| 98,769 | Berkeley Group Holdings | 4,251 | 1.46 |
| 154,938 | Reckitt Benckiser Group | 9,715 | 3.35 |
| | **Personal Goods 8.12% (3.07%)** | | |
| 339,665 | Burberry Group | 6,335 | 2.18 |
| 443,452 | Unilever | 17,250 | 5.94 |
| | **Tobacco 2.27% (6.81%)** | | |
| 473,856 | Imperial Brands | 6,596 | 2.27 |
| | **Total Consumer Goods** | **55,939** | **19.26** |
| **HEALTH CARE 10.75% (12.88%)** | | | |
| | **Health Care Equipment & Services 2.04% (0.00%)** | | |
| 437,990 | Smith & Nephew | 5,917 | 2.04 |
| | **Pharmaceuticals & Biotechnology 8.71% (12.88%)** | | |
| 204,378 | AstraZeneca | 14,014 | 4.82 |
| 909,000 | GlaxoSmithKline | 11,299 | 3.89 |
| | **Total Health Care** | **31,230** | **10.75** |
| **CONSUMER SERVICES 19.54% (16.33%)** | | | |
| | **Food & Drug Retailers 1.79% (6.23%)** | | |
| 2,326,576 | Tesco | 5,209 | 1.79 |
| | **Media 8.33% (5.31%)** | | |
| 1,109,844 | Informa | 6,157 | 2.12 |
| 495,698 | RELX (London Listing) | 8,417 | 2.90 |
| 1,082,985 | WPP | 9,617 | 3.31 |
| | **Travel & Leisure 9.42% (4.79%)** | | |
| 473,345 | Compass Group | 7,320 | 2.52 |
| 434,756 | easyJet | 4,241 | 1.46 |
| 1,874,065 | Restaurant Group | 1,958 | 0.67 |
| 406,746 | Whitbread | 13,846 | 4.77 |
| | **Total Consumer Services** | **56,765** | **19.54** |
| **TELECOMMUNICATIONS 1.98% (6.94%)** | | | |
| | **Fixed Line Telecommunications 1.98% (3.15%)** | | |
| 4,064,447 | BT Group | 5,749 | 1.98 |
| | **Mobile Telecommunications 0.00% (3.79%)** | | |
| | **Total Telecommunications** | **5,749** | **1.98** |
| **FINANCIALS 24.66% (27.53%)** | | | |
| | **Life Insurance 5.53% (10.17%)** | | |
| 2,382,897 | Legal & General Group | 6,644 | 2.29 |
| 639,756 | Prudential | 9,408 | 3.24 |
| | **Real Estate Investment Trusts 3.19% (3.29%)** | | |
| 279,319 | Derwent London | 9,279 | 3.19 |
| | **Financial Services 15.94% (14.07%)** | | |
| 757,662 | Intermediate Capital Group | 13,721 | 4.72 |
| 113,624 | London Stock Exchange Group | 9,231 | 3.18 |
| 546,707 | Schroders Non-voting | 13,121 | 4.51 |
| 847,144 | St James's Place | 10,246 | 3.53 |
| | **Total Financials** | **71,650** | **24.66** |
| **TECHNOLOGY 1.98% (0.00%)** | | | |
| | **Software & Computer Services 1.98% (0.00%)** | | |
| 976,321 | Sage Group | 5,764 | 1.98 |
| | **Total Technology** | **5,764** | **1.98** |
| **COLLECTIVE INVESTMENT SCHEMES 1.38% (3.31%)** | | | |
| | **Liquidity Funds 1.38% (3.31%)[1]** | | |
| 4,001,972 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 4,002 | 1.38 |
| 1,954 | Insight Liquidity Funds - ILF GBP Liquidity Class 3 | 2 | – |
| | **Total Collective Investment Schemes** | **4,004** | **1.38** |
| **Total value of investments[2]** | | **290,996** | **100.16** |
| **Net other (liabilities)/assets (0.94%)** | | **(472)** | **(0.16)** |
| **Net assets** | | **290,524** | **100.00** |

*March 2020 comparatives in brackets.*

*[1]Cash equivalents.*

*[2]Includes Cash equivalents.*

*†Alternative Investment Market.*

# Threadneedle UK Smaller Companies Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 0.68% (1.07%)** | | | |
| | **Oil Equipment, Services & Distribution 0.68% (1.07%)** | | |
| 2,008,642 | †Enteq Upstream | 321 | 0.12 |
| 2,076,646 | †Tekmar Group | 1,454 | 0.56 |
| | **Total Oil & Gas** | **1,775** | **0.68** |
| **BASIC MATERIALS 4.44% (0.00%)** | | | |
| | **Chemicals 2.70% (0.00%)** | | |
| 1,549,966 | Synthomer | 7,003 | 2.70 |
| | **Industrial Metals & Mining 1.74% (0.00%)** | | |
| 610,476 | Bodycote | 4,502 | 1.74 |
| | **Total Basic Materials** | **11,505** | **4.44** |
| **INDUSTRIALS 27.36% (28.55%)** | | | |
| | **Construction & Materials 4.57% (4.31%)** | | |
| 6,309,689 | †Breedon Aggregates | 5,956 | 2.30 |
| 1,620,480 | Eurocell Group | 3,306 | 1.27 |
| 1,894,550 | Galliford Try | 2,600 | 1.00 |
| | **Aerospace & Defence 4.40% (3.79%)** | | |
| 106,882 | Avon Rubber | 2,998 | 1.16 |
| 1,861,376 | Chemring Group | 4,812 | 1.86 |
| 3,257,725 | Senior | 3,567 | 1.38 |
| | **General Industrials 0.00% (0.74%)** | | |
| | **Electronic & Electrical Equipment 4.32% (4.55%)** | | |
| 604,848 | Discoverie Group | 3,992 | 1.54 |
| 229,259 | Oxford Instruments | 4,145 | 1.60 |
| 1,496,295 | TT electronics | 3,052 | 1.18 |
| | **Industrial Engineering 2.01% (1.60%)** | | |
| 1,049,793 | †Avingtrans | 2,939 | 1.13 |
| 1,631,606 | Xaar | 2,292 | 0.88 |
| | **Support Services 10.48% (13.56%)** | | |
| 1,500,088 | Essentra | 4,488 | 1.73 |
| 1,814,485 | †Knights Group Holdings | 7,947 | 3.07 |
| 1,068,768 | †Marlowe | 7,332 | 2.83 |
| 777,104 | PayPoint | 4,616 | 1.78 |
| 4,228,793 | Speedy Hire | 2,774 | 1.07 |
| | **Industrial Transportation 1.58% (0.00%)** | | |
| 359,139 | James Fisher & Sons | 4,109 | 1.58 |
| | **Total Industrials** | **70,925** | **27.36** |
| **CONSUMER GOODS 12.90% (11.32%)** | | | |
| | **Beverages 1.78% (2.06%)** | | |
| 1,676,816 | Stock Spirits Group | 4,611 | 1.78 |
| | **Food Producers 2.38% (1.20%)** | | |
| 332,450 | Hilton Food Group | 3,624 | 1.40 |
| 634,321 | †Hotel Chocolat Group | 2,537 | 0.98 |
| | **Household Goods & Home Construction 3.04% (2.13%)** | | |
| 984,936 | †Victoria | 7,879 | 3.04 |
| | **Leisure Goods 3.03% (5.68%)** | | |
| 37,081 | Games Workshop Group | 3,615 | 1.39 |
| 600,164 | †Team17 Group | 4,261 | 1.64 |
| | **Personal Goods 2.67% (0.25%)** | | |
| 411,557 | †Inspecs Group | 1,375 | 0.53 |
| 1,206,998 | Ted Baker | 1,466 | 0.56 |
| 648,670 | Watches of Switzerland Group | 4,087 | 1.58 |
| | **Total Consumer Goods** | **33,455** | **12.90** |
| **HEALTH CARE 6.77% (6.41%)** | | | |
| | **Health Care Equipment & Services 1.26% (0.71%)** | | |
| 10,170,856 | †Totally (Suspended) | 3,255 | 1.26 |
| | **Pharmaceuticals & Biotechnology 5.51% (5.70%)** | | |
| 491,546 | †Clinigen Group | 3,421 | 1.32 |
| 66,672 | Genus | 3,306 | 1.27 |
| 290,899 | Oxford Biomedica | 2,903 | 1.12 |
| 4,047,428 | Vectura Group | 4,655 | 1.80 |
| | **Total Health Care** | **17,540** | **6.77** |
| **CONSUMER SERVICES 27.94% (22.18%)** | | | |
| | **Food & Drug Retailers 0.00% (0.00%)** | | |
| 1,975,582 | Conviviality Retail (Delisted) | – | – |
| | **General Retailers 5.56% (2.59%)** | | |
| 225,000 | Auction Technology Group | 1,738 | 0.67 |
| 1,313,044 | Halfords Group | 4,130 | 1.59 |
| 1,246,712 | †Joules Group | 2,444 | 0.94 |
| 835,976 | Moonpig Group | 3,453 | 1.33 |
| 4,053,967 | N Brown Group | 2,672 | 1.03 |
| | **Media 12.05% (12.52%)** | | |
| 996,859 | Ascential | 3,649 | 1.41 |
| 515,929 | Future | 9,049 | 3.49 |
| 246,126 | †GlobalData | 2,954 | 1.14 |
| 2,230,272 | Hyve Group | 3,006 | 1.16 |
| 7,384,757 | †Mirriad Advertising | 3,692 | 1.43 |
| 1,288,993 | S4 Capital | 5,452 | 2.10 |
| 341,472 | †YouGov | 3,415 | 1.32 |
| | **Travel & Leisure 10.33% (7.07%)** | | |
| 4,764,994 | Cineworld Group | 4,984 | 1.92 |
| 462,147 | Gamesys Group | 6,498 | 2.51 |
| 1,837,155 | Gym Group | 4,391 | 1.69 |
| 1,383,554 | Hollywood Bowl Group | 3,127 | 1.21 |
| 364,804 | †Jet2 | 4,928 | 1.90 |
| 76,214 | Pphe Hotel Group | 1,086 | 0.42 |
| 1,696,604 | Restaurant Group | 1,773 | 0.68 |
| | **Total Consumer Services** | **72,441** | **27.94** |
| **FINANCIALS 5.79% (8.79%)** | | | |
| | **Life Insurance 0.00% (1.80%)** | | |
| | **Financial Services 5.79% (6.99%)** | | |
| 2,074,188 | †Argentex Group | 2,427 | 0.94 |
| 5,513,553 | †Fairfx Group | 2,084 | 0.80 |
| 674,550 | JTC | 4,371 | 1.69 |
| 920,539 | †Manolete Partners | 2,209 | 0.85 |
| 889,276 | Osb Group | 3,911 | 1.51 |
| | **Total Financials** | **15,002** | **5.79** |

# Threadneedle UK Smaller Companies Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **TECHNOLOGY 13.03% (16.88%)** | | | |
| | **Software & Computer Services 11.69% (14.58%)** | | |
| 21,505,598 | †1Spatial | 7,097 | 2.74 |
| 1,861,294 | †Blancco Technology | 5,100 | 1.97 |
| 464,036 | †Blue Prism Group | 5,814 | 2.24 |
| 151,563 | †First Derivatives | 4,085 | 1.57 |
| 270,368 | †Instem | 1,446 | 0.56 |
| 4,608,526 | †IQGEO Group | 4,424 | 1.71 |
| 1,387,891 | Tinybuild | 2,346 | 0.90 |
| | **Technology Hardware & Equipment 1.34% (2.30%)** | | |
| 1,424,898 | Spirent Communications | 3,470 | 1.34 |
| | **Total Technology** | **33,782** | **13.03** |
| **COLLECTIVE INVESTMENT SCHEMES 1.55% (2.33%)** | | | |
| | **Liquidity Funds 1.55% (2.33%)[1]** | | |
| 4,009,013 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 4,009 | 1.55 |
| | **Total Collective Investment Schemes** | **4,009** | **1.55** |
| **DERIVATIVES 0.00% (0.00%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | Sell GBP 1,260 Buy CHF 1,585 J.P. Morgan[2] | – | – |
| | Sell GBP 32 Buy CHF 41 J.P. Morgan[2] | – | – |
| | **Total Derivatives** | **–** | **–** |
| **Total value of investments[3]** | | **260,434** | **100.46** |
| **Net other (liabilities)/assets (2.47%)** | | **(1,188)** | **(0.46)** |
| **Net assets** | | **259,246** | **100.00** |

*March 2020 comparatives in brackets.*
*†Alternative Investment Market.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

# Threadneedle UK Growth & Income Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 2.15% (2.62%)** | | | |
| | **Oil & Gas Producers 2.15% (2.62%)** | | |
| 327,832 | Royal Dutch Shell 'B' Shares | 4,875 | 2.15 |
| | **Total Oil & Gas** | **4,875** | **2.15** |
| **BASIC MATERIALS 2.57% (1.88%)** | | | |
| | **Chemicals 2.57% (1.88%)** | | |
| 184,308 | Johnson Matthey | 5,835 | 2.57 |
| | **Total Basic Materials** | **5,835** | **2.57** |
| **INDUSTRIALS 27.88% (25.33%)** | | | |
| | **Aerospace & Defence 2.58% (3.31%)** | | |
| 810,471 | BAE Systems | 3,918 | 1.73 |
| 1,778,147 | Rolls-Royce Holdings | 1,930 | 0.85 |
| | **General Industrials 4.32% (4.25%)** | | |
| 1,194,944 | DS Smith | 4,755 | 2.10 |
| 334,530 | Smiths Group | 5,035 | 2.22 |
| | **Electronic & Electrical Equipment 0.93% (0.70%)** | | |
| 653,257 | Morgan Advanced Materials | 2,097 | 0.93 |
| | **Industrial Engineering 1.15% (0.88%)** | | |
| 202,555 | IMI | 2,605 | 1.15 |
| | **Industrial Transportation 2.70% (1.83%)** | | |
| 1,771,646 | Wincanton | 6,112 | 2.70 |
| | **Support Services 16.20% (14.36%)** | | |
| 1,572,912 | Electrocomponents | 15,037 | 6.63 |
| 84,816 | Ferguson | 7,102 | 3.13 |
| 2,280,669 | Hays | 3,569 | 1.57 |
| 2,287,996 | Rentokil Initial | 11,037 | 4.87 |
| | **Total Industrials** | **63,197** | **27.88** |
| **CONSUMER GOODS 8.70% (8.85%)** | | | |
| | **Food Producers 2.61% (2.03%)** | | |
| 788,062 | Tate & Lyle | 5,926 | 2.61 |
| | **Personal Goods 3.18% (4.02%)** | | |
| 185,050 | Unilever | 7,198 | 3.18 |
| | **Tobacco 2.91% (2.80%)** | | |
| 474,107 | Imperial Brands | 6,600 | 2.91 |
| | **Total Consumer Goods** | **19,724** | **8.70** |
| **HEALTH CARE 10.78% (13.58%)** | | | |
| | **Pharmaceuticals & Biotechnology 10.78% (13.58%)** | | |
| 231,018 | AstraZeneca | 15,841 | 6.99 |
| 690,196 | GlaxoSmithKline | 8,579 | 3.79 |
| | **Total Health Care** | **24,420** | **10.78** |
| **CONSUMER SERVICES 26.16% (25.56%)** | | | |
| | **Food & Drug Retailers 4.83% (6.22%)** | | |
| 1,780,628 | Tesco | 3,987 | 1.76 |
| 3,956,580 | WM Morrison Supermarkets | 6,954 | 3.07 |
| | **General Retailers 1.53% (1.80%)** | | |
| 2,382,435 | Marks & Spencer Group | 3,465 | 1.53 |
| | **Media 7.35% (6.80%)** | | |
| 3,648,326 | ITV | 4,256 | 1.88 |
| 897,239 | Pearson | 6,819 | 3.01 |
| 329,154 | RELX (London Listing) | 5,589 | 2.46 |
| | **Travel & Leisure 12.45% (10.74%)** | | |
| 314,773 | Compass Group | 4,868 | 2.15 |
| 4,073,022 | Firstgroup | 3,664 | 1.62 |
| 525,356 | J D Wetherspoon | 6,572 | 2.90 |
| 3,006,896 | Rank Group | 5,382 | 2.37 |
| 6,109,347 | Restaurant Group | 6,384 | 2.82 |
| 1,432,541 | Stagecoach Group | 1,347 | 0.59 |
| | **Total Consumer Services** | **59,287** | **26.16** |
| **TELECOMMUNICATIONS 1.50% (1.52%)** | | | |
| | **Fixed Line Telecommunications 1.50% (1.52%)** | | |
| 2,395,620 | BT Group | 3,389 | 1.50 |
| | **Total Telecommunications** | **3,389** | **1.50** |
| **UTILITIES 3.16% (3.61%)** | | | |
| | **Gas, Water & Multiutilities 3.16% (3.61%)** | | |
| 4,866,931 | Centrica | 2,528 | 1.12 |
| 262,904 | Pennon Group | 2,511 | 1.11 |
| 235,792 | United Utilities Group | 2,118 | 0.93 |
| | **Total Utilities** | **7,157** | **3.16** |
| **FINANCIALS 11.78% (13.38%)** | | | |
| | **Banks 0.77% (0.96%)** | | |
| 186,244 | Secure Trust Bank | 1,751 | 0.77 |
| | **Nonlife Insurance 2.26% (4.01%)** | | |
| 565,217 | Hiscox | 5,122 | 2.26 |
| | **Life Insurance 2.36% (2.24%)** | | |
| 1,919,427 | Legal & General Group | 5,351 | 2.36 |
| | **Financial Services 6.39% (6.17%)** | | |
| 742,929 | 3i Group | 8,436 | 3.72 |
| 2,394,046 | Melrose Industries | 4,166 | 1.84 |
| 3,776,727 | Sherborne Investors Guernsey | 1,873 | 0.83 |
| | **Total Financials** | **26,699** | **11.78** |
| **TECHNOLOGY 4.69% (4.13%)** | | | |
| | **Technology Hardware & Equipment 4.69% (4.13%)** | | |
| 4,367,460 | Spirent Communications | 10,635 | 4.69 |
| | **Total Technology** | **10,635** | **4.69** |
| **COLLECTIVE INVESTMENT SCHEMES 5.30% (0.40%)** | | | |
| | **Liquidity Funds 5.30% (0.40%)[1]** | | |
| 12,014,838 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 12,015 | 5.30 |
| | **Total Collective Investment Schemes** | **12,015** | **5.30** |
| **Total value of investments[2]** | | **237,233** | **104.67** |
| **Net other liabilities (-0.86%)** | | **(10,590)** | **(4.67)** |
| **Net assets** | | **226,643** | **100.00** |

*March 2020 comparatives in brackets.*

[1] *Cash equivalents.*

[2] *Includes Cash equivalents.*

# Threadneedle UK Equity Income Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 2.30% (2.64%)** | | | |
| | **Oil & Gas Producers 2.30% (2.64%)** | | |
| 5,379,757 | Royal Dutch Shell 'B' Shares | 80,008 | 2.30 |
| | **Total Oil & Gas** | **80,008** | **2.30** |
| **BASIC MATERIALS 2.72% (2.01%)** | | | |
| | **Chemicals 2.72% (2.01%)** | | |
| 18,199,669 | Elementis | 23,842 | 0.69 |
| 2,229,623 | Johnson Matthey | 70,590 | 2.03 |
| | **Total Basic Materials** | **94,432** | **2.72** |
| **INDUSTRIALS 30.26% (25.16%)** | | | |
| | **Construction & Materials 1.35% (1.15%)** | | |
| 2,607,158 | Morgan Sindall Group | 46,929 | 1.35 |
| | **Aerospace & Defence 2.32% (2.92%)** | | |
| 16,676,265 | BAE Systems | 80,613 | 2.32 |
| | **General Industrials 4.31% (3.86%)** | | |
| 19,403,619 | DS Smith | 77,207 | 2.23 |
| 4,795,057 | Smiths Group | 72,166 | 2.08 |
| | **Electronic & Electrical Equipment 3.05% (2.12%)** | | |
| 8,271,406 | Morgan Advanced Materials | 26,551 | 0.77 |
| 4,384,472 | Oxford Instruments | 79,271 | 2.28 |
| | **Industrial Engineering 1.13% (0.83%)** | | |
| 3,050,477 | IMI | 39,229 | 1.13 |
| | **Industrial Transportation 1.48% (0.97%)** | | |
| 14,879,737 | Wincanton | 51,335 | 1.48 |
| | **Support Services 16.62% (13.31%)** | | |
| 25,902,548 | Electrocomponents | 247,628 | 7.13 |
| 1,078,960 | Ferguson | 90,352 | 2.60 |
| 45,422,350 | Hays | 71,086 | 2.05 |
| 34,861,190 | Rentokil Initial | 168,170 | 4.84 |
| | **Total Industrials** | **1,050,537** | **30.26** |
| **CONSUMER GOODS 10.75% (10.81%)** | | | |
| | **Food Producers 2.63% (2.24%)** | | |
| 12,149,700 | Tate & Lyle | 91,366 | 2.63 |
| | **Personal Goods 3.21% (3.78%)** | | |
| 2,866,857 | Unilever | 111,521 | 3.21 |
| | **Tobacco 4.91% (4.79%)** | | |
| 12,250,381 | Imperial Brands | 170,525 | 4.91 |
| | **Total Consumer Goods** | **373,412** | **10.75** |
| **HEALTH CARE 12.10% (16.51%)** | | | |
| | **Pharmaceuticals & Biotechnology 12.10% (16.51%)** | | |
| 3,635,826 | AstraZeneca | 249,309 | 7.18 |
| 13,749,643 | GlaxoSmithKline | 170,908 | 4.92 |
| | **Total Health Care** | **420,217** | **12.10** |
| **CONSUMER SERVICES 20.53% (20.28%)** | | | |
| | **Food & Drug Retailers 4.73% (5.53%)** | | |
| 20,623,604 | Tesco | 46,176 | 1.33 |
| 67,128,359 | WM Morrison Supermarkets | 117,978 | 3.40 |
| | **General Retailers 1.77% (1.90%)** | | |
| 42,245,641 | Marks & Spencer Group | 61,446 | 1.77 |
| | **Media 7.19% (6.46%)** | | |
| 59,282,292 | ITV | 69,153 | 1.99 |
| 12,801,761 | Pearson | 97,293 | 2.80 |
| 4,919,803 | RELX (London Listing) | 83,538 | 2.40 |
| | **Travel & Leisure 6.84% (6.39%)** | | |
| 5,248,896 | Compass Group | 81,174 | 2.34 |
| 2,067,377 | Go-Ahead Group | 26,359 | 0.76 |
| 5,135,892 | J D Wetherspoon | 64,250 | 1.85 |
| 23,417,722 | Rank Group | 41,918 | 1.21 |
| 25,133,926 | Stagecoach Group | 23,626 | 0.68 |
| | **Total Consumer Services** | **712,911** | **20.53** |
| **TELECOMMUNICATIONS 2.14% (2.03%)** | | | |
| | **Fixed Line Telecommunications 2.14% (2.03%)** | | |
| 52,607,853 | BT Group | 74,414 | 2.14 |
| | **Total Telecommunications** | **74,414** | **2.14** |
| **UTILITIES 3.31% (3.82%)** | | | |
| | **Gas, Water & Multiutilities 3.31% (3.82%)** | | |
| 74,870,087 | Centrica | 38,888 | 1.12 |
| 4,387,345 | Pennon Group | 41,899 | 1.21 |
| 3,801,392 | United Utilities Group | 34,144 | 0.98 |
| | **Total Utilities** | **114,931** | **3.31** |
| **FINANCIALS 16.09% (16.32%)** | | | |
| | **Nonlife Insurance 2.09% (4.10%)** | | |
| 22,637,227 | Direct Line Insurance Group | 72,530 | 2.09 |
| | **Life Insurance 8.29% (7.07%)** | | |
| 11,087,757 | Chesnara | 30,380 | 0.88 |
| 35,158,646 | Legal & General Group | 98,022 | 2.82 |
| 21,903,018 | Phoenix Group Holdings | 159,235 | 4.59 |
| | **Financial Services 5.71% (5.15%)** | | |
| 11,454,624 | 3i Group | 130,067 | 3.75 |
| 26,437,218 | Melrose Industries | 46,001 | 1.32 |
| 40,820,625 | Sherborne Investors Guernsey | 20,247 | 0.58 |
| 41,037,796 | Sherborne Investors Guernsey B | 2,052 | 0.06 |
| | **Total Financials** | **558,534** | **16.09** |
| **COLLECTIVE INVESTMENT SCHEMES 1.14% (0.26%)** | | | |
| | **Liquidity Funds 1.14% (0.26%)[1]** | | |
| 39,508,299 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 39,508 | 1.14 |
| 3,714 | Insight Liquidity Funds – ILF GBP Liquidity Class 3 | 4 | – |
| | **Total Collective Investment Schemes** | **39,512** | **1.14** |
| **Total value of investments[2]** | | **3,518,908** | **101.34** |
| **Net other (liabilities)/assets (0.16%)** | | **(46,653)** | **(1.34)** |
| **Net assets** | | **3,472,255** | **100.00** |

*March 2020 comparatives in brackets.*

*[1]Cash equivalents.*

*[2]Includes Cash equivalents.*

# Threadneedle UK Monthly Income Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 2.10% (4.06%)** | | | |
| | **Oil & Gas Producers 2.10% (4.06%)** | | |
| 125,000 | BP | 399 | 0.11 |
| 490,000 | Royal Dutch Shell 'B' Shares | 7,287 | 1.99 |
| | **Total Oil & Gas** | **7,686** | **2.10** |
| **BASIC MATERIALS 8.52% (4.68%)** | | | |
| | **Chemicals 2.78% (2.04%)** | | |
| 145,000 | Johnson Matthey | 4,591 | 1.25 |
| 1,235,000 | Synthomer | 5,580 | 1.53 |
| | **Mining 5.74% (2.64%)** | | |
| 957,500 | BHP Group | 21,012 | 5.74 |
| | **Total Basic Materials** | **31,183** | **8.52** |
| **INDUSTRIALS 16.69% (10.36%)** | | | |
| | **Construction & Materials 0.67% (0.00%)** | | |
| 920,000 | Forterra | 2,456 | 0.67 |
| | **Aerospace & Defence 1.67% (2.42%)** | | |
| 1,265,000 | BAE Systems | 6,115 | 1.67 |
| | **General Industrials 2.73% (0.94%)** | | |
| 1,660,000 | DS Smith | 6,605 | 1.80 |
| 1,955,000 | Melrose Industries | 3,402 | 0.93 |
| | **Electronic & Electrical Equipment 3.11% (2.50%)** | | |
| 160,000 | Halma | 3,571 | 0.98 |
| 175,000 | Oxford Instruments | 3,164 | 0.86 |
| 150,000 | Spectris | 4,635 | 1.27 |
| | **Industrial Engineering 1.90% (1.79%)** | | |
| 9,185,000 | Severfield | 6,944 | 1.90 |
| | **Industrial Transportation 0.63% (0.47%)** | | |
| 200,000 | James Fisher & Sons | 2,288 | 0.63 |
| | **Support Services 5.98% (2.24%)** | | |
| 1,175,000 | Electrocomponents | 11,233 | 3.07 |
| 600,000 | Essentra | 1,795 | 0.49 |
| 90,000 | Ferguson | 7,537 | 2.06 |
| 2,000,000 | Speedy Hire | 1,312 | 0.36 |
| | **Total Industrials** | **61,057** | **16.69** |
| **CONSUMER GOODS 14.39% (14.82%)** | | | |
| | **Beverages 3.08% (2.09%)** | | |
| 225,000 | Diageo | 6,617 | 1.81 |
| 1,685,000 | Stock Spirits Group | 4,634 | 1.27 |
| | **Household Goods & Home Construction 2.41% (1.98%)** | | |
| 1,770,000 | Crest Nicholson Holdings | 6,620 | 1.81 |
| 35,000 | Reckitt Benckiser Group | 2,195 | 0.60 |
| | **Personal Goods 3.38% (3.04%)** | | |
| 195,000 | Burberry Group | 3,637 | 0.99 |
| 225,000 | Unilever | 8,753 | 2.39 |
| | **Tobacco 5.52% (7.71%)** | | |
| 235,000 | British American Tobacco | 6,137 | 1.68 |
| 1,010,000 | Imperial Brands | 14,059 | 3.84 |
| | **Total Consumer Goods** | **52,652** | **14.39** |
| **HEALTH CARE 9.05% (12.84%)** | | | |
| | **Pharmaceuticals & Biotechnology 9.05% (12.84%)** | | |
| 205,000 | AstraZeneca | 14,057 | 3.84 |
| 1,535,000 | GlaxoSmithKline | 19,080 | 5.21 |
| | **Total Health Care** | **33,137** | **9.05** |
| **CONSUMER SERVICES 14.39% (12.25%)** | | | |
| | **Food & Drug Retailers 1.42% (0.00%)** | | |
| 2,255,000 | J Sainsbury | 5,180 | 1.42 |
| | **General Retailers 1.07% (1.09%)** | | |
| 1,475,000 | Marks & Spencer Group | 2,145 | 0.59 |
| 845,000 | ScS Group | 1,749 | 0.48 |
| | **Media 6.45% (5.04%)** | | |
| 5,990,000 | ITV | 6,987 | 1.91 |
| 585,000 | RELX (London Listing) | 9,933 | 2.71 |
| 755,000 | WPP | 6,704 | 1.83 |
| | **Travel & Leisure 5.45% (6.12%)** | | |
| 175,000 | Compass Group | 2,706 | 0.74 |
| 360,000 | Fuller Smith & Turner | 3,074 | 0.84 |
| 275,000 | Go-Ahead Group | 3,506 | 0.96 |
| 3,117,400 | Rank Group | 5,580 | 1.52 |
| 3,415,000 | Stagecoach Group | 3,210 | 0.88 |
| 55,000 | Whitbread | 1,872 | 0.51 |
| | **Total Consumer Services** | **52,646** | **14.39** |
| **TELECOMMUNICATIONS 1.84% (1.72%)** | | | |
| | **Fixed Line Telecommunications 1.84% (1.72%)** | | |
| 4,750,000 | BT Group | 6,719 | 1.84 |
| | **Total Telecommunications** | **6,719** | **1.84** |
| **UTILITIES 5.04% (7.39%)** | | | |
| | **Electricity 2.29% (2.99%)** | | |
| 640,000 | SSE | 8,384 | 2.29 |
| | **Gas, Water & Multiutilities 2.75% (4.40%)** | | |
| 2,100,000 | Centrica | 1,091 | 0.30 |
| 645,000 | Pennon Group | 6,160 | 1.68 |
| 125,000 | Severn Trent | 2,794 | 0.77 |
| | **Total Utilities** | **18,429** | **5.04** |
| **FINANCIALS 27.59% (31.11%)** | | | |
| | **Banks 2.53% (8.23%)** | | |
| 285,000 | Close Brothers Group | 4,648 | 1.27 |
| 2,450,000 | NatWest Group | 4,606 | 1.26 |
| | **Nonlife Insurance 0.56% (0.98%)** | | |
| 315,000 | Lancashire Holdings | 2,041 | 0.56 |
| | **Life Insurance 12.76% (11.59%)** | | |
| 565,000 | Aviva | 2,205 | 0.60 |
| 3,147,128 | Chesnara | 8,623 | 2.36 |
| 6,300,000 | Legal & General Group | 17,565 | 4.80 |
| 1,775,000 | Phoenix Group Holdings | 12,904 | 3.53 |
| 365,000 | Prudential | 5,367 | 1.47 |
| | **Real Estate Investment & Services 1.03% (0.94%)** | | |
| 1,400,000 | Grainger | 3,780 | 1.03 |

# Threadneedle UK Monthly Income Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **FINANCIALS 27.59% (31.11%) (continued)** | | | |
| | **Real Estate Investment Trusts 4.88% (6.02%)** | | |
| 860,000 | Capital & Counties Properties | 1,489 | 0.41 |
| 160,000 | Derwent London | 5,315 | 1.45 |
| 3,765,000 | Empiric Student Property REIT | 2,715 | 0.74 |
| 2,880,000 | Londonmetric Property REIT | 6,071 | 1.66 |
| 1,835,000 | †Warehouse REIT | 2,276 | 0.62 |
| | **Financial Services 5.60% (3.35%)** | | |
| 770,000 | 3i Group | 8,743 | 2.39 |
| 975,000 | AJ Bell | 3,973 | 1.08 |
| 885,000 | M&G Prudential | 1,769 | 0.48 |
| 4,302,702 | Sherborne Investors Guernsey | 2,134 | 0.58 |
| 4,275,000 | Sherborne Investors Guernsey B | 214 | 0.06 |
| 305,000 | St James's Place | 3,689 | 1.01 |
| | **Equity Investment Instruments 0.23% (0.00%)** | | |
| 510,000 | HICL Infrastructure | 836 | 0.23 |
| | **Total Financials** | **100,963** | **27.59** |
| **COLLECTIVE INVESTMENT SCHEMES 0.55% (0.00%)** | | | |
| | **Liquidity Funds 0.55% (0.00%)[1]** | | |
| 2,012,252 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 2,012 | 0.55 |
| | **Total Collective Investment Schemes** | **2,012** | **0.55** |
| **Total value of investments[2]** | | **366,484** | **100.16** |
| **Net other (liabilities)/assets (0.77%)** | | **(577)** | **(0.16)** |
| **Net assets** | | **365,907** | **100.00** |

*March 2020 comparatives in brackets.*
*†Alternative Investment Market.*
*[1]Cash equivalents.*
*[2]Includes Cash equivalents.*

# Threadneedle Monthly Extra Income Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **AUSTRALIA 0.79% (0.80%)** | | | | |
| | | **Corporate Bonds 0.79% (0.80%)** | | |
| GBP | 400,000 | APT Pipelines 3.125% 18/07/2031 | 434 | 0.19 |
| GBP | 395,000 | Asciano Finance 5% 19/09/2023 | 427 | 0.19 |
| EUR | 100,000 | *Ausnet Services Holdings Variable 11/03/2081 | 87 | 0.04 |
| GBP | 472,000 | *BHP Billiton Finance 6.5% 22/10/2077 | 509 | 0.23 |
| USD | 400,000 | SGSP Australia Assets 3.25% 29/07/2026 | 313 | 0.14 |
| | | **Total Australia** | **1,770** | **0.79** |
| **BELGIUM 0.17% (0.00%)** | | | | |
| | | **Corporate Bonds 0.17% (0.00%)** | | |
| GBP | 350,000 | Anheuser-Busch InBev 2.85% 25/05/2037 | 374 | 0.17 |
| | | **Total Belgium** | **374** | **0.17** |
| **BERMUDA 1.70% (1.56%)** | | | | |
| | | **Corporate Bonds 0.20% (0.18%)** | | |
| USD | 550,000 | Bacardi 4.7% 15/05/2028 | 459 | 0.20 |
| | | **Nonlife Insurance 1.50% (1.38%)** | | |
| | 374,073 | Hiscox | 3,380 | 1.50 |
| | | **Total Bermuda** | **3,839** | **1.70** |
| **BRITISH VIRGIN ISLANDS 0.00% (0.19%)** | | | | |
| | | **Corporate Bonds 0.00% (0.19%)** | | |
| | | **Total British Virgin Islands** | – | – |
| **CAYMAN ISLANDS 0.40% (0.38%)** | | | | |
| | | **Corporate Bonds 0.40% (0.38%)** | | |
| | 195,000 | Phoenix Group Holdings 5.625% 28/04/2031 | 230 | 0.10 |
| | 550,000 | Southern Water Services 3% 28/05/2037 | 586 | 0.26 |
| | 100,000 | *Trafford Centre Finance FRN 28/07/2035 A3 | 84 | 0.04 |
| | | **Oil & Gas Producers 0.00% (0.00%)** | | |
| | 146 | Noble Corp New Shares | 3 | – |
| | 597 | Noble Holding International-Wt1 Warrant (Tranche 1)[1] | – | – |
| | 597 | Noble Holding International-Wt2 Warrant (Tranche 2)[1] | – | – |
| | | **Total Cayman Islands** | **903** | **0.40** |
| **DENMARK 0.04% (0.00%)** | | | | |
| | | **Corporate Bonds 0.04% (0.00%)** | | |
| GBP | 100,000 | *Danske Bank Variable 14/01/2028 | 103 | 0.04 |
| | | **Total Denmark** | **103** | **0.04** |
| **FRANCE 1.25% (1.72%)** | | | | |
| | | **Corporate Bonds 1.25% (1.72%)** | | |
| GBP | 400,000 | Banque Fed Cred Mutuel 0.875% 07/12/2027 | 391 | 0.17 |
| GBP | 200,000 | BNP Paribas 1.875% 14/12/2027 | 205 | 0.09 |
| GBP | 200,000 | BPCE 5.25% 16/04/2029 | 247 | 0.11 |
| GBP | 100,000 | Credit Agricole 1.25% 02/10/2024 | 102 | 0.04 |
| GBP | 300,000 | Electricite de France 5.125% 22/09/2050 | 443 | 0.20 |
| GBP | 400,000 | Electricite de France 5.5% 17/10/2041 | 578 | 0.26 |
| GBP | 400,000 | LVMH Moet Hennessy Vuitton 1.125% 11/02/2027 | 399 | 0.18 |
| GBP | 300,000 | Orange 3.25% 15/01/2032 | 341 | 0.15 |
| GBP | 70,000 | Orange 8.125% 20/11/2028 | 104 | 0.05 |
| | | **Total France** | **2,810** | **1.25** |
| **GERMANY 0.17% (0.13%)** | | | | |
| | | **Corporate Bonds 0.17% (0.13%)** | | |
| EUR | 200,000 | ADLER Real Estate 3% 27/04/2026 | 180 | 0.08 |
| GBP | 200,000 | *Deutsche Bank Variable 22/12/2028 | 197 | 0.09 |
| | | **Total Germany** | **377** | **0.17** |
| **GUERNSEY 0.52% (0.52%)** | | | | |
| | | **Financial Services 0.52% (0.52%)** | | |
| | 2,252,188 | Sherborne Investors Guernsey | 1,068 | 0.47 |
| | 2,074,094 | Sherborne Investors Guernsey B | 104 | 0.05 |
| | | **Total Guernsey** | **1,172** | **0.52** |
| **ITALY 0.04% (0.00%)** | | | | |
| | | **Corporate Bonds 0.04% (0.00%)** | | |
| GBP | 100,000 | Intesa Sanpaolo 2.625% 11/03/2036 | 100 | 0.04 |
| | | **Total Italy** | **100** | **0.04** |
| **JERSEY 2.59% (0.53%)** | | | | |
| | | **Corporate Bonds 0.56% (0.53%)** | | |
| GBP | 125,000 | Gatwick Funding 2.625% 07/10/2046 | 114 | 0.05 |
| GBP | 134,000 | Glencore Finance Europe 3.125% 26/03/2026 | 143 | 0.06 |
| GBP | 160,000 | Hastings Group Finance 3% 24/05/2025 | 170 | 0.08 |
| GBP | 100,000 | Heathrow Funding 2.75% 13/10/2029 | 103 | 0.05 |
| GBP | 170,000 | Heathrow Funding 2.75% 09/08/2049 | 165 | 0.07 |
| GBP | 185,000 | Heathrow Funding 4.625% 31/10/2046 | 236 | 0.11 |
| GBP | 90,000 | Heathrow Funding 6.45% 10/12/2031 | 123 | 0.05 |
| GBP | 175,000 | Porterbrook Rail Finance 4.625% 04/04/2029 | 205 | 0.09 |
| | | **Support Services 2.03% (0.00%)** | | |
| | 53,621 | Ferguson | 4,577 | 2.03 |
| | | **Total Jersey** | **5,836** | **2.59** |
| **LUXEMBOURG 0.40% (0.26%)** | | | | |
| | | **Corporate Bonds 0.40% (0.26%)** | | |
| GBP | 399,000 | Aroundtown 3% 16/10/2029 | 422 | 0.19 |
| GBP | 275,000 | Aroundtown 3.25% 18/07/2027 | 297 | 0.13 |
| EUR | 100,000 | Becton Dickinson Euro Finance 1.213% 12/02/2036 | 87 | 0.04 |
| GBP | 100,000 | CPI Property Group 2.75% 22/01/2028 | 101 | 0.04 |
| | | **Total Luxembourg** | **907** | **0.40** |
| **MEXICO 0.21% (0.27%)** | | | | |
| | | **Corporate Bonds 0.11% (0.19%)** | | |
| GBP | 248,000 | Petroleos Mexicanos 3.75% 16/11/2025 | 242 | 0.11 |
| | | **Government Bonds 0.10% (0.08%)** | | |
| GBP | 202,000 | United Mexican States 5.625% 19/03/2114 | 223 | 0.10 |
| | | **Total Mexico** | **465** | **0.21** |

# Threadneedle Monthly Extra Income Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **NETHERLANDS 1.42% (1.39%)** | | | | |
| | | **Corporate Bonds 1.42% (1.39%)** | | |
| GBP | 200,000 | ABN AMRO Bank 1.375% 16/01/2025 | 204 | 0.09 |
| GBP | 300,000 | Co-operative Rabobank 4.625% 23/05/2029 | 358 | 0.16 |
| GBP | 225,000 | E.ON International Finance 6.375% 07/06/2032 | 321 | 0.14 |
| GBP | 600,000 | *ING Groep Variable 07/12/2028 | 585 | 0.26 |
| GBP | 750,000 | Innogy Finance 6.25% 03/06/2030 | 1,025 | 0.45 |
| GBP | 120,000 | Shell International Finance 1.75% 10/09/2052 | 102 | 0.05 |
| EUR | 300,000 | *Telefonica Europe Variable 14/03/2168 | 280 | 0.12 |
| GBP | 300,000 | Volkswagen International Finance 3.375% 16/11/2026 | 329 | 0.15 |
| | | **Total Netherlands** | **3,204** | **1.42** |
| **NORWAY 0.00% (0.14%)** | | | | |
| | | **Corporate Bonds 0.00% (0.14%)** | | |
| | | **Total Norway** | – | – |
| **REPUBLIC OF IRELAND 0.29% (0.48%)** | | | | |
| | | **Corporate Bonds 0.29% (0.48%)** | | |
| GBP | 490,000 | GE Capital UK Funding 5.875% 18/01/2033 | 657 | 0.29 |
| | | **Total Republic Of Ireland** | **657** | **0.29** |
| **SWEDEN 0.31% (0.27%)** | | | | |
| | | **Corporate Bonds 0.31% (0.27%)** | | |
| GBP | 430,000 | Akelius Residential 2.375% 15/08/2025 | 450 | 0.20 |
| EUR | 280,000 | Sagax 1.125% 30/01/2027 | 246 | 0.11 |
| | | **Total Sweden** | **696** | **0.31** |
| **SWITZERLAND 0.29% (0.22%)** | | | | |
| | | **Corporate Bonds 0.29% (0.22%)** | | |
| GBP | 285,000 | *Credit Suisse Group Variable 09/06/2028 | 295 | 0.13 |
| USD | 425,000 | *UBS Group 7% 29/12/2049 | 352 | 0.16 |
| | | **Total Switzerland** | **647** | **0.29** |
| **UNITED KINGDOM 85.45% (84.27%)** | | | | |
| | | **Corporate Bonds 9.40% (10.76%)** | | |
| GBP | 180,000 | Anglian Water Services Financing 2.625% 15/06/2027 | 188 | 0.08 |
| GBP | 150,000 | Anglian Water Services Financing 2.75% 26/10/2029 | 165 | 0.07 |
| GBP | 118,000 | Aster Treasury 1.405% 27/01/2036 | 112 | 0.05 |
| GBP | 281,000 | *Aviva 4.375% 12/09/2049 | 315 | 0.14 |
| GBP | 100,000 | *Aviva 5.125% 04/06/2050 | 118 | 0.05 |
| GBP | 203,000 | Barclays Bank 5.75% 14/09/2026 | 245 | 0.11 |
| GBP | 100,000 | *Barclays Variable 03/11/2026 | 101 | 0.05 |
| GBP | 552,000 | BAT International Finance 2.25% 26/06/2028 | 558 | 0.25 |
| GBP | 100,000 | BAT International Finance 6% 24/11/2034 | 133 | 0.06 |
| GBP | 100,000 | Blend Funding 2.922% 05/04/2056 | 111 | 0.05 |
| GBP | 285,000 | *BP Capital Markets Variable 22/06/2169 GBP | 301 | 0.13 |
| GBP | 280,000 | British Telecommunications 3.125% 21/11/2031 | 304 | 0.14 |
| GBP | 220,000 | Broadgate Finance 5.098% 05/04/2033 | 227 | 0.10 |
| GBP | 276,000 | Bunzl Finance 1.5% 30/10/2030 | 269 | 0.12 |
| GBP | 360,000 | Bunzl Finance 2.25% 11/06/2025 | 378 | 0.17 |
| GBP | 200,000 | Bupa Finance 5% 08/12/2026 | 230 | 0.10 |
| GBP | 200,000 | Cadent Finance 2.25% 10/10/2035 | 199 | 0.09 |
| GBP | 100,000 | Cadent Finance 2.625% 22/09/2038 | 104 | 0.05 |
| GBP | 260,000 | Cadent Finance 2.75% 22/09/2046 | 269 | 0.12 |
| GBP | 138,000 | Catalyst Housing 3.125% 31/10/2047 | 161 | 0.07 |
| GBP | 188,000 | DS Smith 0.875% 12/09/2026 | 166 | 0.07 |
| GBP | 140,000 | DS Smith 2.875% 26/07/2029 | 148 | 0.07 |
| GBP | 115,000 | Dwr Cymru Financing 6.015% 31/03/2028 | 152 | 0.07 |
| GBP | 150,000 | Eastern Power Networks 1.875% 01/06/2035 | 148 | 0.07 |
| GBP | 124,000 | Eversholt Funding 2.742% 30/06/2040 | 127 | 0.06 |
| GBP | 150,000 | Eversholt Funding 3.529% 07/08/2042 | 165 | 0.07 |
| GBP | 100,000 | Experian Finance 3.25% 07/04/2032 | 114 | 0.05 |
| GBP | 480,000 | First Hydro Finance 9% 31/07/2021 | 495 | 0.22 |
| GBP | 355,000 | G4S International Finance 1.5% 02/06/2024 | 306 | 0.14 |
| GBP | 195,000 | G4S International Finance 1.875% 24/05/2025 | 168 | 0.07 |
| GBP | 105,000 | GKN Holdings 4.625% 15/05/2032 | 109 | 0.05 |
| GBP | 200,000 | GKN Holdings 5.375% 19/09/2022 | 211 | 0.09 |
| GBP | 233,000 | GlaxoSmithkline Capital 1.25% 12/10/2028 | 232 | 0.10 |
| GBP | 188,000 | GlaxoSmithkline Capital 1.625% 12/05/2035 | 181 | 0.08 |
| GBP | 100,000 | Home Group 3.125% 27/03/2043 | 113 | 0.05 |
| GBP | 90,000 | HSBC Bank 4.75% 24/03/2046 | 123 | 0.05 |
| GBP | 600,000 | HSBC Bank 5.375% 22/08/2033 | 796 | 0.35 |
| GBP | 100,000 | Imperial Brands Finance 4.875% 07/06/2032 | 120 | 0.05 |
| GBP | 275,000 | Imperial Brands Finance 5.5% 28/09/2026 | 330 | 0.15 |
| GBP | 175,000 | Imperial Brands Finance 8.125% 15/03/2024 | 211 | 0.09 |
| GBP | 375,000 | Land Securities Capital Markets 2.375% 29/03/2029 | 393 | 0.17 |
| GBP | 225,000 | *Legal & General Group 5.5% 27/06/2064 | 274 | 0.12 |
| GBP | 278,000 | *Legal & General Group Variable 14/11/2048 | 321 | 0.14 |
| GBP | 285,000 | Lloyds Bank 6.5% 17/09/2040 | 495 | 0.22 |
| GBP | 230,000 | Lloyds Bank 7.625% 22/04/2025 | 287 | 0.13 |
| GBP | 275,000 | *M&G Variable 20/10/2051 | 319 | 0.14 |
| GBP | 212,000 | Marks & Spencer 6% 12/06/2025 | 238 | 0.11 |
| GBP | 104,000 | *Marstons Issuer 5.1576% 15/10/2027 | 88 | 0.04 |
| GBP | 272,000 | Mitchells & Butlers Finance 5.574% 15/12/2030 | 109 | 0.05 |
| GBP | 260,000 | Motability Operations Group 1.5% 20/01/2041 | 241 | 0.11 |
| GBP | 175,000 | National Grid Electricity Transmission 1.125% 07/07/2028 | 171 | 0.08 |
| GBP | 200,000 | *Natwest Group 5.125% 12/11/2067 | 210 | 0.09 |
| GBP | 400,000 | Newriver REIT 3.5% 07/03/2028 | 371 | 0.16 |
| GBP | 600,000 | *NGG Finance 5.625% 18/06/2073 | 671 | 0.30 |
| GBP | 170,000 | NIE Finance 2.5% 27/10/2025 (London Listing) | 181 | 0.08 |
| GBP | 132,000 | Northern Powergrid 1.875% 16/06/2062 | 125 | 0.06 |
| GBP | 100,000 | Northern Powergrid 5.125% 04/05/35 | 136 | 0.06 |
| GBP | 250,000 | Northumbrian Water Finance 2.375% 05/10/2027 | 265 | 0.12 |
| GBP | 100,000 | Optivo Finance 2.857% 07/10/2035 | 110 | 0.05 |

# Threadneedle Monthly Extra Income Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED KINGDOM 85.45% (84.27%) (continued)** | | | | |
| GBP | 110,000 | Orbit Capital 2% 24/11/2038 | 107 | 0.05 |
| GBP | 282,000 | Pension Insurance 5.625% 20/09/2030 | 338 | 0.15 |
| GBP | 173,000 | Reckitt Benckiser 1.75% 19/05/2032 | 174 | 0.08 |
| GBP | 100,000 | RHP Finance 3.25% 05/02/2048 | 118 | 0.05 |
| GBP | 100,000 | *Royal Bank of Scotland 2.875% 19/09/2026 | 106 | 0.05 |
| GBP | 175,000 | *Royal Bank of Scotland Group Variable 28/03/2027 | 189 | 0.08 |
| GBP | 100,000 | *Royal Bank of Scotland Group Variable 14/08/2030 | 107 | 0.05 |
| GBP | 130,000 | Santander UK 10.0625% 06/04/2169 | 209 | 0.09 |
| GBP | 200,000 | Scottish Hydro Electric 2.25% 27/09/2035 | 208 | 0.09 |
| GBP | 100,000 | Severn Trent Utilities Finance 2% 02/06/2040 | 98 | 0.04 |
| GBP | 577,000 | Severn Trent Utilities Finance 3.625% 16/01/2026 | 648 | 0.29 |
| GBP | 624,000 | *Telereal Securitisation 4.0902% 10/12/2033 | 640 | 0.28 |
| GBP | 287,000 | Telereal Securitisation 4.9741% 10/09/2027 | 177 | 0.08 |
| GBP | 123,000 | *Telereal Securitisation Variable 10/12/2033 | 123 | 0.05 |
| GBP | 170,000 | Tesco Property Finance 5.5% 13/10/2041 | 219 | 0.10 |
| GBP | 390,000 | Tesco Property Finance 6 5.4111% 13/07/2044 | 473 | 0.21 |
| GBP | 325,000 | Thames Water Utilities 2.375% 03/05/2023 | 329 | 0.15 |
| GBP | 500,000 | Thames Water Utilities Cayman Finance 2.625% 24/01/2032 | 527 | 0.23 |
| GBP | 162,000 | Thames Water Utilities Finance 2.375% 22/04/2040 | 161 | 0.07 |
| GBP | 320,000 | *TSB Banking Group 5.75% 06/05/2026 | 322 | 0.14 |
| GBP | 150,000 | Unite Group 3.5% 15/10/2028 | 164 | 0.07 |
| GBP | 253,000 | United Utilities Water Finance 1.875% 03/06/2042 | 244 | 0.11 |
| GBP | 100,000 | University of Oxford 2.544% 08/12/2117 (London Listing) | 123 | 0.05 |
| GBP | 155,000 | *Virgin Money UK Variable 22/06/2025 | 162 | 0.07 |
| GBP | 100,000 | *Virgin Money UK Variable 11/12/2030 | 110 | 0.05 |
| GBP | 250,000 | Vodafone Group 3% 12/08/2056 | 256 | 0.11 |
| GBP | 200,000 | Western Power Distribution 1.625% 07/10/2035 | 188 | 0.08 |
| GBP | 200,000 | Western Power Distribution 1.75% 09/09/2031 | 200 | 0.09 |
| GBP | 250,000 | Western Power Distribution 3.5% 16/10/2026 | 273 | 0.12 |
| GBP | 300,000 | Yorkshire Water Finance 1.75% 26/11/2026 | 307 | 0.14 |
| | | **Government Bonds 0.91% (0.18%)** | | |
| GBP | 250,000 | United Kingdom Gilt 0.25% 31/07/2031 | 235 | 0.10 |
| GBP | 240,000 | United Kingdom Gilt 1.25% 22/10/2041 | 239 | 0.11 |
| GBP | 435,000 | United Kingdom Gilt 1.625% 22/10/2028 | 468 | 0.21 |
| GBP | 45,000 | United Kingdom Gilt 1.75% 07/09/2037 | 49 | 0.02 |
| GBP | 175,000 | United Kingdom Gilt 1.75% 22/01/2049 | 194 | 0.09 |
| GBP | 705,000 | United Kingdom Gilt 3.75% 07/09/2021 | 718 | 0.32 |
| GBP | 105,000 | United Kingdom Gilt 4.25% 07/06/2032 | 143 | 0.06 |
| | | **Oil & Gas Producers 1.63% (1.78%)** | | |
| | 245,792 | Royal Dutch Shell 'B' Shares | 3,676 | 1.63 |
| | | **Chemicals 1.25% (0.95%)** | | |
| | 87,516 | Johnson Matthey | 2,810 | 1.25 |
| | | **Aerospace & Defence 1.56% (1.91%)** | | |
| | 720,293 | BAE Systems | 3,519 | 1.56 |
| | | **General Industrials 3.99% (2.63%)** | | |
| | 897,232 | DS Smith | 3,656 | 1.62 |
| | 1,182,923 | Melrose Industries | 2,117 | 0.94 |
| | 213,185 | Smiths Group | 3,224 | 1.43 |
| | | **Electronic & Electrical Equipment 0.50% (0.39%)** | | |
| | 337,056 | Morgan Advanced Materials | 1,121 | 0.50 |
| | | **Industrial Engineering 1.22% (0.87%)** | | |
| | 212,161 | IMI | 2,750 | 1.22 |
| | | **Industrial Transportation 0.89% (0.62%)** | | |
| | 570,942 | Wincanton | 1,998 | 0.89 |
| | | **Support Services 9.93% (9.20%)** | | |
| | 1,163,581 | Electrocomponents | 11,380 | 5.05 |
| | 2,049,224 | Hays | 3,256 | 1.45 |
| | 1,601,339 | Rentokil Initial | 7,720 | 3.43 |
| | | **Food Producers 1.95% (1.45%)** | | |
| | 582,439 | Tate & Lyle | 4,394 | 1.95 |
| | | **Personal Goods 2.40% (2.74%)** | | |
| | 140,585 | Unilever | 5,396 | 2.40 |
| | | **Tobacco 3.36% (3.13%)** | | |
| | 547,805 | Imperial Brands | 7,560 | 3.36 |
| | | **Pharmaceuticals & Biotechnology 9.44% (11.89%)** | | |
| | 192,894 | AstraZeneca | 13,244 | 5.88 |
| | 657,042 | GlaxoSmithKline | 8,020 | 3.56 |
| | | **Food & Drug Retailers 3.34% (3.73%)** | | |
| | 977,827 | Tesco | 2,160 | 0.96 |
| | 3,081,359 | WM Morrison Supermarkets | 5,357 | 2.38 |
| | | **General Retailers 1.13% (1.15%)** | | |
| | 1,718,068 | Marks & Spencer Group | 2,542 | 1.13 |
| | | **Media 5.83% (4.53%)** | | |
| | 2,570,261 | ITV | 3,056 | 1.36 |
| | 758,011 | Pearson | 5,793 | 2.57 |
| | 252,451 | RELX (London Listing) | 4,290 | 1.90 |
| | | **Travel & Leisure 5.36% (5.05%)** | | |
| | 232,653 | Compass Group | 3,668 | 1.63 |
| | 2,423,885 | Firstgroup | 2,289 | 1.02 |
| | 207,775 | J D Wetherspoon | 2,664 | 1.18 |
| | 959,713 | Rank Group | 1,798 | 0.80 |
| | 1,692,630 | Stagecoach Group | 1,645 | 0.73 |
| | | **Fixed Line Telecommunications 1.32% (1.24%)** | | |
| | 2,138,554 | BT Group | 2,962 | 1.32 |
| | | **Gas, Water & Multiutilities 2.85% (3.22%)** | | |
| | 3,371,781 | Centrica | 1,792 | 0.80 |
| | 312,615 | Pennon Group | 2,918 | 1.30 |
| | 192,832 | United Utilities Group | 1,697 | 0.75 |

# Threadneedle Monthly Extra Income Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED KINGDOM 85.45% (84.27%) (continued)** | | | | |
| | | **Banks 0.68% (0.93%)** | | |
| | 162,425 | Secure Trust Bank | 1,530 | 0.68 |
| | | **Nonlife Insurance 1.50% (2.26%)** | | |
| | 1,044,219 | Direct Line Insurance Group | 3,384 | 1.50 |
| | | **Life Insurance 6.81% (5.50%)** | | |
| | 707,475 | Chesnara | 1,931 | 0.86 |
| | 1,561,819 | Legal & General Group | 4,447 | 1.97 |
| | 1,216,051 | Phoenix Group Holdings | 8,975 | 3.98 |
| | | **Real Estate Investment Trusts 1.59% (1.32%)** | | |
| | 1,674,637 | Londonmetric Property REIT | 3,584 | 1.59 |
| | | **Financial Services 2.97% 3.34%)** | | |
| | 586,338 | 3i Group | 6,681 | 2.97 |
| | | **Technology Hardware & Equipment 3.64% (3.50%)** | | |
| | 3,353,091 | Spirent Communications | 8,198 | 3.64 |
| | | **Total United Kingdom** | **192,456** | **85.45** |
| **UNITED STATES OF AMERICA 3.65% (5.31%)** | | | | |
| | | **Corporate Bonds 3.65% (5.31%)** | | |
| USD | 180,000 | AbbVie 4.25% 21/11/2049 | 145 | 0.06 |
| EUR | 100,000 | Ardagh Metal Packaging 2% 01/09/2028 | 86 | 0.04 |
| GBP | 635,000 | AT&T 4.25% 01/06/2043 | 756 | 0.33 |
| GBP | 150,000 | AT&T 5.5% 15/03/2027 | 183 | 0.08 |
| GBP | 150,000 | Bank of America 7% 31/07/2028 | 209 | 0.09 |
| GBP | 675,000 | Becton Dickinson 3.02% 24/05/2025 | 721 | 0.32 |
| GBP | 151,000 | Berkshire Hathaway Finance 2.625% 19/06/2059 | 175 | 0.08 |
| GBP | 249,000 | Citigroup 1.75% 23/10/2026 | 256 | 0.11 |
| GBP | 211,000 | Digital Stout Holding 3.75% 17/10/2030 | 242 | 0.11 |
| EUR | 120,000 | Equinix 2.875% 01/02/2026 | 53 | 0.02 |
| GBP | 325,000 | Fidelity National Information Services 3.36% 21/05/2031 | 363 | 0.16 |
| GBP | 325,000 | Fiserv 3% 01/07/2031 | 353 | 0.16 |
| GBP | 212,000 | Ford Motor Credit 4.535% 06/03/2025 | 227 | 0.10 |
| EUR | 141,000 | Iqvia 1.75% 15/03/2026 | 123 | 0.05 |
| EUR | 430,000 | IQVIA 3.25% 15/03/2025 | 375 | 0.17 |
| GBP | 100,000 | McDonald's 2.95% 15/03/2034 | 112 | 0.05 |
| GBP | 217,000 | Met Life Global Funding 0.625% 08/12/2027 | 209 | 0.09 |
| GBP | 285,000 | Metropolitan Life Global Funding 1.625% 21/09/2029 | 290 | 0.13 |
| GBP | 230,000 | New York Life Global Funding 1.25% 17/12/2026 | 233 | 0.10 |
| USD | 116,000 | Plains All American Pipeline 3.55% 15/12/2029 | 85 | 0.04 |
| USD | 188,000 | Plains All American Pipeline 4.65% 15/10/2025 | 150 | 0.07 |
| GBP | 750,000 | The Kraft Heinz 4.125% 01/07/2027 | 836 | 0.37 |
| GBP | 125,000 | Time Warner Cable 5.25% 15/07/2042 | 162 | 0.07 |
| GBP | 100,000 | Time Warner Cable 5.75% 02/06/2031 | 126 | 0.06 |
| GBP | 375,000 | Verizon Communications 1.875% 03/11/2038 | 351 | 0.16 |
| GBP | 175,000 | Verizon Communications 1.875% 19/09/2030 | 176 | 0.08 |
| GBP | 150,000 | Wells Fargo 2% 28/07/2025 | 156 | 0.07 |
| GBP | 215,000 | Wells Fargo 2.125% 24/09/2031 | 220 | 0.10 |
| GBP | 375,000 | Wells Fargo 2.5% 02/05/2029 | 398 | 0.18 |
| GBP | 375,000 | Welltower 4.8% 20/11/2028 | 443 | 0.20 |
| | | **Total United States Of America** | **8,214** | **3.65** |
| **DERIVATIVES 0.00% (0.00%)** | | | | |
| | | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | | Sell GBP 9,963 Buy EUR 11,505 J.P. Morgan[1] | – | – |
| | | Sell GBP 10,183 Buy EUR 11,758 J.P. Morgan[1] | – | – |
| | | Sell GBP 2,222,347 Buy EUR 2,566,132 J.P. Morgan | (5) | – |
| | | Sell EUR 2,285,663 Buy GBP 1,981,527 Barclays | 7 | – |
| | | Sell EUR 141,000 Buy GBP 122,126 Lloyds[1] | – | – |
| | | Sell USD 2,857,962 Buy GBP 2,052,385 Barclays | (16) | – |
| | | Sell EUR 43,319 Buy GBP 37,516 J.P. Morgan[1] | – | – |
| | | Sell EUR 687 Buy GBP 593 J.P. Morgan[1] | – | – |
| | | Sell EUR 7,552 Buy GBP 6,528 J.P. Morgan[1] | – | – |
| | | Sell EUR 8,947 Buy GBP 7,733 J.P. Morgan[1] | – | – |
| | | Sell USD 12,658 Buy GBP 9,054 Citigroup[1] | – | – |
| | | Sell GBP 15,230 Buy USD 21,174 Bank of Scotland[1] | – | – |
| | | Sell GBP 17,807 Buy USD 25,077 Barclays[1] | – | – |
| | | Sell GBP 451,410 Buy USD 628,830 Citigroup | 4 | – |
| | | **Total Derivatives** | **(10)** | **–** |
| **Total value of investments** | | | **224,520** | **99.69** |
| **Net other assets (1.56%)** | | | **699** | **0.31** |
| **Net assets** | | | **225,219** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bonds.*
*[1]Less than £500, rounded to nil.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 39,227 | 17.47 |
| Floating rate notes | 6,969 | 3.10 |
| Derivatives | (10) | – |
| Equity | 178,334 | 79.43 |
| **Total value of investments** | **224,520** | **100.00** |

# Threadneedle Sterling Corporate Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 86.92% (88.78%)** | | | | |
| | | **AAA 7.67% (1.05%)** | | |
| GBP | 5,000,000 | BNG Bank 0.375% 15/12/2025 | 4,968 | 0.48 |
| GBP | 10,000,000 | European Investment Bank 0.75% 15/11/2024 | 10,144 | 0.97 |
| GBP | 3,000,000 | European Investment Bank 4.625% 12/10/2054 | 5,514 | 0.53 |
| GBP | 26,600,000 | International Bank for Reconstruction and Development 0.25% 23/09/2027 | 25,782 | 2.47 |
| GBP | 12,000,000 | KFW 0.125% 30/12/2026 | 11,672 | 1.12 |
| GBP | 12,000,000 | KFW 0.875% 15/09/2026 | 12,194 | 1.17 |
| GBP | 7,000,000 | KFW 6% 07/12/2028 | 9,732 | 0.93 |
| | | **Aaa 0.00% (0.60%)** | | |
| | | **AA+ 0.86% (0.75%)** | | |
| GBP | 5,475,000 | New York Life Global Funding 0.75% 14/12/2028 | 5,268 | 0.50 |
| GBP | 3,686,000 | New York Life Global Funding 1.25% 17/12/2026 | 3,731 | 0.36 |
| | | **Aa1 0.28% (0.00%)** | | |
| GBP | 2,369,000 | University of Oxford 2.544% 08/12/2117 (London Listing) | 2,913 | 0.28 |
| | | **AA 1.77% (2.14%)** | | |
| GBP | 2,675,000 | Broadgate Finance 4.999% 05/10/2031 | 3,044 | 0.29 |
| GBP | 2,069,000 | Dwr Cymru Financing 6.015% 31/03/2028 | 2,730 | 0.26 |
| GBP | 6,305,000 | Land Securities Capital Markets 2.375% 29/03/2029 | 6,609 | 0.63 |
| GBP | 2,508,000 | Telereal Securitisation 4.9741% 10/09/2027 | 1,551 | 0.15 |
| GBP | 5,456,000 | Telereal Securitisation 5.9478% 10/12/2031 | 4,576 | 0.44 |
| | | **Aa2u 0.00% (4.02%)** | | |
| | | **AA- 0.73% (0.91%)** | | |
| GBP | 4,745,000 | Metropolitan Life Global Funding 0.625% 08/12/2027 | 4,564 | 0.44 |
| GBP | 2,965,000 | Metropolitan Life Global Funding 1.625% 21/09/2029 | 3,018 | 0.29 |
| | | **Aa3u 4.65% (0.00%)** | | |
| GBP | 43,845,000 | United Kingdom Gilt 1.75% 22/01/2049 | 48,589 | 4.65 |
| | | **A+ 2.67% (3.36%)** | | |
| GBP | 4,104,000 | Aster Treasury 1.405% 27/01/2036 | 3,904 | 0.37 |
| GBP | 4,095,000 | Broadgate Finance 5.098% 05/04/2033 | 4,234 | 0.41 |
| GBP | 4,065,000 | Canary Wharf Finance II 6.8% 22/04/2030 | 2,718 | 0.26 |
| GBP | 1,472,000 | Lloyds Bank 6.5% 17/09/2040 | 2,557 | 0.24 |
| GBP | 6,200,000 | LVMH Moet Hennessy Vuitton 1.125% 11/02/2027 | 6,178 | 0.59 |
| GBP | 1,424,000 | RHP Finance 3.25% 05/02/2048 | 1,675 | 0.16 |
| GBP | 2,530,000 | Shell International Finance 1.75% 10/09/2052 | 2,145 | 0.21 |
| USD | 5,800,000 | Tencent Holdings 3.595% 19/01/2028 | 4,507 | 0.43 |
| | | **A 3.04% (3.49%)** | | |
| GBP | 4,900,000 | ABN AMRO Bank 1.375% 16/01/2025 | 4,991 | 0.48 |
| GBP | 5,900,000 | Banque Fédérative du Crédit Mutuel 0.875% 07/12/2027 | 5,765 | 0.55 |
| EUR | 2,613,000 | Honeywell International 0.75% 10/03/2032 | 2,316 | 0.22 |
| GBP | 4,960,000 | Motability Operations Group 1.5% 20/01/2041 | 4,592 | 0.44 |
| GBP | 1,071,000 | Northern Powergrid 1.875% 16/06/2062 | 1,017 | 0.10 |
| GBP | 3,803,000 | Northern Powergrid Yorkshire 2.5% 01/04/2025 | 4,035 | 0.39 |
| USD | 1,777,000 | Oracle 3.6% 01/04/2040 | 1,359 | 0.13 |
| GBP | 6,958,000 | UNITE USAF II 3.921% 30/06/2025 | 7,576 | 0.73 |
| | | **A2 0.37% (0.00%)** | | |
| GBP | 834,000 | Blend Funding 2.922% 05/04/2056 | 924 | 0.09 |
| GBP | 2,835,000 | Co-operative Bank United Kingdom 4.75% 11/11/2021 | 2,910 | 0.28 |
| | | **A- 2.50% (13.87%)** | | |
| GBP | 843,000 | Catalyst Housing 3.125% 31/10/2047 | 986 | 0.09 |
| GBP | 2,625,000 | Home Group 3.125% 27/03/2043 | 2,965 | 0.28 |
| USD | 4,008,000 | SGSP Australia Assets 3.25% 29/07/2026 | 3,137 | 0.30 |
| GBP | 2,571,000 | Western Power Distribution 1.625% 07/10/2035 | 2,420 | 0.23 |
| GBP | 2,481,000 | Western Power Distribution 1.75% 09/09/2031 | 2,478 | 0.24 |
| GBP | 1,835,000 | Western Power Distribution South West 5.875% 25/03/2027 | 2,311 | 0.22 |
| GBP | 3,570,000 | Western Power Distribution West Midlands 6% 09/05/2025 | 4,293 | 0.41 |
| GBP | 7,449,000 | Yorkshire Water Finance 1.75% 26/11/2026 | 7,633 | 0.73 |
| | | **A3 0.30% (0.31%)** | | |
| GBP | 832,000 | Optivo Finance 2.857% 07/10/2035 | 917 | 0.09 |
| GBP | 2,265,000 | Orbit Capital 2% 24/11/2038 | 2,210 | 0.21 |
| | | **BBB+ 23.93% (19.92%)** | | |
| USD | 3,613,000 | AbbVie 4.25% 21/11/2049 | 2,915 | 0.28 |
| GBP | 5,775,000 | Anheuser-Busch InBev 2.85% 25/05/2037 | 6,169 | 0.59 |
| EUR | 2,625,000 | Anheuser-Busch InBev 3.7% 02/04/2040 | 3,047 | 0.29 |
| GBP | 6,176,000 | Aroundtown 3% 16/10/2029 | 6,530 | 0.63 |
| GBP | 2,081,000 | Aroundtown 3.25% 18/07/2027 | 2,247 | 0.22 |
| GBP | 2,817,000 | Aroundtown 3.625% 10/04/2031 | 3,115 | 0.30 |
| USD | 3,179,000 | Aroundtown 5.375% 21/03/2029 | 2,672 | 0.26 |
| GBP | 2,260,000 | BAT Capital 2.125% 15/08/2025 | 2,337 | 0.22 |
| GBP | 4,720,000 | BAT International Finance 2.25% 26/06/2028 | 4,771 | 0.46 |
| GBP | 3,400,000 | BAT International Finance 4% EMTN 04/09/2026 | 3,813 | 0.37 |
| GBP | 3,600,000 | BPCE 5.25% 16/04/2029 | 4,453 | 0.43 |
| GBP | 2,867,000 | Bunzl Finance 1.5% 30/10/2030 | 2,798 | 0.27 |
| GBP | 4,390,000 | Cadent Finance 2.125% 22/09/2028 | 4,566 | 0.44 |
| GBP | 5,120,000 | Cadent Finance 2.625% 22/09/2038 | 5,309 | 0.51 |
| GBP | 2,850,000 | Cadent Finance 2.75% 22/09/2046 | 2,949 | 0.28 |
| GBP | 2,225,000 | Citigroup 1.75% 23/10/2026 | 2,283 | 0.22 |
| GBP | 7,200,000 | Co-operative Rabobank 4.625% 23/05/2029 | 8,586 | 0.82 |
| GBP | 1,800,000 | Electricite de France 5.125% 22/09/2050 | 2,658 | 0.25 |
| GBP | 5,700,000 | Electricite de France 5.5% 17/10/2041 | 8,244 | 0.79 |
| GBP | 2,200,000 | Electricite de France 6% 23/01/2114 | 3,697 | 0.35 |

# Threadneedle Sterling Corporate Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 86.92% (88.78%) (continued)** | | | | |
| GBP | 10,321,000 | GE Capital UK Funding 5.875% 18/01/2033 | 13,846 | 1.33 |
| GBP | 815,000 | General Electric 5.375% 18/12/2040 | 1,088 | 0.10 |
| GBP | 2,409,000 | Glencore Finance Europe 3.125% 26/03/2026 | 2,572 | 0.25 |
| EUR | 1,800,000 | Grand City Properties 0.125% 11/01/2028 | 1,506 | 0.14 |
| EUR | 2,100,000 | Grand City Properties 1.375% 03/08/2026 | 1,916 | 0.18 |
| GBP | 3,151,000 | Heathrow Funding 2.75% 13/10/2029 | 3,251 | 0.31 |
| GBP | 2,400,000 | Heathrow Funding 2.75% 09/08/2049 | 2,329 | 0.22 |
| GBP | 1,480,000 | Heathrow Funding 4.625% 31/10/2046 | 1,890 | 0.18 |
| GBP | 1,800,000 | Heathrow Funding 6.45% 10/12/2031 | 2,465 | 0.24 |
| GBP | 4,755,000 | HSBC Bank 4.75% 24/03/2046 | 6,524 | 0.63 |
| GBP | 6,990,000 | HSBC Bank 5.375% 22/08/2033 | 9,270 | 0.89 |
| GBP | 1,525,000 | Longstone Finance 4.896% 19/04/2031 | 1,759 | 0.17 |
| GBP | 4,169,000 | Mitchells & Butlers Finance 5.574% 15/12/2030 | 1,671 | 0.16 |
| GBP | 6,186,000 | National Grid Electricity Transmission 1.125% 07/07/2028 | 6,037 | 0.58 |
| GBP | 3,358,000 | National Grid Electricity Transmission 2% 16/09/2038 | 3,308 | 0.32 |
| GBP | 7,829,000 | Northumbrian Water Finance 1.625% 11/10/2026 | 8,008 | 0.77 |
| GBP | 1,950,000 | Scotland Gas Network 3.25% 08/03/2027 | 2,158 | 0.21 |
| GBP | 2,237,000 | Severn Trent Utilities Finance 2% 02/06/2040 | 2,196 | 0.21 |
| GBP | 1,127,000 | Southern Gas Networks 3.1% 15/09/2036 | 1,269 | 0.12 |
| GBP | 6,812,000 | Southern Water Services 2.375% 28/05/2028 | 7,026 | 0.67 |
| GBP | 12,079,000 | Southern Water Services 3% 28/05/2037 | 12,870 | 1.23 |
| GBP | 1,933,000 | SP Transmission 2% 13/11/2031 | 1,993 | 0.19 |
| GBP | 1,275,000 | SPD Finance UK 5.875% 17/07/2026 | 1,583 | 0.15 |
| GBP | 4,338,000 | Thames Water Utilities Cayman Finance 2.625% 24/01/2032 | 4,577 | 0.44 |
| GBP | 5,570,000 | Thames Water Utilities Finance 2.375% 22/04/2040 | 5,552 | 0.53 |
| EUR | 1,120,000 | Thermo Fisher Scientific 1.875% 01/10/2049 | 1,031 | 0.10 |
| USD | 7,472,000 | UBS 5.125% 15/05/2024 | 5,975 | 0.57 |
| GBP | 2,010,000 | United Utilities Water Finance 1.75% 10/02/2038 | 1,952 | 0.19 |
| GBP | 3,273,000 | United Utilities Water Finance 1.875% 03/06/2042 | 3,163 | 0.30 |
| GBP | 9,442,000 | Verizon Communications 1.875% 19/09/2030 | 9,474 | 0.91 |
| GBP | 4,303,000 | Verizon Communications 1.875% 03/11/2038 | 4,025 | 0.39 |
| GBP | 4,700,000 | Volkswagen International Finance 3.375% 16/11/2026 | 5,155 | 0.49 |
| GBP | 2,725,000 | Wells Fargo 2% 28/07/2025 | 2,827 | 0.27 |
| GBP | 3,618,000 | Wells Fargo 2.125% 24/09/2031 | 3,710 | 0.36 |
| GBP | 7,646,000 | Wells Fargo 2.5% 02/05/2029 | 8,111 | 0.78 |
| GBP | 7,581,000 | Welltower 4.8% 20/11/2028 | 8,955 | 0.86 |
| GBP | 4,920,000 | Western Power Distribution 3.5% 16/10/2026 | 5,364 | 0.51 |
| | | **Baa1 0.50% (1.54%)** | | |
| GBP | 2,472,000 | Bupa Finance 4.125% 14/06/2035 | 2,661 | 0.26 |
| GBP | 2,133,000 | Bupa Finance 5% 08/12/2026 | 2,457 | 0.24 |
| | | **BBB 17.30% (18.49%)** | | |
| EUR | 2,442,000 | Akelius Residential 1.75% 07/02/2025 | 2,224 | 0.21 |
| GBP | 6,470,000 | Akelius Residential 2.375% 15/08/2025 | 6,766 | 0.65 |
| EUR | 3,385,000 | Akelius Residential Property 1.125% 11/01/2029 | 2,985 | 0.29 |
| GBP | 2,688,000 | Anglo American Capital 3.375% 11/03/2029 | 2,919 | 0.28 |
| GBP | 3,030,000 | APT Pipelines 3.125% 18/07/2031 | 3,291 | 0.32 |
| GBP | 1,963,000 | APT Pipelines 3.5% 22/03/2030 | 2,188 | 0.21 |
| GBP | 13,258,000 | AT&T 4.25% 01/06/2043 | 15,779 | 1.51 |
| GBP | 2,250,000 | AT&T 5.5% 15/03/2027 | 2,752 | 0.26 |
| GBP | 15,286,000 | Becton Dickinson 3.02% 24/05/2025 | 16,330 | 1.56 |
| EUR | 6,335,000 | Becton Dickinson Euro Finance 1.213% 12/02/2036 | 5,493 | 0.53 |
| GBP | 4,455,000 | British Telecommunications 3.125% 21/11/2031 | 4,840 | 0.46 |
| GBP | 2,335,000 | CPI Property Group 2.75% 22/01/2028 | 2,357 | 0.23 |
| GBP | 4,748,000 | Digital Stout 3.3% 19/07/2029 | 5,243 | 0.50 |
| GBP | 5,145,000 | Digital Stout Holding 3.75% 17/10/2030 | 5,904 | 0.57 |
| GBP | 7,750,000 | E.ON International Finance 6.375% 07/06/2032 | 11,057 | 1.06 |
| GBP | 10,009,000 | Fidelity National Information Services 3.36% 21/05/2031 | 11,183 | 1.07 |
| GBP | 820,000 | Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange) | 916 | 0.09 |
| GBP | 7,971,000 | Fiserv 3% 01/07/2031 | 8,655 | 0.83 |
| GBP | 2,645,000 | Gatwick Funding 2.875% 05/07/2049 | 2,489 | 0.24 |
| GBP | 6,902,000 | Global Switch Holdings 4.375% 13/12/2022 | 7,312 | 0.70 |
| GBP | 9,820,000 | Imperial Brands Finance 5.5% 28/09/2026 | 11,796 | 1.13 |
| GBP | 15,065,000 | Innogy Finance 6.25% 03/06/2030 | 20,585 | 1.97 |
| GBP | 2,560,000 | Intesa Sanpaolo 2.625% 11/03/2036 | 2,555 | 0.24 |
| GBP | 10,304,000 | Lloyds Bank 7.625% 22/04/2025 | 12,866 | 1.23 |
| GBP | 3,062,000 | Petroleos Mexicanos 3.75% 16/11/2025 | 2,984 | 0.29 |
| GBP | 1,408,000 | Telereal Securitisation 5.4252% 10/12/2031 | 1,506 | 0.14 |
| GBP | 2,875,000 | Unite Group 3.5% 15/10/2028 | 3,139 | 0.30 |
| GBP | 1,968,000 | United Mexican States 5.625% 19/03/2114 | 2,174 | 0.21 |
| GBP | 2,200,000 | Vodafone Group 3% 12/08/2056 | 2,249 | 0.22 |
| | | **Baa2 1.47% (1.69%)** | | |
| GBP | 2,290,000 | Eversholt Funding 2.742% 30/06/2040 | 2,349 | 0.23 |
| GBP | 3,485,000 | Eversholt Funding 3.529% 07/08/2042 | 3,832 | 0.37 |
| GBP | 920,000 | Eversholt Funding 6.697% 22/02/2035 | 1,189 | 0.11 |
| GBP | 4,408,000 | Porterbrook Rail Finance 4.625% 04/04/2029 | 5,156 | 0.49 |
| GBP | 1,720,000 | Santander UK 10.0625% 06/04/2169 | 2,769 | 0.27 |
| | | **BBB- 7.33% (11.89%)** | | |
| GBP | 1,365,000 | Asciano Finance 5% 19/09/2023 | 1,476 | 0.14 |
| USD | 21,296,000 | Bacardi 4.7% 15/05/2028 | 17,789 | 1.70 |
| GBP | 1,550,000 | Barclays Bank 5.75% 14/09/2026 | 1,874 | 0.18 |
| GBP | 3,745,000 | DS Smith 2.875% 26/07/2029 | 3,965 | 0.38 |
| EUR | 3,275,000 | G4S International Finance 1.5% 02/06/2024 | 2,825 | 0.27 |
| EUR | 1,795,000 | G4S International Finance 1.875% 24/05/2025 | 1,546 | 0.15 |
| GBP | 1,823,000 | Intercontinental Hotel 3.375% 08/10/2028 | 1,928 | 0.18 |
| GBP | 1,362,000 | Pearson 3.75% 04/06/2030 | 1,483 | 0.14 |

# Threadneedle Sterling Corporate Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 86.92% (88.78%) (continued)** | | | | |
| USD | 2,022,000 | Plains All American Pipeline 3.55% 15/12/2029 | 1,484 | 0.14 |
| USD | 1,928,000 | Plains All American Pipeline 4.65% 15/10/2025 | 1,543 | 0.15 |
| GBP | 2,000,000 | Telefonica Emisiones 5.445% 08/10/2029 | 2,544 | 0.24 |
| GBP | 5,830,000 | Tesco Property Finance 1 7.6227% 13/07/2039 | 7,225 | 0.69 |
| GBP | 6,311,000 | Tesco Property Finance 3 5.744% 13/04/2040 | 7,930 | 0.76 |
| GBP | 5,317,000 | Tesco Property Finance 5.5% 13/10/2041 | 6,843 | 0.66 |
| GBP | 3,270,000 | Thames Water Utilities 2.375% 03/05/2023 | 3,313 | 0.32 |
| GBP | 4,559,000 | Thames Water Utilities 2.875% 03/05/2027 | 4,728 | 0.45 |
| GBP | 1,647,000 | Time Warner Cable 5.25% 15/07/2042 | 2,128 | 0.20 |
| GBP | 4,825,000 | Time Warner Cable 5.75% 02/06/2031 | 6,075 | 0.58 |
| | | **Baa3 0.56% (0.00%)** | | |
| EUR | 6,680,000 | Sagax 1.125% 30/01/2027 | 5,878 | 0.56 |
| | | **BB+ 4.08% (1.99%)** | | |
| EUR | 3,100,000 | ADLER Real Estate 3% 27/04/2026 | 2,791 | 0.27 |
| EUR | 2,383,000 | Avantor Funding 2.625% 01/11/2025 (USA) | 2,107 | 0.20 |
| GBP | 3,044,000 | Ford Motor Credit 4.535% 06/03/2025 | 3,252 | 0.31 |
| GBP | 2,955,000 | GKN Holdings 4.625% 15/05/2032 | 3,074 | 0.29 |
| GBP | 8,301,000 | GKN Holdings 5.375% 19/09/2022 | 8,748 | 0.84 |
| EUR | 2,437,000 | Ineos Finance 2.875% 01/05/2026 | 2,130 | 0.20 |
| GBP | 1,745,000 | Marks & Spencer 6% 12/06/2025 | 1,958 | 0.19 |
| EUR | 2,800,000 | Netflix 3.875% 15/11/2029 | 2,867 | 0.27 |
| GBP | 14,136,000 | The Kraft Heinz 4.125% 01/07/2027 | 15,750 | 1.51 |
| | | **BB 0.94% (0.50%)** | | |
| EUR | 2,413,000 | International Game Technology 3.5% 15/06/2026 | 2,133 | 0.20 |
| EUR | 3,245,000 | IQVIA 1.75% 15/03/2026 | 2,821 | 0.27 |
| EUR | 5,470,000 | IQVIA 3.25% 15/03/2025 | 4,764 | 0.46 |
| GBP | 670,000 | Mitchells & Butlers Finance 6.013% 15/12/2023 | 121 | 0.01 |
| | | **Ba2 0.20% (0.00%)** | | |
| EUR | 2,474,000 | Ardagh Metal Packaging 2% 01/09/2028 | 2,131 | 0.20 |
| | | **BB- 0.06% (0.27%)** | | |
| GBP | 661,000 | Iron Mountain UK 3.875% 15/11/2025 | 669 | 0.06 |
| | | **CCC+ 0.00% (0.06%)** | | |
| | | **Not Rated 2.86% (1.68%)** | | |
| GBP | 907,000 | Blend Funding 2.922% 05/04/2056 | 1,011 | 0.10 |
| GBP | 3,660,000 | First Hydro Finance 9% 31/07/2021 | 3,773 | 0.36 |
| GBP | 1,985,000 | Hastings Group Finance 3% 24/05/2025 | 2,113 | 0.20 |
| GBP | 100,000 | Lehman Brothers 7.875% 08/05/2018 GBP (Defaulted) | 2 | – |
| GBP | 5,000,000 | Newriver REIT 3.5% 07/03/2028 | 4,636 | 0.44 |
| GBP | 3,526,000 | Pension Insurance 5.625% 20/09/2030 | 4,224 | 0.40 |
| GBP | 2,000,000 | Phoenix Group Holdings 5.625% 28/04/2031 | 2,360 | 0.23 |
| GBP | 3,200,000 | United Kingdom Gilt 0.125% 31/01/2028 | 3,104 | 0.30 |
| GBP | 2,558,000 | United Kingdom Gilt 0.25% 31/07/2031 | 2,400 | 0.23 |
| GBP | 6,273,000 | United Kingdom Gilt 1.25% 22/10/2041 | 6,254 | 0.60 |
| | | **Liquidity Funds 2.85% (0.25%)[1]** | | |
| GBP | 29,581,785 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 29,582 | 2.84 |
| GBP | 58,560 | Insight Liquidity Funds - ILF GBP Liquidity Class 3 | 59 | 0.01 |
| | | **Total Fixed Interest** | **907,278** | **86.92** |
| **FLOATING RATE NOTES 12.70% (9.53%)** | | | | |
| | | **AA+ 0.00% (0.17%)** | | |
| | | **A+ 0.14% (0.00%)** | | |
| GBP | 1,800,000 | *Trafford Centre Finance FRN 28/07/2035 A3 | 1,506 | 0.14 |
| | | **A- 1.69% (0.00%)** | | |
| USD | 4,200,000 | *Bank of America Variable 19/06/2041 | 2,884 | 0.28 |
| GBP | 10,300,000 | *ING Groep Variable 07/12/2028 | 10,039 | 0.96 |
| USD | 6,428,000 | *JPMorgan Chase Variable 22/04/2041 | 4,722 | 0.45 |
| | | **BBB+ 3.09% (2.33%)** | | |
| GBP | 2,463,000 | *Aviva 4.375% 12/09/2049 | 2,760 | 0.26 |
| GBP | 2,855,000 | *Aviva 5.125% 04/06/2050 | 3,376 | 0.32 |
| GBP | 3,370,000 | *Aviva 6.125% 29/09/2049 | 3,610 | 0.35 |
| GBP | 1,534,000 | *AXA FRN 16/01/2054 | 1,936 | 0.19 |
| GBP | 5,971,000 | *Credit Suisse Group Variable 09/06/2028 | 6,189 | 0.59 |
| GBP | 1,059,000 | *Danske Bank Variable 14/01/2028 | 1,088 | 0.10 |
| GBP | 2,250,000 | *Legal & General Group 5.5% 27/06/2064 | 2,745 | 0.26 |
| GBP | 5,508,000 | *Legal & General Group Variable 14/11/2048 | 6,356 | 0.61 |
| GBP | 3,100,000 | *Legal & General Group Variable 26/11/2049 | 3,279 | 0.31 |
| GBP | 950,000 | *Royal London Finance No 4 Variable 07/10/2049 | 1,035 | 0.10 |
| | | **BBB 2.96% (3.71%)** | | |
| EUR | 1,520,000 | *Ausnet Services Holdings Variable 11/03/2081 | 1,317 | 0.13 |
| GBP | 2,081,000 | *Barclays Variable 03/11/2026 | 2,112 | 0.20 |
| GBP | 5,984,000 | *BP Capital Markets Variable 22/06/2169 GBP | 6,327 | 0.61 |
| GBP | 933,000 | *M&G Variable 20/10/2068 | 1,181 | 0.12 |
| GBP | 4,043,000 | *Prudential 6.34% 19/12/2063 | 5,087 | 0.49 |
| GBP | 2,600,000 | *Royal Bank of Scotland 2.875% 19/09/2026 | 2,766 | 0.26 |
| GBP | 6,499,000 | *Royal Bank of Scotland Group Variable 28/03/2027 | 7,003 | 0.67 |
| GBP | 4,850,000 | *Telereal Securitisation 4.0902% 10/12/2033 | 4,971 | 0.48 |
| | | **BBB- 1.50% (0.00%)** | | |
| GBP | 5,400,000 | *Deutsche Bank Variable 22/12/2028 | 5,328 | 0.51 |
| GBP | 9,233,000 | *NGG Finance 5.625% 18/06/2073 | 10,326 | 0.99 |
| | | **Baa3 0.63% (0.51%)** | | |
| GBP | 4,714,000 | *TSB Banking Group 5.75% 06/05/2026 | 4,744 | 0.45 |
| GBP | 1,734,000 | *Virgin Money UK Variable 11/12/2030 | 1,901 | 0.18 |
| | | **BB+ 1.39% (1.38%)** | | |
| GBP | 1,629,000 | *Marstons Issuer 5.1576% 15/10/2027 | 1,379 | 0.13 |

# Threadneedle Sterling Corporate Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FLOATING RATE NOTES 12.70% (9.53%) (continued)** | | | | |
| GBP | 2,158,000 | *Royal Bank of Scotland Group Variable 14/08/2030 | 2,311 | 0.22 |
| EUR | 3,417,000 | *TenneT Holding Perpetual Variable | 3,065 | 0.29 |
| EUR | 3,500,000 | *TenneT Holding Variable 2.995% 01/06/2167 | 3,181 | 0.31 |
| USD | 5,591,000 | *UBS Group 7% 29/12/2049 | 4,633 | 0.44 |
| | | **BB 0.81% (0.14%)** | | |
| EUR | 3,043,000 | *AIB Group Variable 19/11/2029 | 2,663 | 0.26 |
| EUR | 2,225,000 | *AIB Group Variable 30/05/2031 | 2,032 | 0.20 |
| EUR | 3,900,000 | *Telefonica Europe Variable 14/03/2168 | 3,638 | 0.35 |
| | | **BB- 0.00% (0.31%)** | | |
| | | **B+ 0.16% (0.00%)** | | |
| GBP | 1,543,000 | *Natwest Group 5.125% 12/11/2067 | 1,619 | 0.16 |
| | | **Not Rated 0.33% (0.98%)** | | |
| GBP | 1,540,000 | *Credit Agricole 7.5% 31/12/2049 | 1,814 | 0.17 |
| GBP | 1,630,000 | *Telereal Securitisat Sink Variable 10/12/2033 | 1,631 | 0.16 |
| | | **Total Floating Rate Notes** | **132,554** | **12.70** |
| **OIL & GAS 0.00% (0.00%)** | | | | |
| | | **Oil & Gas Producers 0.00% (0.00%)** | | |
| | 1,831 | Noble Corp New Shares | 33 | – |
| | 7,444 | Noble Holding International-Wt1 Warrant (Tranche 1) | – | – |
| | 7,444 | Noble Holding International-Wt2 Warrant (Tranche 2) | – | – |
| | | **Total Equities** | **33** | **–** |
| **DERIVATIVES 0.05% (-0.80%)** | | | | |
| | | **Credit Default Swaps -0.09% (-0.08%)** | | |
| EUR | (9,866,600) | Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2025 Spread 500 | (942) | (0.09) |
| | | **Futures and Options 0.10% (-0.62%)** | | |
| EUR | (117) | UBS EURO -Bobl Future Expiring June 2021 | 11 | – |
| EUR | (164) | UBS EURO -Bund Future Expiring June 2021 | 51 | (0.01) |
| EUR | (10) | UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021 | 13 | – |
| USD | (173) | UBS US 10 Year Note Future Expiring June 2021 | 250 | 0.02 |
| USD | (156) | UBS US 10 Year Ultra Fut Future Expiring June 2021 | 327 | 0.03 |
| USD | (29) | UBS US Long Bond Future Expiring June 2021 | 84 | 0.01 |
| GBP | (772) | UBS Long Gilt Future Expiring June 2021 | 429 | 0.04 |
| USD | (126) | UBS US 5 Year Note Future Expiring June 2021 | 88 | 0.01 |
| | | **Forward Foreign Exchange Contracts 0.04% (-0.10%)** | | |
| | | Sell GBP 125,366 Buy EUR 145,000 HSBC[2] | – | – |
| | | Sell GBP 1,826,996 Buy EUR 2,126,150 UBS Sell EUR 3,245,000 | 10 | – |
| | | Buy GBP 2,800,276 Lloyds Sell USD 460,057 | (3) | – |
| | | Buy GBP 330,922 Bank of Scotland Sell USD 80,374,415 | (2) | – |
| | | Buy GBP 57,958,418 Lloyds Sell EUR 76,639,620 | (215) | (0.02) |
| | | Buy GBP 66,733,566 UBS Sell GBP 7,605,483 | 523 | 0.05 |
| | | Buy USD 10,595,620 HSBC Sell GBP 295,496 | 63 | 0.01 |
| | | Buy USD 418,092 Barclays Sell GBP 570,479 | 7 | – |
| | | Buy USD 800,000 HSBC | 9 | – |
| | | **Total Derivatives** | **703** | **0.05** |
| | | **Total value of investments[3]** | **1,040,568** | **99.67** |
| | | **Net other assets (2.49%)** | **3,410** | **0.33** |
| | | **Net assets** | **1,043,978** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*
**Variable rate bonds.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 907,278 | 87.19 |
| Floating rate notes | 132,554 | 12.74 |
| Derivatives | 703 | 0.07 |
| Equity | 33 | – |
| **Total value of investments[3]** | **1,040,568** | **100.00** |

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

| | |
|---|---|
| UBS EURO -Bobl Future Expiring June 2021 | (13,635) |
| UBS EURO -Bund Future Expiring June 2021 | (24,252) |
| UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021 | (1,791) |
| UBS US 10 Year Note Future Expiring June 2021 | (16,567) |
| UBS US 10 Year Ultra Fut Future Expiring June 2021 | (16,487) |
| UBS US Long Bond Future Expiring June 2021 | (3,294) |
| UBS Long Gilt Future Expiring June 2021 | (99,021) |
| UBS US 5 Year Note Future Expiring June 2021 | (11,306) |
| **Total net exposure** | **(186,353)** |

# Threadneedle Sterling Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 97.19% (98.04%)** | | | | |
| | | **AAA 2.49% (3.01%)** | | |
| GBP | 2,500,000 | CPPIB Capital 1.125% 14/12/2029 | 2,499 | 0.44 |
| GBP | 3,265,000 | European Investment Bank 1% 21/09/2026 | 3,335 | 0.59 |
| GBP | 2,550,000 | International Bank for Reconstruction and Development 0.25% 23/09/2027 | 2,471 | 0.44 |
| GBP | 5,675,000 | KFW 1% 15/12/2022 | 5,762 | 1.02 |
| | | **Aaa 0.47% (0.88%)** | | |
| GBP | 2,650,000 | Royal Bank of Canada 1.125% 22/12/2021 | 2,670 | 0.47 |
| | | **AA+ 1.22% (1.27%)** | | |
| GBP | 2,190,000 | Municipality Finance 1.25% 07/12/2022 | 2,231 | 0.40 |
| GBP | 1,235,000 | Oesterreichische Kontrollbank 1.125% 15/12/2022 | 1,255 | 0.22 |
| GBP | 3,300,000 | Oesterreichische Kontrollbank 1.25% 15/12/2023 | 3,374 | 0.60 |
| | | **AA 0.57% (0.31%)** | | |
| GBP | 2,540,000 | LCR Finance 4.5% 07/12/2028 | 3,215 | 0.57 |
| | | **Aa2u 0.00% (72.90%)** | | |
| | | **Aa3u 31.64% (0.00%)** | | |
| GBP | 24,513,000 | United Kingdom Gilt 1.25% 22/07/2027 | 25,667 | 4.54 |
| GBP | 8,805,000 | United Kingdom Gilt 1.5% 22/07/2047 | 9,218 | 1.63 |
| GBP | 7,019,400 | United Kingdom Gilt 1.625% 22/10/2071 | 8,388 | 1.48 |
| GBP | 4,838,000 | United Kingdom Gilt 1.75% 22/07/2057 | 5,552 | 0.98 |
| GBP | 4,233,000 | United Kingdom Gilt 2.5% 22/07/2065 | 6,130 | 1.09 |
| GBP | 1,047,000 | United Kingdom Gilt 3.25% 22/01/2044 | 1,458 | 0.26 |
| GBP | 90,624,000 | United Kingdom Gilt 3.75% 07/09/2021 | 92,328 | 16.34 |
| GBP | 4,471,000 | United Kingdom Gilt 4% 07/03/2022 | 4,650 | 0.82 |
| GBP | 24,901,000 | United Kingdom Gilt 8% 07/06/2021 (Frankfurt Exchange) | 25,400 | 4.50 |
| | | **AA- 0.00% (0.45%)** | | |
| | | **A+ 0.85% (0.00%)** | | |
| GBP | 2,280,000 | Transport for London 2.125% 24/04/2025 | 2,408 | 0.43 |
| GBP | 2,300,000 | Transport for London 2.25% 09/08/2022 | 2,358 | 0.42 |
| | | **Not Rated 59.52% (18.86%)** | | |
| GBP | 10,297,000 | United Kingdom Gilt 0.125% 31/01/2023 | 10,302 | 1.82 |
| GBP | 18,013,000 | United Kingdom Gilt 0.125% 30/01/2026 | 17,800 | 3.15 |
| GBP | 24,798,000 | United Kingdom Gilt 0.125% 31/01/2028 | 24,053 | 4.26 |
| GBP | 16,688,000 | United Kingdom Gilt 0.25% 31/07/2031 | 15,658 | 2.77 |
| GBP | 15,160,000 | United Kingdom Gilt 0.375% 22/10/2026 | 15,083 | 2.67 |
| GBP | 36,453,000 | United Kingdom Gilt 0.5% 22/10/2061 | 28,267 | 5.00 |
| GBP | 66,239,000 | United Kingdom Gilt 0.625% 31/07/2035 | 61,865 | 10.95 |
| GBP | 59,809,000 | United Kingdom Gilt 0.625% 22/10/2050 | 50,011 | 8.85 |
| GBP | 23,151,000 | United Kingdom Gilt 0.875% 31/01/2046 | 21,072 | 3.73 |
| GBP | 74,183,000 | United Kingdom Gilt 1.25% 22/10/2041 | 73,958 | 13.09 |
| GBP | 16,647,000 | United Kingdom Gilt 1.625% 22/10/2054 | 18,230 | 3.23 |
| | | **Liquidity Funds 0.43% (0.36%)[1]** | | |
| GBP | 2,422,564 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 2,423 | 0.43 |
| | | **Total Fixed Interest** | **549,091** | **97.19** |

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FLOATING RATES NOTES 1.95% (0.61%)** | | | | |
| | | **AAA 0.58% (0.61%)** | | |
| GBP | 3,255,000 | *Export Development Canada FRN 29/05/2024 | 3,265 | 0.58 |
| | | **Aaa 1.37% (0.00%)** | | |
| GBP | 7,450,000 | *European Investment Bank FRN 08/09/2025 | 7,735 | 1.37 |
| | | **Total Floating Rate Notes** | **11,000** | **1.95** |
| **Total value of investments[2]** | | | **560,091** | **99.14** |
| **Net other assets (1.35%)** | | | **4,853** | **0.86** |
| **Net assets** | | | **564,944** | **100.00** |

*March 2020 comparatives in brackets.*

**Variable rate bonds.*

*[1]Cash equivalents.*

*[2]Includes Cash equivalents.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 549,091 | 98.04 |
| Floating rate notes | 11,000 | 1.96 |
| **Total value of investments[2]** | **560,091** | **100.00** |

# Threadneedle Sterling Short-Term Money Market Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 80.39% (86.41%)** | | | | |
| | | **Government Bonds 4.18% (17.75%)** | | |
| GBP | 15,000,000 | United Kingdom Gilt 0% 29/03/2021 | 14,999 | 4.18 |
| | | **Certificate of Deposit 54.04% (54.40%)** | | |
| GBP | 15,000,000 | Bank of America 0.03% 19/07/2021 | 15,000 | 4.19 |
| GBP | 15,000,000 | Bank of Montreal 0.00% 07/04/2021 | 15,000 | 4.19 |
| GBP | 13,000,000 | BNP Paribas 0.05% 18/05/2021 | 13,000 | 3.63 |
| GBP | 13,000,000 | Citibank 0.07% 11/03/2021 | 13,000 | 3.63 |
| GBP | 15,000,000 | Credit Agricole 0.01% 22/03/2021 | 15,000 | 4.19 |
| GBP | 10,000,000 | First Abu Dhabi Bank 0.06% 24/05/2021 | 10,000 | 2.79 |
| GBP | 15,000,000 | ING Bank 0.05% 10/08/2021 | 15,000 | 4.19 |
| GBP | 10,000,000 | Landesbank Baden-Württemberg 0.05% 17/05/2021 | 10,000 | 2.79 |
| GBP | 14,500,000 | Nordea Bank 0.01% 06/05/2021 | 14,500 | 4.05 |
| GBP | 15,000,000 | Qatar National Bank 0.12% 09/08/2021 | 15,000 | 4.19 |
| GBP | 15,000,000 | Royal Bank of Canada 0.03% 21/05/2021 | 15,000 | 4.19 |
| GBP | 13,000,000 | Santander UK 0.05% 09/03/2021 | 13,000 | 3.63 |
| GBP | 15,000,000 | Svenska Handelsbanken 0.055% 26/05/2021 | 15,000 | 4.19 |
| GBP | 15,000,000 | Toronto-Dominion Bank 0.06% 20/08/2021 | 15,000 | 4.19 |
| | | **Euro commercial paper 18.95% (6.27%)** | | |
| GBP | 8,000,000 | Agence Centrale des Organismes de Securite Sociale 0% 17/05/2021 | 7,999 | 2.23 |
| GBP | 15,000,000 | Agence Centrale des Organismes de Securite Sociale 0% 19/05/2021 | 14,998 | 4.18 |
| GBP | 6,000,000 | Banque Federative du Credit Mutuel 0% 06/05/2021 | 5,999 | 1.67 |
| GBP | 7,000,000 | Banque Federative du Credit Mutuel 0% 07/05/2021 | 6,999 | 1.95 |
| GBP | 4,000,000 | Banque Federative du Credit Mutuel 0% 11/06/2021 | 3,999 | 1.11 |
| GBP | 15,000,000 | DBS Bank 0% 20/04/2021 | 14,999 | 4.18 |
| GBP | 13,000,000 | Skandinaviska Enskilda 0% 11/03/2021 | 13,000 | 3.63 |
| | | **Liquidity Funds 3.22% (7.99%)[1]** | | |
| GBP | 4,760,766 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 4,761 | 1.33 |
| GBP | 6,766,628 | Insight Liquidity Funds - ILF GBP Liquidity Class 3 | 6,767 | 1.89 |
| | | **Total Fixed Interest** | **288,020** | **80.39** |
| **Total value of investments[2]** | | | **288,020** | **80.39** |
| **Net other assets (13.59%)** | | | **70,250** | **19.61** |
| **Net assets** | | | **358,270** | **100.00** |

*March 2020 comparatives in brackets.*

*[1]Cash equivalents.*

*[2]Includes Cash equivalents.*

# Threadneedle European Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **BELGIUM 2.12% (2.51%)** | | | |
| | **Banks 2.12% (2.51%)** | | |
| 374,435 | KBC Group | 18,701 | 2.12 |
| | **Total Belgium** | **18,701** | **2.12** |
| **DENMARK 5.89% (4.86%)** | | | |
| | **Industrial Transportation 2.20% (1.50%)** | | |
| 151,325 | DSV Panalpina | 19,377 | 2.20 |
| | **Pharmaceuticals & Biotechnology 1.93% (3.36%)** | | |
| 341,729 | Novo Nordisk | 16,982 | 1.93 |
| | **Nonlife Insurance 1.76% (0.00%)** | | |
| 988,495 | Tryg Rights Issue | 15,475 | 1.76 |
| | **Total Denmark** | **51,834** | **5.89** |
| **FINLAND 2.36% (4.65%)** | | | |
| | **Oil & Gas Producers 0.00% (0.59%)** | | |
| | **Forestry & Paper 2.36% (1.27%)** | | |
| 748,464 | UPM | 20,768 | 2.36 |
| | **Industrial Engineering 0.00% (0.49%)** | | |
| | **Nonlife Insurance 0.00% (2.30%)** | | |
| | **Total Finland** | **20,768** | **2.36** |
| **FRANCE 22.40% (27.02%)** | | | |
| | **Oil & Gas Producers 0.00% (2.54%)** | | |
| | **Chemicals 2.26% (2.77%)** | | |
| 181,605 | Air Liquide | 19,945 | 2.26 |
| | **Construction & Materials 0.62% (1.25%)** | | |
| 73,450 | Vinci | 5,476 | 0.62 |
| | **Electronic & Electrical Equipment 2.71% (3.57%)** | | |
| 225,827 | Schneider Electric | 23,839 | 2.71 |
| | **Support Services 4.52% (3.98%)** | | |
| 91,120 | Teleperformance | 23,415 | 2.66 |
| 268,214 | Worldline | 16,355 | 1.86 |
| | **Beverages 0.00% (1.01%)** | | |
| | **Leisure Goods 0.67% (1.80%)** | | |
| 104,206 | Ubisoft Entertainment | 5,891 | 0.67 |
| | **Personal Goods 3.63% (2.84%)** | | |
| 46,855 | L'Oreal | 12,468 | 1.42 |
| 43,126 | LVMH Moet Hennessy Vuitton | 19,440 | 2.21 |
| | **Health Care Equipment & Services 0.51% (1.35%)** | | |
| 52,219 | Orpea | 4,482 | 0.51 |
| | **Pharmaceuticals & Biotechnology 0.00% (0.81%)** | | |
| | **Banks 2.44% (1.54%)** | | |
| 483,890 | BNP Paribas | 21,508 | 2.44 |
| | **Nonlife Insurance 2.75% (0.92%)** | | |
| 1,277,269 | AXA | 24,214 | 2.75 |
| | **Financial Services 1.79% (2.10%)** | | |
| 284,068 | Amundi | 15,789 | 1.79 |
| | **Software & Computer Services 0.50% (0.54%)** | | |
| 30,340 | Dassault Systems | 4,408 | 0.50 |
| | **Total France** | **197,230** | **22.40** |
| **GERMANY 20.79% (11.38%)** | | | |
| | **Chemicals 2.12% (0.97%)** | | |
| 337,567 | Brenntag | 18,658 | 2.12 |
| | **Industrial Engineering 1.34% (1.08%)** | | |
| 133,628 | Knorr-Bremse | 11,826 | 1.34 |
| | **Automobiles & Parts 2.85% (0.00%)** | | |
| 156,806 | Daimler | 9,478 | 1.08 |
| 93,894 | Volkswagen | 15,614 | 1.77 |
| | **Personal Goods 3.81% (1.29%)** | | |
| 69,004 | Adidas | 16,180 | 1.84 |
| 239,085 | Puma | 17,298 | 1.97 |
| | **General Retailers 0.90% (0.00%)** | | |
| 117,065 | Auto1 Group | 4,440 | 0.50 |
| 50,245 | Zalando | 3,489 | 0.40 |
| | **Mobile Telecommunications 1.14% (0.00%)** | | |
| 777,073 | Deutsche Telekom | 10,044 | 1.14 |
| | **Nonlife Insurance 2.49% (3.17%)** | | |
| 122,678 | Allianz | 21,946 | 2.49 |
| | **Financial Services 2.95% (2.19%)** | | |
| 153,506 | Deutsche Boerse | 17,395 | 1.98 |
| 280,340 | DWS Group | 8,554 | 0.97 |
| | **Software & Computer Services 0.00% (1.79%)** | | |
| | **Technology Hardware & Equipment 3.19% (0.89%)** | | |
| 1,027,019 | Infineon Technologies | 28,112 | 3.19 |
| | **Total Germany** | **183,034** | **20.79** |
| **ITALY 5.39% (4.25%)** | | | |
| | **Support Services 1.51% (0.36%)** | | |
| 1,075,777 | Nexi | 13,252 | 1.51 |
| | **Automobiles & Parts 0.00% (1.37%)** | | |
| | **Personal Goods 1.19% (0.48%)** | | |
| 245,975 | Moncler | 10,494 | 1.19 |
| | **Electricity 1.26% (0.00%)** | | |
| 1,638,149 | Enel | 11,112 | 1.26 |
| | **Banks 1.43% (2.04%)** | | |
| 1,638,582 | Unicredit | 12,602 | 1.43 |
| | **Total Italy** | **47,460** | **5.39** |
| **LUXEMBOURG 1.00% (0.00%)** | | | |
| | **Health Care Equipment & Services 1.00% (0.00%)** | | |
| 138,100 | Eurofins Scientific | 8,806 | 1.00 |
| | **Total Luxembourg** | **8,806** | **1.00** |

# Threadneedle European Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **NETHERLANDS 17.32% (10.10%)** | | | |
| | **Chemicals 3.52% (0.00%)** | | |
| 244,064 | Akzo Nobel | 18,192 | 2.07 |
| 95,849 | IMCD Group | 8,693 | 0.99 |
| 34,099 | Koninklijke DSM | 4,081 | 0.46 |
| | **Aerospace & Defence 0.00% (1.20%)** | | |
| | **Support Services 0.96% (0.00%)** | | |
| 5,413 | Adyen | 8,461 | 0.96 |
| | **Health Care Equipment & Services 0.95% (0.00%)** | | |
| 215,329 | Koninklijke Philips | 8,363 | 0.95 |
| | **Media 0.85% (0.55%)** | | |
| 131,246 | Wolters Kluwer | 7,471 | 0.85 |
| | **Banks 3.30% (2.11%)** | | |
| 3,383,702 | ING Group | 29,044 | 3.30 |
| | **Financial Services 0.32% (0.00%)** | | |
| 39,813 | Euronext | 2,844 | 0.32 |
| | **Software & Computer Services 0.93% (2.53%)** | | |
| 100,590 | Prosus | 8,221 | 0.93 |
| | **Technology Hardware & Equipment 6.49% (3.71%)** | | |
| 16,109 | ASM International | 2,806 | 0.32 |
| 108,835 | ASML | 40,178 | 4.56 |
| 577,061 | STMicroelectronics | 14,157 | 1.61 |
| | **Total Netherlands** | **152,511** | **17.32** |
| **NORWAY 2.43% (2.12%)** | | | |
| | **Banks 2.43% (2.12%)** | | |
| 1,450,907 | DNB Bank | 21,428 | 2.43 |
| | **Total Norway** | **21,428** | **2.43** |
| **REPUBLIC OF IRELAND 6.96% (6.34%)** | | | |
| | **Chemicals 1.83% (1.15%)** | | |
| 91,857 | Linde (USA listing) | 16,092 | 1.83 |
| | **Construction & Materials 3.82% (3.04%)** | | |
| 709,728 | CRH (Dublin Listing) | 23,381 | 2.66 |
| 183,098 | Kingspan Group (EUR) | 10,216 | 1.16 |
| | **General Industrials 0.00% (0.48%)** | | |
| | **Food Producers 0.00% (0.53%)** | | |
| | **Travel & Leisure 0.97% (0.00%)** | | |
| 633,602 | Ryanair Holdings (Dublin Listing) | 8,542 | 0.97 |
| | **Liquidity Funds 0.34% (1.14%)[1]** | | |
| 3,016,186 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 3,016 | 0.34 |
| | **Total Republic of Ireland** | **61,247** | **6.96** |
| **SPAIN 0.00% (0.53%)** | | | |
| | **Pharmaceuticals & Biotechnology 0.00% (0.53%)** | | |
| | **Total Spain** | – | – |
| **SWEDEN 5.27% (5.43%)** | | | |
| | **Construction & Materials 0.00% (0.41%)** | | |
| | **Industrial Engineering 5.27% (4.70%)** | | |
| 488,955 | Atlas Copco 'A' Shares | 19,662 | 2.23 |
| 1,372,348 | Sandvik | 26,745 | 3.04 |
| | **Financial Services 0.00% (0.32%)** | | |
| | **Total Sweden** | **46,407** | **5.27** |
| **SWITZERLAND 7.68% (16.73%)** | | | |
| | **Construction & Materials 2.83% (2.39%)** | | |
| 129,034 | Sika | 24,942 | 2.83 |
| | **General Industrials 0.90% (0.00%)** | | |
| 518,571 | SIG Combibloc Group | 7,917 | 0.90 |
| | **Food Producers 0.93% (4.94%)** | | |
| 107,237 | Nestle | 8,212 | 0.93 |
| | **Pharmaceuticals & Biotechnology 1.99% (6.91%)** | | |
| 142,863 | Novartis | 8,534 | 0.97 |
| 38,623 | Roche | 8,942 | 1.02 |
| | **Financial Services 1.03% (2.49%)** | | |
| 10,792 | Partners Group Holdings | 9,081 | 1.03 |
| | **Total Switzerland** | **67,628** | **7.68** |
| **UNITED KINGDOM 0.00% (2.47%)** | | | |
| | **Oil & Gas Producers 0.00% (0.54%)** | | |
| | **Media 0.00% (1.93%)** | | |
| | **Total United Kingdom** | – | – |
| **DERIVATIVES 0.06% (-0.72%)** | | | |
| | **Forward Foreign Exchange Contracts 0.06% (-0.72%)** | | |
| | Sell GBP 1,654,278 | | |
| | Buy EUR 1,915,604 J.P. Morgan | 1 | – |
| | Sell GBP 170,106 | | |
| | Buy EUR 197,000 Lloyds[2] | – | – |
| | Sell GBP 19,744,606 | | |
| | Buy EUR 22,843,061 J.P. Morgan | (6) | – |
| | Sell GBP 400,641 | | |
| | Buy EUR 462,612 J.P. Morgan | (1) | – |
| | Sell GBP 7,748,126 | | |
| | Buy EUR 8,968,745 J.P. Morgan | 2 | – |
| | Sell EUR 289,880,441 | | |
| | Buy GBP 251,045,159 J.P. Morgan | 554 | 0.06 |
| | Sell EUR 402,924 | | |
| | Buy GBP 348,438 J.P. Morgan[2] | – | – |
| | Sell EUR 5,578,038 | | |
| | Buy GBP 4,822,237 J.P. Morgan | 3 | – |
| | Sell EUR 64,875 | | |
| | Buy GBP 55,856 J.P. Morgan[2] | – | – |
| | **Total Derivatives** | **553** | **0.06** |
| **Total value of investments[3]** | | **877,607** | **99.67** |
| **Net other assets (2.33%)** | | **2,894** | **0.33** |
| **Net assets** | | **880,501** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

# Threadneedle European Select Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DENMARK 7.34% (6.74%)** | | | |
| | **Industrial Transportation 2.07% (2.02%)** | | |
| 269,742 | DSV Panalpina | 34,540 | 2.07 |
| | **Pharmaceuticals & Biotechnology 3.01% (4.72%)** | | |
| 1,011,334 | Novo Nordisk | 50,258 | 3.01 |
| | **Nonlife Insurance 2.26% (0.00%)** | | |
| 1,340,113 | Tryg | 21,026 | 1.26 |
| 9,380,791 | Tryg Rights | 5,490 | 0.33 |
| 712,776 | Tryg Rights Issue | 11,159 | 0.67 |
| | **Total Denmark** | **122,473** | **7.34** |
| **FINLAND 0.76% (4.75%)** | | | |
| | **Industrial Engineering 0.76% (1.77%)** | | |
| 227,895 | Kone | 12,647 | 0.76 |
| | **Nonlife Insurance 0.00% (2.98%)** | | |
| | **Total Finland** | **12,647** | **0.76** |
| **FRANCE 25.21% (27.19%)** | | | |
| | **Chemicals 1.33% (2.30%)** | | |
| 202,172 | Air Liquide | 22,204 | 1.33 |
| | **Electronic & Electrical Equipment 3.42% (0.95%)** | | |
| 261,677 | Legrand | 16,366 | 0.98 |
| 385,694 | Schneider Electric | 40,714 | 2.44 |
| | **Support Services 6.85% (6.41%)** | | |
| 821,997 | Bureau Veritas | 16,327 | 0.98 |
| 1,556,904 | Elis | 19,655 | 1.18 |
| 1,285,479 | Worldline | 78,383 | 4.69 |
| | **Beverages 3.59% (4.06%)** | | |
| 439,337 | Pernod Ricard | 59,949 | 3.59 |
| | **Leisure Goods 0.83% (1.09%)** | | |
| 245,982 | Ubisoft Entertainment | 13,905 | 0.83 |
| | **Personal Goods 7.29% (7.20%)** | | |
| 204,875 | L'Oreal | 54,517 | 3.26 |
| 149,205 | LVMH Moet Hennessy Vuitton | 67,257 | 4.03 |
| | **Health Care Equipment & Services 0.00% (1.78%)** | | |
| | **Software & Computer Services 1.90% (3.40%)** | | |
| 217,946 | Dassault Systems | 31,665 | 1.90 |
| | **Total France** | **420,942** | **25.21** |
| **GERMANY 17.45% (11.03%)** | | | |
| | **Chemicals 5.06% (3.44%)** | | |
| 1,529,195 | Brenntag | 84,520 | 5.06 |
| | **Industrial Engineering 2.50% (1.75%)** | | |
| 471,378 | Knorr-Bremse | 41,716 | 2.50 |
| | **Personal Goods 2.38% (2.93%)** | | |
| 169,797 | Adidas | 39,813 | 2.38 |
| | **Health Care Equipment & Services 2.36% (0.00%)** | | |
| 1,006,232 | Siemens Healthineers | 39,388 | 2.36 |
| | **General Retailers 1.53% (0.00%)** | | |
| 366,887 | Zalando | 25,476 | 1.53 |
| | **Software & Computer Services 3.62% (2.91%)** | | |
| 690,066 | SAP | 60,428 | 3.62 |
| | **Total Germany** | **291,341** | **17.45** |
| **ITALY 3.59% (4.25%)** | | | |
| | **Support Services 1.13% (1.14%)** | | |
| 1,528,805 | Nexi | 18,832 | 1.13 |
| | **Beverages 2.46% (1.98%)** | | |
| 5,030,255 | Davide Campari-Milano | 41,153 | 2.46 |
| | **Mobile Telecommunications 0.00% (1.13%)** | | |
| | **Total Italy** | **59,985** | **3.59** |
| **NETHERLANDS 17.50% (12.73%)** | | | |
| | **Chemicals 5.60% (4.16%)** | | |
| 223,268 | Akzo Nobel | 16,642 | 1.00 |
| 473,219 | IMCD Group | 42,919 | 2.57 |
| 282,424 | Koninklijke DSM | 33,804 | 2.03 |
| | **Personal Goods 0.00% (2.10%)** | | |
| | **General Retailers 1.07% (0.00%)** | | |
| 279,805 | Takeaway.com | 17,871 | 1.07 |
| | **Health Care Equipment & Services 3.83% (2.44%)** | | |
| 1,645,180 | Koninklijke Philips | 63,895 | 3.83 |
| | **Technology Hardware & Equipment 6.27% (4.03%)** | | |
| 200,440 | ASML | 73,995 | 4.43 |
| 1,253,193 | STMicroelectronics | 30,745 | 1.84 |
| | **Support Services 0.73% (0.00%)** | | |
| 7,809 | Adyen | 12,207 | 0.73 |
| | **Total Netherlands** | **292,078** | **17.50** |
| **REPUBLIC OF IRELAND 0.73% (3.74%)** | | | |
| | **Food Producers 0.00% (1.58%)** | | |
| | **Liquidity Funds 0.73% (2.16%)[1]** | | |
| 143,330 | BlackRock Institutional Cash Series Euro Liquidity Platinum | 12,218 | 0.73 |
| | **Total Republic of Ireland** | **12,218** | **0.73** |
| **SPAIN 5.60% (7.14%)** | | | |
| | **Pharmaceuticals & Biotechnology 0.00% (1.69%)** | | |
| | **General Retailers 4.23% (2.19%)** | | |
| 2,959,133 | Inditex | 70,634 | 4.23 |
| | **Software & Computer Services 1.37% (3.26%)** | | |
| 445,588 | Amadeus IT Group | 22,808 | 1.37 |
| | **Total Spain** | **93,442** | **5.60** |
| **SWEDEN 5.98% (5.27%)** | | | |
| | **Industrial Engineering 5.98% (5.27%)** | | |
| 1,220,648 | Atlas Copco 'A' Shares | 49,085 | 2.94 |
| 1,217,224 | Epiroc A | 17,812 | 1.07 |
| 1,690,631 | Sandvik | 32,947 | 1.97 |
| | **Total Sweden** | **99,844** | **5.98** |

# Threadneedle European Select Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **SWITZERLAND 15.76% (13.38%)** | | | |
| | **Construction & Materials 2.46% (2.28%)** | | |
| 212,592 | Sika | 41,094 | 2.46 |
| | **Industrial Engineering 3.14% (2.01%)** | | |
| 160,111 | Schindler Holding | 31,559 | 1.89 |
| 114,464 | VAT Group | 20,827 | 1.25 |
| | **Food Producers 4.37% (4.41%)** | | |
| 952,686 | Nestle | 72,958 | 4.37 |
| | **Pharmaceuticals & Biotechnology 5.79% (4.68%)** | | |
| 111,610 | Lonza | 46,235 | 2.77 |
| 217,877 | Roche | 50,444 | 3.02 |
| | **Total Switzerland** | **263,117** | **15.76** |
| **UNITED KINGDOM 0.00% (3.74%)** | | | |
| | **Media 0.00% (3.74%)** | | |
| | **Total United Kingdom** | **–** | **–** |
| **DERIVATIVES 0.00% (-0.02%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (-0.02%)** | | |
| | Sell USD 155,312 | | |
| | Buy EUR 128,947 J.P. Morgan | (1) | – |
| | Sell USD 104,616 | | |
| | Buy EUR 86,121 J.P. Morgan | (1) | – |
| | Sell EUR 35,000 | | |
| | Buy GBP 30,274 Bank of Scotland[2] | – | – |
| | Sell EUR 4,311,156 | | |
| | Buy USD 5,235,679 J.P. Morgan | 64 | – |
| | **Total Derivatives** | **62** | **–** |
| **Total value of investments[3]** | | **1,668,149** | **99.92** |
| **Net other assets (0.06%)** | | **1,406** | **0.08** |
| **Net assets** | | **1,669,555** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

# Threadneedle European Smaller Companies Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **AUSTRIA 0.39% (0.81%)** | | | |
| | **Oil Equipment, Services & Distribution 0.00% (0.33%)** | | |
| | **Travel & Leisure 0.39% (0.48%)** | | |
| 30,579 | Do & Co | 1,781 | 0.39 |
| | **Total Austria** | **1,781** | **0.39** |
| **BELGIUM 4.08% (5.15%)** | | | |
| | **Chemicals 0.00% (1.73%)** | | |
| | **Electronic & Electrical Equipment 0.49% (0.47%)** | | |
| 124,511 | Barco | 2,248 | 0.49 |
| | **Health Care Equipment & Services 0.00% (0.11%)** | | |
| | **Industrial Engineering 1.38% (0.00%)** | | |
| 158,097 | Umicore | 6,410 | 1.38 |
| | **Technology Hardware & Equipment 2.21% (2.84%)** | | |
| 148,759 | Melexis | 10,255 | 2.21 |
| | **Total Belgium** | **18,913** | **4.08** |
| **DENMARK 3.26% (3.77%)** | | | |
| | **Industrial Transportation 0.00% (0.00%)** | | |
| 88,321 | OW Bunker (Delisted) | – | – |
| | **Nonlife Insurance 1.15% (1.34%)** | | |
| 269,491 | Tryg | 4,228 | 0.91 |
| 1,886,437 | Tryg Rights | 1,104 | 0.24 |
| | **Software & Computer Services 2.11% (2.43%)** | | |
| 117,770 | SimCorp | 9,765 | 2.11 |
| | **Total Denmark** | **15,097** | **3.26** |
| **FINLAND 6.08% (6.07%)** | | | |
| | **Construction & Materials 1.67% (0.88%)** | | |
| 265,832 | Tikkurila | 7,743 | 1.67 |
| | **General Industrials 1.68% (1.92%)** | | |
| 233,304 | Huhtamaki | 7,760 | 1.68 |
| | **Electronic & Electrical Equipment 0.82% (0.90%)** | | |
| 134,908 | Vaisala | 3,807 | 0.82 |
| | **Health Care Equipment & Services 0.59% (0.00%)** | | |
| 62,552 | Revenio Group | 2,722 | 0.59 |
| | **Industrial Engineering 1.32% (2.37%)** | | |
| 73,012 | Cargotec | 2,681 | 0.58 |
| 110,997 | Konecranes | 3,432 | 0.74 |
| | **Total Finland** | **28,145** | **6.08** |
| **FRANCE 12.88% (15.00%)** | | | |
| | **General Industrials 1.22% (0.58%)** | | |
| 220,654 | Verallia | 5,628 | 1.22 |
| | **Electronic & Electrical Equipment 0.21% (0.00%)** | | |
| 8,230 | Somfy | 979 | 0.21 |
| | **Support Services 5.42% (6.24%)** | | |
| 452,546 | Bureau Veritas | 8,989 | 1.94 |
| 96,388 | Edenred | 3,742 | 0.81 |
| 508,832 | Elis | 6,424 | 1.39 |
| 15,720 | Teleperformance | 4,040 | 0.87 |
| 31,184 | Worldline | 1,901 | 0.41 |
| | **Beverages 1.24% (1.16%)** | | |
| 42,394 | Remy Cointreau | 5,739 | 1.24 |
| | **Household Goods & Home Construction 0.84% (1.24%)** | | |
| 32,645 | SEB Group | 3,882 | 0.84 |
| | **Leisure Goods 0.67% (1.04%)** | | |
| 54,818 | Ubisoft Entertainment | 3,099 | 0.67 |
| | **Health Care Equipment & Services 2.55% (3.18%)** | | |
| 150,083 | Korian | 3,815 | 0.82 |
| 93,373 | Orpea | 8,014 | 1.73 |
| | **Real Estate Investment & Services 0.73% (1.56%)** | | |
| 96,929 | Nexity | 3,383 | 0.73 |
| | **Total France** | **59,635** | **12.88** |
| **GERMANY 22.30% (20.54%)** | | | |
| | **Chemicals 2.23% (1.81%)** | | |
| 187,252 | Brenntag | 10,350 | 2.23 |
| | **Electronic & Electrical Equipment 0.52% (0.42%)** | | |
| 26,241 | Varta | 2,395 | 0.52 |
| | **Industrial Engineering 4.70% (6.00%)** | | |
| 88,041 | Knorr-Bremse | 7,792 | 1.68 |
| 132,622 | Norma Group | 4,734 | 1.02 |
| 27,226 | Sartorius | 9,248 | 2.00 |
| | **Personal Goods 1.17% (0.20%)** | | |
| 74,871 | Puma | 5,417 | 1.17 |
| | **Health Care Equipment & Services 3.67% (3.28%)** | | |
| 34,116 | Carl Zeiss Meditec | 3,548 | 0.77 |
| 87,006 | Gerresheimer | 6,215 | 1.34 |
| 78,907 | Stratec | 7,221 | 1.56 |
| | **Pharmaceuticals & Biotechnology 0.55% (0.00%)** | | |
| 52,742 | Dermapharm Holding | 2,534 | 0.55 |
| | **General Retailers 0.08% (0.00%)** | | |
| 10,191 | Auto1 Group | 387 | 0.08 |
| | **Media 2.51% (2.15%)** | | |
| 237,326 | CTS Eventim | 11,606 | 2.51 |
| | **Financial Services 1.40% (2.51%)** | | |
| 57,130 | Grenkeleasing | 1,571 | 0.34 |
| 12,657 | Hypoport | 4,908 | 1.06 |
| | **Software & Computer Services 5.47% (4.17%)** | | |
| 127,404 | CANCOM | 5,791 | 1.25 |
| 154,625 | CompuGroup Medical | 8,741 | 1.89 |
| 116,436 | Nemetschek | 5,147 | 1.11 |
| 156,026 | TeamViewer | 5,648 | 1.22 |
| | **Total Germany** | **103,253** | **22.30** |
| **ICELAND 1.28% (0.80%)** | | | |
| | **Industrial Engineering 1.28% (0.80%)** | | |
| 1,215,884 | Marel | 5,909 | 1.28 |
| | **Total Iceland** | **5,909** | **1.28** |

# Threadneedle European Smaller Companies Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **ITALY 10.91% (11.33%)** | | | |
| | **Chemicals 1.05% (0.00%)** | | |
| 387,196 | GVS | 4,855 | 1.05 |
| | **Industrial Engineering 0.00% (0.45%)** | | |
| | **Support Services 1.34% (1.17%)** | | |
| 502,292 | Nexi | 6,187 | 1.34 |
| | **Automobiles & Parts 0.00% (0.48%)** | | |
| | **Beverages 1.39% (0.90%)** | | |
| 789,710 | Davide Campari-Milano | 6,461 | 1.39 |
| | **Health Care Equipment & Services 1.70% (2.49%)** | | |
| 56,446 | DiaSorin | 7,860 | 1.70 |
| | **Food & Drug Retailers 1.21% (1.27%)** | | |
| 345,152 | MARR | 5,621 | 1.21 |
| | **Mobile Telecommunications 1.68% (2.52%)** | | |
| 1,100,629 | Infrastrutture Wireless Italiane | 7,777 | 1.68 |
| | **Banks 2.54% (2.05%)** | | |
| 946,500 | FinecoBank | 11,778 | 2.54 |
| | **Total Italy** | **50,539** | **10.91** |
| **LUXEMBOURG 3.94% (4.06%)** | | | |
| | **Industrial Engineering 0.87% (1.52%)** | | |
| 76,337 | Stabilus | 4,055 | 0.87 |
| | **Health Care Equipment & Services 2.29% (2.54%)** | | |
| 166,370 | Eurofins Scientific | 10,609 | 2.29 |
| | **General Retailers 0.49% (0.00%)** | | |
| 243,488 | Global Fashion Group | 2,266 | 0.49 |
| | **Software & Computer Services 0.29% (0.00%)** | | |
| 161,394 | Solutions 30 | 1,334 | 0.29 |
| | **Total Luxembourg** | **18,264** | **3.94** |
| **NETHERLANDS 7.04% (4.86%)** | | | |
| | **Chemicals 2.53% (2.43%)** | | |
| 129,272 | IMCD Group | 11,724 | 2.53 |
| | **Food & Drug Retailers 0.76% (0.00%)** | | |
| 22,766 | Shop Apotheke Europe | 3,519 | 0.76 |
| | **General Retailers 1.43% (2.43%)** | | |
| 103,281 | Takeaway.com | 6,597 | 1.43 |
| | **Technology Hardware & Equipment 2.32% (0.00%)** | | |
| 61,675 | ASM International | 10,741 | 2.32 |
| | **Total Netherlands** | **32,581** | **7.04** |
| **REPUBLIC OF IRELAND 4.46% (6.22%)** | | | |
| | **Construction & Materials 1.79% (2.80%)** | | |
| 148,270 | Kingspan Group (EUR) | 8,273 | 1.79 |
| | **Travel & Leisure 2.08% (2.73%)** | | |
| 889,274 | Dalata Hotel Group | 3,234 | 0.70 |
| 1,728,803 | Irish Continental Group | 6,391 | 1.38 |
| | **Liquidity Funds 0.59% (0.69%)[1]** | | |
| 32,127 | BlackRock Institutional Cash Series Euro Liquidity Platinum | 2,739 | 0.59 |
| | **Total Republic of Ireland** | **20,637** | **4.46** |
| **SPAIN 2.84% (2.37%)** | | | |
| | **Construction & Materials 2.10% (1.18%)** | | |
| 489,017 | Fluidra | 9,713 | 2.10 |
| | **Support Services 0.74% (1.19%)** | | |
| 444,539 | Applus Services | 3,448 | 0.74 |
| | **Total Spain** | **13,161** | **2.84** |
| **SWEDEN 6.61% (5.61%)** | | | |
| | **Chemicals 0.00% (0.94%)** | | |
| | **Leisure Goods 1.62% (2.17%)** | | |
| 328,420 | Stillfront Group | 2,361 | 0.51 |
| 174,703 | Thule Group | 5,141 | 1.11 |
| | **Health Care Equipment & Services 1.39% (1.23%)** | | |
| 692,865 | Elekta 'B' Shares | 6,417 | 1.39 |
| | **Financial Services 3.34% (1.27%)** | | |
| 531,400 | Avanza Bank Holding | 12,335 | 2.66 |
| 243,552 | Nordnet | 3,156 | 0.68 |
| | **Software & Computer Services 0.26% (0.00%)** | | |
| 179,206 | Cint Group | 1,186 | 0.26 |
| | **Total Sweden** | **30,596** | **6.61** |
| **SWITZERLAND 13.60% (12.75%)** | | | |
| | **Construction & Materials 3.99% (5.20%)** | | |
| 1,763 | Belimo | 9,246 | 2.00 |
| 47,650 | Sika | 9,211 | 1.99 |
| | **General Industrials 2.44% (2.47%)** | | |
| 740,554 | SIG Combibloc Group | 11,306 | 2.44 |
| | **Electronic & Electrical Equipment 1.35% (1.25%)** | | |
| 4,336 | LEM Holding | 6,239 | 1.35 |
| | **Industrial Engineering 4.20% (3.83%)** | | |
| 17,887 | Burckhardt Compression | 4,704 | 1.01 |
| 5,068 | INFICON Holding | 3,902 | 0.84 |
| 59,944 | VAT Group | 10,907 | 2.35 |
| | **Health Care Equipment & Services 0.80% (0.00%)** | | |
| 13,143 | Tecan Group | 3,696 | 0.80 |
| | **Food & Drug Retailers 0.82% (0.00%)** | | |
| 12,732 | Zur Rose Group | 3,784 | 0.82 |
| | **Total Switzerland** | **62,995** | **13.60** |
| **UNITED STATES OF AMERICA 0.00% (0.78%)** | | | |
| | **Automobiles & Parts 0.00% (0.78%)** | | |
| | **Total United States of America** | – | – |

# Threadneedle European Smaller Companies Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES 0.00% (0.00%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | Sell GBP 170,603 | | |
| | Buy EUR 198,000 Bank of Scotland | 1 | – |
| | Sell EUR 122,000 | | |
| | Buy GBP 105,525 Bank of Scotland[2] | – | – |
| | **Total Derivatives** | **1** | **–** |
| **Total value of investments[3]** | | **461,507** | **99.67** |
| **Net other assets/(liabilities) (-0.12%)** | | **1,543** | **0.33** |
| **Net assets** | | **463,050** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

# Threadneedle European Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **AUSTRALIA 1.10% (1.32%)** | | | | |
| | | **A- 0.12% (0.64%)** | | |
| EUR | 186,000 | AusNet Services Holdings 0.625% 25/08/2030 | 163 | 0.12 |
| | | **BBB+ 0.48% (0.29%)** | | |
| EUR | 333,000 | Aurizon Network 3.125% 01/06/2026 | 326 | 0.23 |
| EUR | 225,000 | *Australia and New Zealand Banking Group Variable 05/05/2031 | 194 | 0.14 |
| EUR | 164,000 | Goodman Australia Finance 1.375% 27/09/2025 | 149 | 0.11 |
| | | **BBB 0.50% (0.39%)** | | |
| EUR | 195,000 | APT Pipelines 2% 22/03/2027 | 186 | 0.13 |
| EUR | 469,000 | Ausgrid Finance 1.25% 30/07/2025 | 424 | 0.31 |
| EUR | 100,000 | *Ausnet Services Holdings Variable 11/03/2081 | 87 | 0.06 |
| | | **Total Australia** | **1,529** | **1.10** |
| **AUSTRIA 0.42% (0.00%)** | | | | |
| | | **AA+ 0.42% (0.00%)** | | |
| EUR | 685,000 | Republic of Austria 0.85% 30/06/2120 | 586 | 0.42 |
| | | **Total Austria** | **586** | **0.42** |
| **BELGIUM 0.97% (1.47%)** | | | | |
| | | **A- 0.31% (0.27%)** | | |
| EUR | 300,000 | Belfius Bank 0% 28/08/2026 | 258 | 0.19 |
| EUR | 200,000 | Belfius Bank 0.125% 08/02/2028 | 171 | 0.12 |
| | | **BBB+ 0.47% (0.00%)** | | |
| EUR | 492,000 | Anheuser-Busch InBev 3.7% 02/04/2040 | 571 | 0.41 |
| EUR | 100,000 | Elia Transmission Belgium 0.875% 28/04/2030 | 89 | 0.06 |
| | | **BBB 0.19% (0.00%)** | | |
| EUR | 300,000 | Argenta Spaarbank 1% 13/10/2026 | 266 | 0.19 |
| | | **Not Rated 0.00% (1.20%)** | | |
| | | **Total Belgium** | **1,355** | **0.97** |
| **BERMUDA 0.22% (0.24%)** | | | | |
| | | **BBB- 0.22% (0.24%)** | | |
| EUR | 343,000 | Bacardi 2.75% 03/07/2023 | 312 | 0.22 |
| | | **Total Bermuda** | **312** | **0.22** |
| **CAYMAN ISLANDS 0.27% (0.00%)** | | | | |
| | | **BBB+ 0.27% (0.00%)** | | |
| GBP | 300,000 | Southern Water Services Finance 6.64% 31/03/2026 | 372 | 0.27 |
| | | **Total Cayman Islands** | **372** | **0.27** |
| **CHILE 1.65% (1.74%)** | | | | |
| | | **A+ 1.65% (1.74%)** | | |
| EUR | 2,500,000 | Chile Government International Bond 1.625% 30/01/2025 | 2,292 | 1.65 |
| | | **Total Chile** | **2,292** | **1.65** |
| **DENMARK 0.67% (0.21%)** | | | | |
| | | **A 0.39% (0.21%)** | | |
| EUR | 621,000 | Danske Bank 0.625% 26/05/2025 | 549 | 0.39 |
| | | **BBB+ 0.22% (0.00%)** | | |
| EUR | 173,000 | Nykredit Realkredit 0.375% 17/01/2028 | 147 | 0.11 |
| EUR | 170,000 | Nykredit Realkredit A 0.75% 20/01/2027 | 149 | 0.11 |
| | | **BBB 0.06% (0.00%)** | | |
| EUR | 100,000 | *Danske Bank Variable 15/05/2031 | 86 | 0.06 |
| | | **Total Denmark** | **931** | **0.67** |
| **FINLAND 0.85% (0.00%)** | | | | |
| | | **AA- 0.69% (0.00%)** | | |
| EUR | 625,000 | Nordea Bank 0.5% 14/05/2027 | 554 | 0.40 |
| EUR | 477,000 | OP Corporate Bank 0.1% 16/11/2027 | 411 | 0.29 |
| | | **A- 0.10% (0.00%)** | | |
| EUR | 150,000 | *OP Corporate Bank 1.625% 09/06/2030 | 135 | 0.10 |
| | | **BBB+ 0.06% (0.00%)** | | |
| EUR | 100,000 | *Sampo Variable 03/09/2052 | 91 | 0.06 |
| | | **Total Finland** | **1,191** | **0.85** |
| **FRANCE 18.88% (12.34%)** | | | | |
| | | **AA 0.86% (0.68%)** | | |
| EUR | 800,000 | Agence Française de Développement 0.5% 31/10/2025 | 715 | 0.51 |
| EUR | 600,000 | Ville de Paris 0.45% 20/10/2045 | 482 | 0.35 |
| | | **Aa2 4.06% (0.65%)** | | |
| EUR | 1,100,000 | SNCF Reseau 2.25% 20/12/2047 | 1,226 | 0.88 |
| EUR | 1,100,000 | Societe du Grand Paris 0.7% 15/10/2060 | 854 | 0.61 |
| EUR | 2,700,000 | UNEDIC 0.25% 25/11/2029 | 2,383 | 1.71 |
| EUR | 1,400,000 | UNEDIC 0.25% 16/07/2035 | 1,197 | 0.86 |
| | | **Aa2u 1.49% (9.30%)** | | |
| EUR | 120,000 | France Government Bond 0.75% 25/05/2052 | 103 | 0.07 |
| EUR | 2,000,000 | France Government Bond 1.25% 25/05/2036 | 1,977 | 1.42 |
| | | **AA- 0.56% (0.07%)** | | |
| EUR | 900,000 | Societe Nationale SNCF 1% 25/05/2040 | 785 | 0.56 |
| | | **Aa3 0.20% (0.21%)** | | |
| EUR | 300,000 | Crédit Mutuel Arkéa 1.125% 23/05/2029 | 275 | 0.20 |
| | | **A+ 0.20% (0.48%)** | | |
| EUR | 300,000 | Credit Agricole 1% 03/07/2029 | 274 | 0.20 |
| | | **A 0.77% (0.34%)** | | |
| EUR | 800,000 | Banque Fédérative du Crédit Mutuel 0.75% 08/06/2026 | 715 | 0.51 |
| EUR | 200,000 | Réseau de Transport d'Électricité 0.625% 08/07/2032 | 175 | 0.13 |
| EUR | 200,000 | Réseau de Transport d'Électricité 1.125% 08/07/2040 | 180 | 0.13 |
| | | **A- 0.00% (0.24%)** | | |
| | | **BBB+ 0.39% (0.14%)** | | |
| EUR | 100,000 | *Credit Agricole Variable 05/06/2030 | 90 | 0.07 |
| EUR | 300,000 | Electricite de France 2% 09/12/2049 | 281 | 0.20 |

# Threadneedle European Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FRANCE 18.88% (12.34%) (continued)** | | | | |
| EUR | 200,000 | *Total Variable 25/01/2170 | 172 | 0.12 |
| | | **BBB 0.18% (0.09%)** | | |
| EUR | 176,000 | RCI Banque 2% 11/07/2024 | 160 | 0.12 |
| EUR | 100,000 | *Societe Generale Variable 12/06/2029 | 85 | 0.06 |
| | | **BBB- 0.46% (0.14%)** | | |
| EUR | 100,000 | *Engie Variable 30/11/2169 | 87 | 0.06 |
| EUR | 600,000 | Sanef 1.875% 16/03/2026 | 554 | 0.40 |
| | | **B 0.09% (0.00%)** | | |
| EUR | 130,000 | Altice France 5.875% 01/02/2027 | 120 | 0.09 |
| | | **Not Rated 9.62% (0.00%)** | | |
| EUR | 13,500,000 | France Government Bond 0% 25/03/2025 | 11,924 | 8.56 |
| EUR | 1,705,000 | France Government Bond 0.5% 25/05/2040 | 1,481 | 1.06 |
| | | **Total France** | **26,295** | **18.88** |
| **GERMANY 3.14% (5.28%)** | | | | |
| | | **AAA 0.09% (0.00%)** | | |
| EUR | 140,000 | KFW 0% 15/09/2028 | 123 | 0.09 |
| | | **Aaau 0.22% (0.47%)** | | |
| EUR | 271,000 | Bundesrepublik Deutschland 1.25% 15/08/2048 | 301 | 0.22 |
| | | **A2 0.07% (0.00%)** | | |
| EUR | 100,000 | *Munich Rueckversicherungs Variable 26/05/2049 | 100 | 0.07 |
| | | **A- 0.00% (0.48%)** | | |
| | | **BBB+ 1.14% (0.24%)** | | |
| EUR | 300,000 | Alstria Office REIT 0.5% 26/09/2025 | 261 | 0.19 |
| EUR | 253,000 | Commerzbank 0.375% 01/09/2027 | 218 | 0.16 |
| EUR | 587,000 | Commerzbank 1% 04/03/2026 | 528 | 0.38 |
| EUR | 630,000 | *Deutsche Bank Variable 10/06/2026 | 573 | 0.41 |
| | | **Baa1u 0.20% (0.21%)** | | |
| EUR | 300,000 | Eurogrid 1.875% 10/06/2025 | 279 | 0.20 |
| | | **BBB 0.32% (0.44%)** | | |
| EUR | 200,000 | Bayer 1.125% 06/01/2030 | 178 | 0.13 |
| EUR | 300,000 | Bayer 1.125% 06/01/2030 (Frankfurt Exchange) | 266 | 0.19 |
| | | **BBB- 0.06% (0.00%)** | | |
| EUR | 100,000 | *Deutsche Bank Variable 19/11/2030 | 90 | 0.06 |
| | | **BB+ 0.13% (0.07%)** | | |
| EUR | 200,000 | *Commerzbank Variable 05/12/2030 | 188 | 0.13 |
| | | **Not Rated 0.91% (3.37%)** | | |
| EUR | 1,255,000 | Bundesrepublik Deutschland 0% 15/05/2035 | 1,097 | 0.79 |
| EUR | 200,000 | Hamburg Commercial Bank 0.375% 09/03/2026 | 172 | 0.12 |
| | | **Total Germany** | **4,374** | **3.14** |

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **HUNGARY 0.38% (0.00%)** | | | | |
| | | **Baa3 0.38% (0.00%)** | | |
| EUR | 583,000 | Hungarian Development Bank 1.375% 24/06/2025 | 524 | 0.38 |
| | | **Total Hungary** | **524** | **0.38** |
| **INDONESIA 1.65% (1.79%)** | | | | |
| | | **BBB 1.65% (1.79%)** | | |
| EUR | 2,650,000 | Indonesia Government International Bond 2.875% 08/07/2021 | 2,305 | 1.65 |
| | | **Total Indonesia** | **2,305** | **1.65** |
| **ITALY 10.66% (14.36%)** | | | | |
| | | **BBB+ 0.19% (0.00%)** | | |
| EUR | 309,000 | Snam 0% 15/08/2025 | 267 | 0.19 |
| | | **BBB 1.53% (0.27%)** | | |
| EUR | 1,700,000 | Cassa Depositi e Prestiti 1.5% 20/04/2023 | 1,519 | 1.09 |
| EUR | 100,000 | *ENI Variable 13/10/2169 | 91 | 0.06 |
| EUR | 495,000 | FCA Capital Ireland 0.5% 13/09/2024 | 433 | 0.31 |
| EUR | 100,000 | Intesa Sanpaolo 1.75% 04/07/2029 | 92 | 0.07 |
| | | **Baa3 0.12% (0.15%)** | | |
| EUR | 160,000 | *Assicurazioni 5% 08/06/2048 | 164 | 0.12 |
| | | **Baa3u 3.91% (10.59%)** | | |
| EUR | 3,235,000 | Buoni Poliennali Del Tesoro 0.05% 15/01/2023 | 2,814 | 2.02 |
| EUR | 2,585,000 | Buoni Poliennali Del Tesoro 2.45% 01/09/2050 | 2,631 | 1.89 |
| | | **BB+ 0.22% (0.17%)** | | |
| EUR | 351,000 | Aeroporti Di Roma 1.625% 08/06/2027 | 306 | 0.22 |
| | | **BB- 0.07% (0.07%)** | | |
| EUR | 105,000 | Autostrade per l'Italia 1.75% EMTN 01/02/2027 | 92 | 0.07 |
| | | **Not Rated 4.62% (3.11%)** | | |
| EUR | 3,326,000 | Buoni Poliennali Del Tesoro 0.95% 01/08/2030 | 2,948 | 2.12 |
| EUR | 3,061,000 | Buoni Poliennali Del Tesoro 1.8% 01/03/2041 (Italy listing) | 2,811 | 2.02 |
| EUR | 788,000 | Italian Government Bond 1.5% 30/04/2045 | 677 | 0.48 |
| | | **Total Italy** | **14,845** | **10.66** |
| **JAPAN 0.39% (0.00%)** | | | | |
| | | **Aaa 0.39% (0.00%)** | | |
| EUR | 632,000 | Sumitomo Mitsui Banking 0.01% 10/09/2025 | 550 | 0.39 |
| | | **Total Japan** | **550** | **0.39** |
| **JERSEY 0.58% (0.65%)** | | | | |
| | | **A- 0.00% (0.65%)** | | |
| | | **BBB+ 0.58% (0.00%)** | | |
| EUR | 325,000 | Heathrow Funding 1.875% 14/03/2034 | 292 | 0.21 |
| GBP | 400,000 | Heathrow Funding 4.625% 31/10/2046 | 511 | 0.37 |
| | | **Total Jersey** | **803** | **0.58** |

# Threadneedle European Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **LUXEMBOURG 3.31% (1.17%)** | | | | |
| | | **AA 0.94% (0.00%)** | | |
| EUR | 1,200,000 | European Financial Stability Facility 1.7% 13/02/2043 | 1,310 | 0.94 |
| | | **AA- 0.22% (0.00%)** | | |
| EUR | 354,000 | Novartis Finance 0% 23/09/2028 | 302 | 0.22 |
| | | **A 0.24% (0.00%)** | | |
| EUR | 381,000 | Medtronic Global Holdings 1.375% 15/10/2040 | 337 | 0.24 |
| | | **A- 0.29% (0.18%)** | | |
| EUR | 429,000 | Prologis International Funding 1.625% 17/06/2032 | 407 | 0.29 |
| | | **BBB+ 0.78% (0.20%)** | | |
| EUR | 100,000 | Aroundtown 0% 16/07/2026 | 84 | 0.06 |
| EUR | 300,000 | Aroundtown 1.45% 09/07/2028 | 271 | 0.19 |
| EUR | 500,000 | Aroundtown 1.625% 31/01/2028 | 457 | 0.33 |
| EUR | 323,000 | DH Europe Finance 0.75% 18/09/2031 | 282 | 0.20 |
| | | **BBB 0.55% (0.68%)** | | |
| EUR | 601,000 | Becton Dickinson Euro Finance 1.208% 04/06/2026 | 545 | 0.39 |
| EUR | 100,000 | Becton Dickinson Euro Finance 1.213% 12/02/2036 | 87 | 0.06 |
| EUR | 150,000 | CPI Property Group 1.625% 23/04/2027 | 133 | 0.10 |
| | | **Baa2 0.11% (0.11%)** | | |
| EUR | 167,000 | SELP Finance 1.25% 25/10/2023 | 148 | 0.11 |
| | | **BBB- 0.18% (0.00%)** | | |
| EUR | 300,000 | *Grand City Properties Variable 09/06/2169 | 252 | 0.18 |
| | | **Total Luxembourg** | **4,615** | **3.31** |
| **NETHERLANDS 8.75% (4.75%)** | | | | |
| | | **AAA 1.08% (0.00%)** | | |
| EUR | 1,600,000 | BNG Bank 0.875% 24/10/2036 | 1,498 | 1.08 |
| | | **AA 0.00% (0.13%)** | | |
| | | **Aa3 0.36% (0.18%)** | | |
| EUR | 185,000 | Enexis Holding 0.625% 17/06/2032 | 164 | 0.12 |
| EUR | 368,000 | Enexis Holding 0.75% 02/07/2031 | 331 | 0.24 |
| | | **A+ 0.52% (0.67%)** | | |
| EUR | 632,000 | Co-operative Rabobank 1.375% 03/02/2027 | 590 | 0.42 |
| EUR | 140,000 | Shell International Finance 1.875% 07/04/2032 | 138 | 0.10 |
| | | **A 0.14% (0.23%)** | | |
| EUR | 100,000 | Airbus 2.375% 07/04/2032 | 99 | 0.07 |
| EUR | 100,000 | Airbus 2.375% 09/06/2040 | 96 | 0.07 |
| | | **A- 0.43% (0.31%)** | | |
| EUR | 400,000 | *ING Groep Variable 01/02/2030 | 335 | 0.24 |
| EUR | 301,000 | Stedin Holding 0.5% 14/11/2029 | 264 | 0.19 |
| | | **BBB+ 0.36% (0.87%)** | | |
| EUR | 163,000 | Achmea 1.5% 26/05/2027 | 151 | 0.11 |
| EUR | 300,000 | Volkswagen International Finance 4.125% 16/11/2038 | 353 | 0.25 |
| | | **BBB 1.62% (0.83%)** | | |
| EUR | 100,000 | ABN AMRO Bank 0.6% 15/01/2027 | 88 | 0.06 |
| EUR | 160,000 | Akelius Residential 0.75% 22/02/2030 | 135 | 0.10 |
| EUR | 188,000 | Akelius Residential Property 1.125% 11/01/2029 | 166 | 0.12 |
| EUR | 100,000 | Digital Dutch Finco 1.5% 15/03/2030 | 91 | 0.06 |
| EUR | 537,000 | *Eneco Holding 3.25% 29/12/2049 | 472 | 0.34 |
| EUR | 500,000 | *ING Groep Variable 26/05/2031 | 458 | 0.33 |
| GBP | 450,000 | Innogy Finance 6.125% 06/07/2039 | 694 | 0.50 |
| EUR | 173,000 | NE Property 1.875% 09/10/2026 | 150 | 0.11 |
| | | **BBB- 0.20% (0.13%)** | | |
| EUR | 110,000 | Fiat Chrysler Automobiles 4.5% 07/07/2028 (Frankfurt Exchange) | 118 | 0.08 |
| EUR | 200,000 | *Iberdrola International Variable 09/02/2170 | 171 | 0.12 |
| | | **BB+ 0.32% (0.31%)** | | |
| EUR | 338,000 | *TenneT Holding Perpetual Variable | 303 | 0.22 |
| EUR | 153,000 | *TenneT Holding Variable 2.995% 01/06/2167 | 139 | 0.10 |
| | | **BB 0.40% (0.00%)** | | |
| EUR | 600,000 | *Telefonica Europe Variable 14/03/2168 | 560 | 0.40 |
| | | **Not Rated 3.32% (1.09%)** | | |
| EUR | 3,925,000 | Netherlands Government Bond 0% 15/07/2030 | 3,469 | 2.49 |
| EUR | 815,000 | Netherlands Government Bond 2.75% 15/01/2047 | 1,158 | 0.83 |
| | | **Total Netherlands** | **12,191** | **8.75** |
| **NORWAY 0.56% (1.83%)** | | | | |
| | | **AAA 0.00% (1.60%)** | | |
| | | **AA- 0.56% (0.23%)** | | |
| EUR | 892,000 | DNB Bank 0.25% 09/04/2024 | 780 | 0.56 |
| | | **Total Norway** | **780** | **0.56** |
| **PORTUGAL 0.03% (0.05%)** | | | | |
| | | **Not Rated 0.03% (0.05%)** | | |
| EUR | 300,000 | Banco Espirito Santo 4% 21/01/2019 (Defaulted) | 36 | 0.03 |
| | | **Total Portugal** | **36** | **0.03** |
| **REPUBLIC OF IRELAND 0.95% (6.62%)** | | | | |
| | | **AA- 0.00% (2.31%)** | | |
| | | **A+ 0.22% (0.14%)** | | |
| EUR | 318,000 | Zurich Finance Ireland 1.625% 17/06/2039 | 305 | 0.22 |
| | | **A- 0.29% (0.00%)** | | |
| EUR | 468,000 | Eaton Capital Unlimited 0.577% 08/03/2030 | 404 | 0.29 |
| | | **BBB+ 0.08% (0.00%)** | | |
| EUR | 130,000 | Glencore Capital Finance 1.125% 10/03/2028 | 115 | 0.08 |
| | | **BB 0.36% (0.18%)** | | |
| EUR | 404,000 | *AIB Group Variable 19/11/2029 | 354 | 0.25 |
| EUR | 168,000 | *Bank of Ireland Group Variable 14/10/2029 | 149 | 0.11 |

# Threadneedle European Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **REPUBLIC OF IRELAND 0.95% (6.62%) (continued)** | | | | |
| | | **Liquidity Funds 0.00% (3.99%)[1]** | | |
| EUR | 44 | BlackRock Institutional Cash Series Euro Liquidity Platinum | 4 | – |
| | | **Total Republic of Ireland** | **1,331** | **0.95** |
| **SLOVENIA 1.81% (1.60%)** | | | | |
| | | **AA- 1.81% (1.60%)** | | |
| EUR | 2,641,000 | Republika Slovenija 1.1875% 14/03/2029 | 2,519 | 1.81 |
| | | **Total Slovenia** | **2,519** | **1.81** |
| **SPAIN 14.44% (7.88%)** | | | | |
| | | **A 1.63% (0.00%)** | | |
| EUR | 2,600,000 | FADE FTA 0.01% 17/09/2025 | 2,265 | 1.63 |
| | | **A3 0.35% (0.37%)** | | |
| EUR | 525,000 | Basque Government 1.125% 30/04/2029 | 485 | 0.35 |
| | | **BBB+ 0.56% (0.39%)** | | |
| EUR | 800,000 | Caixabank 0.375% 03/02/2025 | 696 | 0.50 |
| EUR | 100,000 | CaixaBank 1.125% 17/05/2024 | 89 | 0.06 |
| | | **Baa1 5.75% (3.28%)** | | |
| EUR | 7,350,000 | Spain Government Bond 0.35% 30/07/2023 | 6,469 | 4.64 |
| EUR | 410,000 | Spain Government Bond 2.7% 31/10/2048 | 478 | 0.34 |
| EUR | 735,000 | Spain Government Bond 4.7% 30/07/2041 | 1,072 | 0.77 |
| | | **Baa2 4.58% (2.88%)** | | |
| EUR | 7,200,000 | Adif Alta Velocidad 0.8% 05/07/2023 | 6,374 | 4.58 |
| | | **BBB- 0.14% (0.34%)** | | |
| EUR | 100,000 | Abertis Infraestructuras 3% 27/03/2031 | 100 | 0.07 |
| EUR | 100,000 | Nortegas Energia 2.065% 28/09/2027 | 95 | 0.07 |
| | | **Not Rated 1.43% (0.62%)** | | |
| EUR | 1,963,000 | Spain Government Bond 1% 31/10/2050 | 1,586 | 1.14 |
| EUR | 503,000 | Spain Government Bond 1.45% 31/10/2071 | 401 | 0.29 |
| | | **Total Spain** | **20,110** | **14.44** |
| **SUPRANATIONAL 1.55% (3.10%)** | | | | |
| | | **AAA 1.37% (1.47%)** | | |
| EUR | 785,000 | Euro Stability Mechanism 1.85% 01/12/2055 | 966 | 0.70 |
| EUR | 689,000 | European Investment Bank 0.05% 13/10/2034 | 588 | 0.42 |
| EUR | 470,000 | International Bank for Reconstruction and Development 0.2% 21/01/2061 | 349 | 0.25 |
| | | **Aa1 0.00% (0.69%)** | | |
| | | **AA 0.18% (0.94%)** | | |
| EUR | 310,000 | European Union 0.1% 04/10/2040 | 254 | 0.18 |
| | | **Total Supranational** | **2,157** | **1.55** |
| **SWEDEN 0.76% (0.78%)** | | | | |
| | | **Aa3 0.00% (0.15%)** | | |
| | | **BBB 0.45% (0.37%)** | | |
| EUR | 690,000 | Akelius Residential 1.75% 07/02/2025 | 628 | 0.45 |
| | | **Baa3 0.31% (0.26%)** | | |
| EUR | 165,000 | Sagax 1.125% 30/01/2027 | 145 | 0.10 |
| EUR | 319,000 | Sagax 2% 17/01/2024 | 288 | 0.21 |
| | | **Total Sweden** | **1,061** | **0.76** |
| **SWITZERLAND 0.73% (0.00%)** | | | | |
| | | **A+ 0.25% (0.00%)** | | |
| EUR | 391,000 | Credit Suisse London 0.45% 19/05/2025 | 345 | 0.25 |
| | | **A- 0.30% (0.00%)** | | |
| EUR | 200,000 | UBS Group 0.625% 24/02/2033 | 170 | 0.12 |
| EUR | 290,000 | *UBS Group Variable 05/11/2028 | 248 | 0.18 |
| | | **BBB+ 0.18% (0.00%)** | | |
| EUR | 300,000 | Credit Suisse Group 0.625% 18/01/2033 | 251 | 0.18 |
| | | **Total Switzerland** | **1,014** | **0.73** |
| **UNITED KINGDOM 18.28% (22.47%)** | | | | |
| | | **Aa2u 0.00% (13.78%)** | | |
| | | **Aa3u 0.17% (0.00%)** | | |
| GBP | 200,000 | United Kingdom Gilt 1.625% 22/10/2071 | 239 | 0.17 |
| | | **A 0.43% (0.28%)** | | |
| EUR | 132,000 | Motability Operations 0.125% 20/07/2028 | 113 | 0.08 |
| EUR | 567,000 | Nationwide Building Society 0.25% 22/07/2025 | 494 | 0.35 |
| | | **A- 1.75% (1.91%)** | | |
| EUR | 710,000 | BP Capital Markets 0.831% 08/11/2027 | 632 | 0.45 |
| EUR | 494,000 | NatWest Markets 1% 28/05/2024 | 440 | 0.32 |
| EUR | 125,000 | *NatWest Markets FRN 27/09/2021 | 108 | 0.08 |
| GBP | 900,000 | Western Power Distribution West Midlands 5.75% 16/04/2032 | 1,249 | 0.90 |
| | | **BBB+ 1.70% (0.55%)** | | |
| EUR | 682,000 | BAT International Finance 2.75% 25/03/2025 | 647 | 0.46 |
| EUR | 877,000 | Cadent Finance 0.625% 22/09/2024 | 777 | 0.56 |
| EUR | 483,000 | Cadent Finance 0.75% 11/03/2032 | 419 | 0.30 |
| EUR | 492,000 | National Grid Electricity Transmission 0.19% 20/01/2025 | 428 | 0.31 |
| EUR | 104,000 | National Grid Electricity Transmission 0.823% 07/07/2032 | 91 | 0.07 |
| | | **BBB 1.01% (0.75%)** | | |
| EUR | 352,000 | *BP Capital Markets Variable 22/06/2169 EUR | 322 | 0.23 |
| EUR | 100,000 | British Telecommunications 1.5% 23/06/2027 | 92 | 0.07 |
| EUR | 696,000 | Imperial Brands Finance 1.125% 14/08/2023 | 615 | 0.44 |
| EUR | 190,000 | Imperial Brand Finance 3.375% 26/02/2026 | 187 | 0.13 |
| EUR | 216,000 | *Natwest Group Variable 26/02/2030 | 188 | 0.14 |

# Threadneedle European Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED KINGDOM 18.28% (22.47%) (continued)** | | | | |
| | | **Baa2 0.00% (0.07%)** | | |
| | | **BBB- 1.32% (1.24%)** | | |
| GBP | 270,000 | Delamare Finance 5.5457% 29/02/2029 | 234 | 0.17 |
| EUR | 1,046,000 | DS Smith 0.875% 12/09/2026 | 925 | 0.66 |
| EUR | 338,000 | G4S International Finance 1.5% 02/06/2024 | 292 | 0.21 |
| EUR | 448,000 | *NGG Finance Variable 05/09/2082 | 390 | 0.28 |
| | | **BB+ 0.30% (0.00%)** | | |
| GBP | 127,000 | GKN Holdings 5.375% 19/09/2022 | 134 | 0.10 |
| EUR | 308,000 | *Vodafone Group Variable 27/08/2080 (London Listing) | 272 | 0.20 |
| | | **Not Rated 11.60% (3.89%)** | | |
| GBP | 120,000 | First Hydro Finance 9% 31/07/2021 | 124 | 0.09 |
| GBP | 170,000 | *Telereal Securitisat Sink Variable 10/12/2033 | 170 | 0.12 |
| GBP | 2,960,000 | United Kingdom Gilt 0.125% 30/01/2026 | 2,925 | 2.10 |
| GBP | 1,688,000 | United Kingdom Gilt 0.375% 22/10/2030 | 1,622 | 1.16 |
| GBP | 1,906,510 | United Kingdom Gilt 0.5% 22/10/2061 | 1,478 | 1.06 |
| GBP | 2,597,130 | United Kingdom Gilt 0.625% 31/07/2035 | 2,426 | 1.74 |
| GBP | 4,038,720 | United Kingdom Gilt 0.625% 22/10/2050 | 3,377 | 2.42 |
| GBP | 4,061,030 | United Kingdom Gilt 1.25% 22/10/2041 | 4,049 | 2.91 |
| | | **Total United Kingdom** | **25,459** | **18.28** |
| **UNITED STATES OF AMERICA 4.63% (3.26%)** | | | | |
| | | **AA+ 0.10% (0.10%)** | | |
| EUR | 154,000 | New York Life Global Funding 0.25% 23/01/2027 | 134 | 0.10 |
| | | **AA 0.12% (0.13%)** | | |
| EUR | 185,000 | Berkshire Hathaway 1.125% 16/03/2027 | 169 | 0.12 |
| | | **AA- 0.19% (0.11%)** | | |
| EUR | 303,000 | Exxon Mobil 0.524% 26/06/2028 | 264 | 0.19 |
| | | **A 0.12% (0.21%)** | | |
| EUR | 187,000 | Honeywell International 0.75% 10/03/2032 | 166 | 0.12 |
| | | **A- 0.20% (0.11%)** | | |
| EUR | 319,000 | *JPMorgan Chase Variable 17/02/2033 | 272 | 0.20 |
| | | **BBB+ 1.51% (0.74%)** | | |
| EUR | 404,000 | AbbVie 0.75% 18/11/2027 | 358 | 0.26 |
| EUR | 146,000 | American International Group 1.875% 21/06/2027 | 137 | 0.10 |
| EUR | 100,000 | BAT Capital 1.125% 16/11/2023 | 89 | 0.06 |
| EUR | 100,000 | Danaher Corporation 2.5% 30/03/2030 | 101 | 0.07 |
| EUR | 343,000 | General Electric 0.875% 17/05/2025 | 313 | 0.23 |
| EUR | 200,000 | *Morgan Stanley Variable 07/02/2031 | 170 | 0.12 |
| EUR | 302,000 | Thermo Fisher Scientific 1.875% 01/10/2049 | 278 | 0.20 |
| EUR | 191,000 | Verizon Communications 0.875% 08/04/2027 | 171 | 0.12 |
| EUR | 521,000 | *Wells Fargo Variable 04/05/2030 | 488 | 0.35 |
| | | **BBB 1.63% (1.24%)** | | |
| EUR | 25,000 | AT&T 1.8% 14/09/2039 | 21 | 0.02 |
| EUR | 111,000 | AT&T 1.8% 14/09/2039 (Frankfurt Exchange) | 95 | 0.07 |
| EUR | 454,000 | AT&T 3.15% 04/09/2036 | 466 | 0.33 |
| EUR | 175,000 | Becton Dickson 1.9% 15/12/2026 | 165 | 0.12 |
| EUR | 221,000 | Digital Euro Finco 2.5% 16/01/2026 | 210 | 0.15 |
| EUR | 224,000 | Digital Euro Finco 2.5% 16/01/2026 (Frankfurt Exchange) | 213 | 0.15 |
| EUR | 157,000 | Fidelity National Information Services 1.5% 21/05/2027 | 144 | 0.10 |
| EUR | 232,000 | Fidelity National Information Services 2% 21/05/2030 | 221 | 0.16 |
| GBP | 300,000 | Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange) | 335 | 0.24 |
| EUR | 100,000 | Fiserv 1.125% 01/07/2027 | 90 | 0.07 |
| EUR | 169,000 | Fiserv 1.625% 01/07/2030 | 157 | 0.11 |
| EUR | 175,000 | General Motors Financial Company 0.6% 20/05/2027 | 150 | 0.11 |
| | | **BBB- 0.13% (0.22%)** | | |
| EUR | 166,000 | American Tower 1% 15/01/2032 | 144 | 0.10 |
| EUR | 100,000 | Equinix 2.875% 01/02/2026 | 44 | 0.03 |
| | | **BB+ 0.37% (0.20%)** | | |
| EUR | 412,000 | Kraft Heinz Foods 2.25% 25/05/2028 | 391 | 0.28 |
| EUR | 139,000 | Netflix 3% 15/06/2025 | 130 | 0.09 |
| | | **BB 0.26% (0.20%)** | | |
| EUR | 100,000 | IQVIA 2.875% 15/09/2025 | 87 | 0.06 |
| EUR | 313,000 | IQVIA 3.25% 15/03/2025 | 273 | 0.20 |
| | | **Total United States of America** | **6,446** | **4.63** |
| **DERIVATIVES -0.73% (-0.71%)** | | | | |
| | | **Credit Default Swaps -0.78% (-0.96%)** | | |
| EUR | (7,399,950) | Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2025 Spread 500 | (706) | (0.51) |
| EUR | 2,959,980 | Morgan Stanley Itraxx Crossover Credit Default Swap Index Sell Protection 20/12/2025 Spread 500 | 282 | 0.20 |
| EUR | (40,000,000) | Morgan Stanley Itraxx-European Credit Default Swap Index Buy Protection 20/12/2025 Spread 100 | (857) | (0.62) |
| EUR | 10,000,000 | Morgan Stanley Itraxx-European Credit Default Swap Index Sell Protection 20/12/2025 Spread 100 | 214 | 0.15 |
| | | **Futures and Options 0.02% (0.00%)** | | |
| EUR | (16) | UBS EURO -Bobl Future Expiring June 2021[2] | – | – |
| EUR | (52) | UBS EURO -Bond Future Expiring June 2021 | 10 | 0.01 |
| EUR | (16) | UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021 | 19 | 0.01 |
| GBP | (1) | UBS Long Gilt Future Expiring June 2021 | (1) | – |
| | | **Forward Foreign Exchange Contracts 0.03% (0.25%)** | | |
| | | Sell GBP 118,647 Buy EUR 137,008 Barclays[2] | – | – |
| | | Sell GBP 155,112 Buy EUR 179,175 UBS[2] | – | – |
| | | Sell GBP 2,705,761 Buy EUR 3,128,590 Lloyds | (2) | – |
| | | Sell GBP 406,469 Buy EUR 471,737 UBS | 1 | – |

# Threadneedle European Bond Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES -0.73% (-0.71%) (continued)** | | | |
| | Sell GBP 63,624 | | |
| | Buy EUR 73,444 Bank of Scotland[2] | – | – |
| | Sell EUR 2,144,109 | | |
| | Buy GBP 1,862,731 Lloyds | 10 | 0.01 |
| | Sell EUR 41,000 | | |
| | Buy GBP 35,463 Bank of Scotland[2] | – | – |
| | Sell EUR 4,852,541 | | |
| | Buy GBP 4,222,516 Barclays | 28 | 0.02 |
| | Sell EUR 90,991 | | |
| | Buy GBP 78,612 UBS[2] | – | – |
| | **Total Derivatives** | **(1,002)** | **(0.73)** |
| **Total value of investments[3]** | | **134,981** | **96.90** |
| **Net other assets (7.80%)** | | **4,314** | **3.10** |
| **Net assets** | | **139,295** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bonds.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 127,929 | 94.77 |
| Floating rate notes | 8,054 | 5.97 |
| Derivatives | (1,002) | (0.74) |
| **Total value of investments[3]** | **134,981** | **100.00** |

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

| | Value £000 |
|---|---|
| UBS EURO -Bobl Future Expiring June 2021 | (1,865) |
| UBS EURO -Bond Future Expiring June 2021 | (7,690) |
| UBS EURO -Buxl 30 Year Bnd Future Expiring June 2021 | (2,866) |
| UBS Long Gilt Future Expiring June 2021 | (128) |
| **Total net exposure** | **(12,549)** |

# Threadneedle Strategic Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **AUSTRALIA 1.86% (1.68%)** | | | | |
| | | **A- 0.24% (0.66%)** | | |
| USD | 689,000 | SGSP Australia Assets 3.25% 29/07/2026 | 539 | 0.24 |
| | | **BBB+ 0.54% (0.00%)** | | |
| USD | 1,570,000 | Woodside Finance 4.5% 04/03/2029 | 1,247 | 0.54 |
| | | **BBB 1.08% (1.02%)** | | |
| GBP | 950,000 | APT Pipelines 3.125% 18/07/2031 | 1,032 | 0.45 |
| USD | 1,452,000 | APT Pipelines 4.2% 23/03/2025 (Berlin Exchange) | 1,152 | 0.50 |
| EUR | 336,000 | *Ausnet Services Holdings Variable 11/03/2081 | 291 | 0.13 |
| | | **Total Australia** | **4,261** | **1.86** |
| **BELGIUM 0.91% (0.40%)** | | | | |
| | | **BBB+ 0.61% (0.00%)** | | |
| GBP | 1,125,000 | Anheuser-Busch InBev 2.85% 25/05/2037 | 1,202 | 0.52 |
| EUR | 177,000 | Anheuser-Busch InBev 3.7% 02/04/2040 | 205 | 0.09 |
| | | **BB+ 0.16% (0.15%)** | | |
| EUR | 400,000 | *KBC Group Variable 24/10/2166 | 360 | 0.16 |
| | | **B+ 0.00% (0.25%)** | | |
| | | **B 0.14% (0.00%)** | | |
| EUR | 358,000 | The House of Finance 4.375% 15/07/2026 | 312 | 0.14 |
| | | **Total Belgium** | **2,079** | **0.91** |
| **BERMUDA 0.29% (3.21%)** | | | | |
| | | **BBB- 0.29% (3.21%)** | | |
| USD | 814,000 | Bacardi 4.45% 15/05/2025 | 659 | 0.29 |
| | | **Total Bermuda** | **659** | **0.29** |
| **BRITISH VIRGIN ISLANDS 0.66% (0.54%)** | | | | |
| | | **BB+ 0.66% (0.54%)** | | |
| USD | 1,735,000 | Gold Fields Orogen Holdings 6.125% 15/05/2029 | 1,509 | 0.66 |
| | | **Total British Virgin Islands** | **1,509** | **0.66** |
| **CANADA 0.32% (0.37%)** | | | | |
| | | **B 0.32% (0.37%)** | | |
| EUR | 841,000 | Primo Water 3.875% 31/10/2028 | 744 | 0.32 |
| | | **Total Canada** | **744** | **0.32** |
| **CAYMAN ISLANDS 3.27% (1.65%)** | | | | |
| | | **AA+ 0.00% (0.16%)** | | |
| | | **A+ 1.05% (0.58%)** | | |
| USD | 1,251,000 | Alibaba Group 4% 06/12/2037 | 998 | 0.44 |
| USD | 383,000 | Tencent Holdings 3.24% 03/06/2050 | 259 | 0.11 |
| USD | 1,020,000 | Tencent Holdings 3.595% 19/01/2028 | 793 | 0.35 |
| GBP | 400,000 | *Trafford Centre Finance FRN 28/07/2035 A3 | 335 | 0.15 |
| | | **BBB+ 0.97% (0.00%)** | | |
| GBP | 2,091,000 | Southern Water Services 3% 28/05/2037 | 2,228 | 0.97 |
| | | **BBB- 0.86% (0.85%)** | | |
| GBP | 753,000 | Thames Water Utilities 2.375% 03/05/2023 | 763 | 0.33 |
| GBP | 1,175,000 | Thames Water Utilities 2.875% 03/05/2027 | 1,218 | 0.53 |
| | | **Ba2 0.30% (0.00%)** | | |
| USD | 900,000 | Energuate Trust 5.875% 03/05/2027 | 692 | 0.30 |
| | | **CCC+ 0.00% (0.06%)** | | |
| | | **Not Rated 0.09% (0.00%)** | | |
| GBP | 180,000 | Phoenix Group Holdings 5.625% 28/04/2031 | 212 | 0.09 |
| | | **Oil & Gas Producers 0.00% (0.00%)** | | |
| | 431 | Noble Corp New Shares | 8 | – |
| | 1,754 | Noble Holding International-Wt1 Warrant (Tranche 1)[2] | – | – |
| | 1,754 | Noble Holding International-Wt2 Warrant (Tranche 2)[2] | – | – |
| | | **Total Cayman Islands** | **7,506** | **3.27** |
| **DENMARK 0.30% (0.00%)** | | | | |
| | | **BBB+ 0.10% (0.00%)** | | |
| GBP | 225,000 | *Danske Bank Variable 14/01/2028 | 231 | 0.10 |
| | | **BBB 0.20% (0.00%)** | | |
| EUR | 536,000 | *Danske Bank Variable 15/05/2031 | 460 | 0.20 |
| | | **Total Denmark** | **691** | **0.30** |
| **DOMINICAN REPUBLIC 0.74% (1.13%)** | | | | |
| | | **BB- 0.74% (1.13%)** | | |
| USD | 614,000 | Dominican Republic International Bond 5.875% 30/01/2060 | 423 | 0.18 |
| USD | 1,580,000 | Dominican Republic International Bond 5.95% 25/01/2027 | 1,281 | 0.56 |
| | | **Total Dominican Republic** | **1,704** | **0.74** |
| **EGYPT 0.25% (0.41%)** | | | | |
| | | **B 0.25% (0.41%)** | | |
| EUR | 650,000 | Arab Republic of Egypt 5.625% 16/04/2030 | 567 | 0.25 |
| | | **Total Egypt** | **567** | **0.25** |
| **FRANCE 4.12% (6.22%)** | | | | |
| | | **Aa2u 0.00% (1.78%)** | | |
| | | **A+ 0.31% (0.78%)** | | |
| USD | 950,000 | BPCE 2.7% 01/10/2029 | 707 | 0.31 |
| | | **A 0.00% (0.47%)** | | |
| | | **A- 0.00% (0.78%)** | | |
| | | **BBB+ 0.29% (0.00%)** | | |
| EUR | 700,000 | Electricite de France 2% 09/12/2049 | 655 | 0.29 |
| | | **BB+ 0.00% (0.40%)** | | |
| | | **BB 0.14% (0.00%)** | | |
| EUR | 376,000 | Faurecia 2.375% 15/06/2027 (Germany listing) | 328 | 0.14 |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FRANCE 4.12% (6.22%) (continued)** | | | | |
| | | **BB- 0.71% (0.13%)** | | |
| EUR | 800,000 | *Electricite de France Variable 15/09/2169 | 714 | 0.31 |
| EUR | 1,030,000 | Getlink 3.5% 30/10/2025 | 923 | 0.40 |
| | | **B+ 0.29% (0.09%)** | | |
| EUR | 511,000 | Louvre Bidco SAS 4.25% 30/09/2024 | 438 | 0.19 |
| EUR | 266,000 | Louvre Bidco SAS 6.5% 30/09/2024 | 236 | 0.10 |
| | | **B 1.50% (1.26%)** | | |
| EUR | 160,000 | Altice France 2.5% 15/01/2025 | 135 | 0.06 |
| EUR | 853,000 | Altice France 5.875% 01/02/2027 | 788 | 0.35 |
| EUR | 400,000 | Casino Guichard 4.498% 07/03/2024 | 349 | 0.15 |
| EUR | 605,000 | Casino Guichard 6.625% 15/01/2026 | 542 | 0.24 |
| EUR | 805,000 | CMA CGM 7.5% 15/01/2026 | 757 | 0.33 |
| EUR | 243,000 | Kapla Holding 3.375% 15/12/2026 (Germany listing) | 208 | 0.09 |
| EUR | 740,000 | Paprec Holding 4% 31/03/2025 | 645 | 0.28 |
| | | **B- 0.26% (0.00%)** | | |
| EUR | 695,000 | Cab 3.375% 01/02/2028 | 601 | 0.26 |
| | | **CCC+ 0.13% (0.17%)** | | |
| EUR | 345,000 | Banijay Group 6.5% 01/03/2026 | 293 | 0.13 |
| | | **CCC 0.12% (0.00%)** | | |
| EUR | 304,000 | Laboratoire Eimer Selarl 5% 01/02/2029 | 267 | 0.12 |
| | | **Not Rated 0.37% (0.36%)** | | |
| GBP | 720,000 | *Credit Agricole 7.5% 31/12/2049 | 848 | 0.37 |
| | | **Total France** | **9,434** | **4.12** |
| **GERMANY 9.40% (2.20%)** | | | | |
| | | **AAA 4.93% (0.00%)** | | |
| GBP | 6,700,000 | KFW 0.875% 15/03/2022 | 6,749 | 2.94 |
| GBP | 4,500,000 | KFW 1% 15/12/2022 | 4,569 | 1.99 |
| | | **BBB 0.39% (0.00%)** | | |
| EUR | 1,000,000 | Bayer 1.125% 06/01/2030 (Frankfurt Exchange) | 888 | 0.39 |
| | | **BBB- 0.56% (0.00%)** | | |
| GBP | 1,300,000 | *Deutsche Bank Variable 22/12/2028 | 1,283 | 0.56 |
| | | **BB+ 1.04% (1.08%)** | | |
| EUR | 800,000 | ADLER Real Estate 3% 27/04/2026 | 720 | 0.31 |
| EUR | 600,000 | *Commerzbank Variable 05/12/2030 | 564 | 0.25 |
| EUR | 404,000 | *Lanxess Finance 4.5% 06/12/2076 | 373 | 0.16 |
| EUR | 400,000 | Schaeffler 2.75% 12/10/2025 | 367 | 0.16 |
| EUR | 393,000 | Schaeffler Holding Finance 2.875% 26/03/2027 | 363 | 0.16 |
| | | **BB- 0.93% (0.14%)** | | |
| EUR | 700,000 | Deutsche Lufthansa 2.875% 11/02/2025 | 601 | 0.26 |
| EUR | 400,000 | Deutsche Lufthansa 3% 29/05/2026 | 340 | 0.15 |
| EUR | 963,000 | Peach Property Finance 4.375% 15/11/2025 | 863 | 0.38 |
| EUR | 368,000 | Wepa Hygieneprodukte 2.875% 15/12/2027 | 321 | 0.14 |
| | | **B+ 0.13% (0.13%)** | | |
| EUR | 343,000 | Techem Verwaltungsgesellschaft 2% 15/07/2025 | 291 | 0.13 |
| | | **B 0.59% (0.23%)** | | |
| EUR | 1,135,000 | Cheplapharm Arzneimittel 3.5% 11/02/2027 | 979 | 0.43 |
| EUR | 424,000 | Cheplapharm Arzneimittel 4.375% 15/01/2028 | 378 | 0.16 |
| | | **B- 0.70% (0.45%)** | | |
| EUR | 1,145,000 | Blitz 6% 30/07/2026 | 1,026 | 0.45 |
| EUR | 672,000 | SGL Carbon 4.625% 30/09/2024 | 581 | 0.25 |
| | | **CCC+ 0.13% (0.00%)** | | |
| EUR | 355,000 | Safari Holdings 5.375% 30/11/2022 | 295 | 0.13 |
| | | **CCC 0.00% (0.17%)** | | |
| | | **Total Germany** | **21,551** | **9.40** |
| **HONG KONG 0.00% (0.78%)** | | | | |
| | | **A3 0.00% (0.78%)** | | |
| | | **Total Hong Kong** | **–** | **–** |
| **INDIA 1.63% (2.07%)** | | | | |
| | | **BBB- 0.66% (0.69%)** | | |
| USD | 1,953,000 | Adani Ports and Special Economic Zone 4.375% 03/07/2029 | 1,505 | 0.66 |
| | | **BB+ 0.00% (1.38%)** | | |
| | | **BB- 0.97% (0.00%)** | | |
| USD | 2,549,000 | GMR Hyderabad 4.25% 27/10/2027 | 1,790 | 0.78 |
| USD | 600,000 | GMR Hyderabad International 5.375% 10/04/2024 | 448 | 0.19 |
| | | **Total India** | **3,743** | **1.63** |
| **ITALY 4.89% (2.04%)** | | | | |
| | | **BBB 0.45% (0.00%)** | | |
| EUR | 502,000 | *ENI Variable 13/10/2169 | 455 | 0.20 |
| GBP | 570,000 | Intesa Sanpaolo 2.625% 11/03/2036 | 569 | 0.25 |
| | | **BBB- 0.36% (0.37%)** | | |
| GBP | 810,000 | *Enel 6.625% 15/09/2076 | 834 | 0.36 |
| | | **BB+ 1.63% (0.00%)** | | |
| EUR | 406,000 | Infrastrutture Wireless Italiane 1.625% 21/10/2028 | 355 | 0.16 |
| EUR | 544,000 | Infrastrutture Wireless Italiane 1.875% 08/07/2026 | 489 | 0.21 |
| EUR | 813,000 | Romulus Finance 1.625% 02/02/2029 | 701 | 0.31 |
| EUR | 1,933,000 | Telecom Italia 1.625% 18/01/2029 | 1,640 | 0.72 |
| EUR | 586,000 | Telecom Italia 2.875% 28/01/2026 | 536 | 0.23 |
| | | **Baa3 0.30% (0.29%)** | | |
| EUR | 665,000 | *Assicurazioni 5% 08/06/2048 | 681 | 0.30 |
| | | **Ba2 0.21% (0.64%)** | | |
| EUR | 555,000 | Banco BPM 1.75% 24/04/2023 | 492 | 0.21 |
| | | **BB- 1.27% (0.53%)** | | |
| EUR | 485,000 | Atlantia 1.875% 12/02/2028 | 412 | 0.18 |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **ITALY 4.89% (2.04%) (continued)** | | | | |
| EUR | 900,000 | Autostrade 5.875% 09/06/2024 | 889 | 0.39 |
| EUR | 830,000 | Autostrade per l'Italia 1.875% 26/09/2029 | 723 | 0.32 |
| EUR | 242,000 | Autostrade per l'Italia 2% 04/12/2028 | 214 | 0.09 |
| EUR | 764,000 | Nexi 1.75% 31/10/2024 | 670 | 0.29 |
| | | **B 0.19% (0.21%)** | | |
| EUR | 495,000 | International Design Group 6.5% 15/11/2025 | 444 | 0.19 |
| | | **(P)B 0.12% (0.00%)** | | |
| EUR | 314,000 | Sofima Holding 3.75% 15/01/2028 | 272 | 0.12 |
| | | **Caa1 0.36% (0.00%)** | | |
| EUR | 941,000 | Banca Monte dei Paschi di Siena 1.875% 09/01/2026 | 823 | 0.36 |
| | | **Total Italy** | **11,199** | **4.89** |
| **IVORY COAST 0.36% (0.34%)** | | | | |
| | | **Ba3 0.36% (0.34%)** | | |
| EUR | 900,000 | Ivory Coast 5.25% 22/03/2030 | 817 | 0.36 |
| | | **Total Ivory Coast** | **817** | **0.36** |
| **JERSEY 2.27% (1.47%)** | | | | |
| | | **Aa2 0.98% (0.00%)** | | |
| USD | 2,133,000 | Galaxy Pipeline Assets 2.16% 31/03/2034 | 1,517 | 0.66 |
| USD | 1,034,000 | Galaxy Pipeline Assets 2.625% 31/03/2036 | 729 | 0.32 |
| | | **BBB+ 0.28% (0.21%)** | | |
| GBP | 592,000 | Glencore Finance Europe 3.125% 26/03/2026 | 632 | 0.28 |
| | | **Baa2 0.42% (0.43%)** | | |
| GBP | 824,000 | Porterbrook Rail Finance 4.625% 04/04/2029 | 964 | 0.42 |
| | | **Ba2 0.41% (0.41%)** | | |
| EUR | 1,085,000 | LHC Three PIK 4.125% 15/08/2024 | 947 | 0.41 |
| | | **B 0.18% (0.25%)** | | |
| EUR | 480,000 | Adient Global Holdings 3.5% 15/08/2024 | 421 | 0.18 |
| | | **Not Rated 0.00% (0.17%)** | | |
| | | **Total Jersey** | **5,210** | **2.27** |
| **LUXEMBOURG 5.42% (3.78%)** | | | | |
| | | **BBB+ 0.65% (0.65%)** | | |
| GBP | 1,417,000 | Aroundtown 3% 16/10/2029 | 1,498 | 0.65 |
| | | **BBB 0.69% (0.15%)** | | |
| EUR | 1,395,000 | Becton Dickinson Euro Finance 1.213% 12/02/2036 | 1,210 | 0.53 |
| GBP | 352,000 | CPI Property Group 2.75% 22/01/2028 | 355 | 0.16 |
| | | **BBB- 0.29% (0.00%)** | | |
| EUR | 800,000 | *Grand City Properties Variable 09/06/2169 | 673 | 0.29 |
| | | **BB+ 0.46% (0.00%)** | | |
| EUR | 400,000 | ADLER Group 2.75% 13/11/2026 | 349 | 0.15 |
| EUR | 800,000 | Ado Properties 3.25% 05/08/2025 | 719 | 0.31 |
| | | **Ba2 0.33% (0.37%)** | | |
| USD | 1,020,000 | Millicom International Cellular 6.25% 25/03/2029 | 745 | 0.33 |
| | | **BB- 0.26% (0.12%)** | | |
| GBP | 320,000 | B&M European Value Retail 3.625% 15/07/2025 | 331 | 0.14 |
| EUR | 300,000 | Telenet Finance VI Luxembourg 3.5% 01/03/2028 | 268 | 0.12 |
| | | **B+ 0.62% (0.57%)** | | |
| EUR | 445,000 | Garfunkelux 6.75% 01/11/2025 | 395 | 0.17 |
| GBP | 659,000 | Garfunkelux 7.75% 01/11/2025 | 678 | 0.30 |
| EUR | 400,000 | Matterhorn Telecom 3.125% 15/09/2026 | 340 | 0.15 |
| | | **B 0.78% (0.89%)** | | |
| EUR | 205,000 | Altice Financing 2.25% 15/01/2025 | 171 | 0.07 |
| EUR | 1,289,000 | Altice Financing 3% 15/01/2028 | 1,056 | 0.46 |
| EUR | 666,000 | Kleopatra Finco 4.25% 01/03/2026 (Guernsey Listing) | 572 | 0.25 |
| | | **B- 0.32% (0.00%)** | | |
| EUR | 840,000 | Cirsa Finance International 6.25% 20/12/2023 | 728 | 0.32 |
| | | **CCC+ 1.02% (1.03%)** | | |
| EUR | 2,073,000 | Altice France 8% 15/05/2027 | 1,950 | 0.85 |
| EUR | 450,000 | *Group Ecore Holdings SAS FRN 15/11/2023 | 387 | 0.17 |
| | | **Total Luxembourg** | **12,425** | **5.42** |
| **MEXICO 0.57% (0.48%)** | | | | |
| | | **BBB+ 0.00% (0.48%)** | | |
| | | **BBB 0.57% (0.00%)** | | |
| GBP | 886,000 | Petroleos Mexicanos 3.75% 16/11/2025 | 863 | 0.38 |
| EUR | 525,000 | Petroleos Mexicanos 3.75% 16/04/2026 | 445 | 0.19 |
| | | **Total Mexico** | **1,308** | **0.57** |
| **NETHERLANDS 10.29% (9.69%)** | | | | |
| | | **A- 0.81% (0.00%)** | | |
| GBP | 1,900,000 | *ING Groep Variable 07/12/2028 | 1,852 | 0.81 |
| | | **BBB+ 0.56% (1.43%)** | | |
| USD | 1,654,000 | Vonovia Finance 5% 02/10/2023 | 1,286 | 0.56 |
| | | **BBB 2.13% (2.24%)** | | |
| USD | 942,000 | *Aegon Variable 11/04/2048 | 772 | 0.34 |
| GBP | 3,005,000 | Innogy Finance 6.25% 03/06/2030 | 4,106 | 1.79 |
| | | **BBB- 1.05% (1.24%)** | | |
| EUR | 880,000 | Fiat Chrysler Automobiles 3.875% 05/01/2026 | 875 | 0.38 |
| EUR | 100,000 | Fiat Chrysler Automobiles 4.5% 07/07/2028 (Frankfurt Exchange) | 107 | 0.05 |
| EUR | 1,100,000 | *Iberdrola International Variable 09/02/2170 | 942 | 0.41 |
| USD | 608,000 | Syngenta Finance 4.892% 24/04/2025 | 473 | 0.21 |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **NETHERLANDS 10.29% (9.69%) (continued)** | | | | |
| | | **BB+ 2.11% (1.89%)** | | |
| USD | 990,000 | Braskem Netherlands Finance 4.5% 10/01/2028 | 737 | 0.32 |
| EUR | 1,195,000 | Darling Global Finance 3.625% 15/05/2026 | 1,051 | 0.46 |
| EUR | 894,000 | PPF Telecom Group 3.5% 20/05/2024 | 820 | 0.36 |
| EUR | 2,470,000 | *TenneT Holding Perpetual Variable | 2,216 | 0.97 |
| | | **BB 1.61% (0.00%)** | | |
| EUR | 619,000 | OCI 3.625% 15/10/2025 | 557 | 0.24 |
| EUR | 3,000,000 | *Telefonica Europe Variable 14/03/2168 | 2,799 | 1.22 |
| EUR | 400,000 | *Telefonica Europe Variable 12/05/2169 | 333 | 0.15 |
| | | **BB- 0.42% (0.79%)** | | |
| EUR | 324,000 | Q-Park Holding 1.5% 01/03/2025 | 268 | 0.12 |
| EUR | 851,000 | Q-Park Holding 2% 01/03/2027 | 694 | 0.30 |
| | | **Ba3 0.37% (0.40%)** | | |
| USD | 1,166,000 | Mong Duong Finance Holdings 5.125% 07/05/2029 | 857 | 0.37 |
| | | **B+ 0.00% (0.57%)** | | |
| | | **B 0.57% (0.68%)** | | |
| EUR | 464,000 | Trivium Packaging Finance 3.75% 15/08/2026 | 409 | 0.18 |
| EUR | 935,000 | United Group 3.125% 15/02/2026 | 779 | 0.34 |
| EUR | 133,000 | United Group 4.875% GTD 01/07/2024 | 117 | 0.05 |
| | | **B- 0.66% (0.27%)** | | |
| EUR | 943,000 | Diebold Nixdorf 9% 15/07/2025 | 900 | 0.39 |
| EUR | 690,000 | *Summer BidCo 9% PIK 16/11/2025 | 625 | 0.27 |
| | | **Not Rated 0.00% (0.18%)** | | |
| | | **Total Netherlands** | **23,575** | **10.29** |
| **OMAN 0.00% (0.71%)** | | | | |
| | | **Ba2 0.00% (0.71%)** | | |
| | | **Total Oman** | – | – |
| **PANAMA 0.14% (0.00%)** | | | | |
| | | **B+ 0.14% (0.00%)** | | |
| EUR | 340,000 | Carnival 7.625% 01/03/2026 | 315 | 0.14 |
| | | **Total Panama** | **315** | **0.14** |
| **PORTUGAL 0.15% (0.27%)** | | | | |
| | | **Not Rated 0.15% (0.27%)** | | |
| EUR | 300,000 | Banco Espirito 2.625% 08/05/2017 (Defaulted) | 36 | 0.02 |
| EUR | 1,800,000 | Banco Espirito Santo 4% 21/01/2019 (Defaulted) | 218 | 0.09 |
| EUR | 800,000 | Banco Espirito Santo 4.75% 15/01/2018 (Defaulted) | 97 | 0.04 |
| | | **Total Portugal** | **351** | **0.15** |
| **REPUBLIC OF IRELAND 6.12% (3.03%)** | | | | |
| | | **A+ 0.00% (0.29%)** | | |
| | | **A- 0.88% (0.00%)** | | |
| EUR | 2,333,000 | Eaton Capital Unlimited 0.577% 08/03/2030 | 2,014 | 0.88 |
| | | **BBB+ 0.67% (0.72%)** | | |
| GBP | 1,145,000 | GE Capital UK Funding 5.875% 18/01/2033 | 1,536 | 0.67 |
| | | **BB+ 0.00% (0.18%)** | | |
| | | **BB 1.17% (0.54%)** | | |
| EUR | 2,302,000 | *AIB Group Variable 19/11/2029 | 2,014 | 0.88 |
| EUR | 734,000 | *Bank of Ireland Group Variable 14/10/2029 | 651 | 0.29 |
| | | **BB- 0.00% (0.37%)** | | |
| | | **B+ 0.84% (0.74%)** | | |
| EUR | 241,000 | *AIB Group Variable 23/12/2168 | 230 | 0.10 |
| EUR | 650,000 | Eircom Finance 2.625% 15/02/2027 | 551 | 0.24 |
| EUR | 1,317,000 | Eircom Finance 3.5% 15/05/2026 | 1,155 | 0.50 |
| | | **B 0.37% (0.18%)** | | |
| GBP | 832,000 | Virgin Media 4.875% 15/07/2028 | 853 | 0.37 |
| | | **Liquidity Funds 2.19% (0.01%)[1]** | | |
| GBP | 5,017,007 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 5,017 | 2.19 |
| | | **Total Republic of Ireland** | **14,021** | **6.12** |
| **SENEGAL 0.22% (0.35%)** | | | | |
| | | **B+ 0.22% (0.35%)** | | |
| EUR | 560,000 | Senegal Government International Bond 4.75% 13/03/2028 | 504 | 0.22 |
| | | **Total Senegal** | **504** | **0.22** |
| **SINGAPORE 0.26% (0.20%)** | | | | |
| | | **B- 0.00% (0.20%)** | | |
| | | **CCC 0.26% (0.00%)** | | |
| USD | 1,010,000 | Geo Coal International 8% 04/10/2022 | 600 | 0.26 |
| | | **Total Singapore** | **600** | **0.26** |
| **SPAIN 0.37% (0.00%)** | | | | |
| | | **BB+ 0.37% (0.00%)** | | |
| EUR | 500,000 | Cellnex Finance 1.25% 15/01/2029 | 422 | 0.19 |
| EUR | 500,000 | Cellnex Finance 2% 15/02/2033 | 422 | 0.18 |
| | | **Total Spain** | **844** | **0.37** |
| **SWEDEN 2.73% (1.36%)** | | | | |
| | | **BBB 0.69% (0.88%)** | | |
| GBP | 1,505,000 | Akelius Residential 2.375% 15/08/2025 | 1,574 | 0.69 |
| | | **Baa3 0.66% (0.48%)** | | |
| EUR | 1,718,000 | Sagax 1.125% 30/01/2027 | 1,512 | 0.66 |
| | | **BB+ 0.68% (0.00%)** | | |
| EUR | 500,000 | *Akelius Residential Variable 17/05/2081 | 426 | 0.19 |
| EUR | 190,000 | *Heimstaden Bostad Variable 19/02/2169 | 168 | 0.07 |
| EUR | 710,000 | *Heimstaden Bostad Variable 15/04/2169 | 627 | 0.27 |
| EUR | 381,000 | Volvo Car 2.5% 07/10/2027 | 352 | 0.15 |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **SWEDEN 2.73% (1.36%) (continued)** | | | | |
| | | **B 0.33% (0.00%)** | | |
| EUR | 867,000 | Verisure Holding 3.25% 15/02/2027 (Luxembourg listing) | 756 | 0.33 |
| | | **CCC+ 0.37% (0.00%)** | | |
| EUR | 943,000 | Verisure Midholding 5.25% 15/02/2029 (Germany listing) | 839 | 0.37 |
| | | **Total Sweden** | **6,254** | **2.73** |
| **SWITZERLAND 1.73% (1.20%)** | | | | |
| | | **BBB+ 1.01% (0.45%)** | | |
| GBP | 1,260,000 | *Credit Suisse Group Variable 09/06/2028 | 1,306 | 0.57 |
| USD | 1,258,000 | UBS 5.125% 15/05/2024 | 1,006 | 0.44 |
| | | **BB+ 0.39% (0.41%)** | | |
| USD | 1,100,000 | *UBS Group 7% 29/12/2049 | 911 | 0.39 |
| | | **BB 0.33% (0.34%)** | | |
| USD | 940,000 | *Credit Suisse 7.5% 11/12/2049 | 752 | 0.33 |
| | | **Total Switzerland** | **3,975** | **1.73** |
| **UNITED KINGDOM 24.50% (30.84%)** | | | | |
| | | **Aaa 0.00% (0.19%)** | | |
| | | **AA 0.42% (0.67%)** | | |
| GBP | 1,137,000 | Telereal Securitisation 5.9478% 10/12/2031 | 954 | 0.42 |
| | | **A- 0.00% (1.47%)** | | |
| | | **BBB+ 3.12% (5.06%)** | | |
| GBP | 611,000 | *Aviva 5.125% 04/06/2050 | 722 | 0.32 |
| GBP | 989,000 | BAT International Finance 2.25% 26/06/2028 | 1,000 | 0.44 |
| GBP | 110,000 | HSBC Bank 4.75% 24/03/2046 | 151 | 0.07 |
| GBP | 691,000 | HSBC Bank 5.375% 22/08/2033 | 916 | 0.40 |
| GBP | 838,000 | *Legal & General Group Variable 14/11/2048 | 967 | 0.42 |
| GBP | 478,000 | *Legal & General Group Variable 26/11/2049 | 506 | 0.22 |
| GBP | 281,000 | *Legal & General Group Variable 01/11/2050 | 312 | 0.14 |
| GBP | 540,000 | Longstone Finance 4.896% 19/04/2031 | 623 | 0.27 |
| GBP | 150,000 | *Royal London Finance No 4 Variable 07/10/2049 | 163 | 0.07 |
| GBP | 1,610,000 | Western Power Distribution 3.5% 16/10/2026 | 1,755 | 0.77 |
| | | **Baa1 0.91% (1.52%)** | | |
| GBP | 375,000 | Bupa Finance 4.125% 14/06/2035 | 404 | 0.18 |
| GBP | 1,447,000 | Bupa Finance 5% 08/12/2026 | 1,667 | 0.73 |
| | | **BBB 3.97% (6.92%)** | | |
| GBP | 550,000 | Anglian Water Services Financing 2.625% 15/06/2027 | 574 | 0.25 |
| GBP | 1,263,000 | *BP Capital Markets Variable 22/06/2169 GBP | 1,335 | 0.58 |
| GBP | 1,616,000 | Imperial Brands Finance 5.5% 28/09/2026 | 1,941 | 0.85 |
| GBP | 1,421,000 | Lloyds Bank 7.625% 22/04/2025 | 1,774 | 0.77 |
| GBP | 262,000 | *M&G Variable 20/10/2068 | 332 | 0.14 |
| GBP | 250,000 | *Prudential 6.34% 19/12/2063 | 315 | 0.14 |
| GBP | 1,603,000 | *Royal Bank of Scotland Group Variable 28/03/2027 | 1,727 | 0.75 |
| GBP | 1,100,000 | *Telereal Securitisation 4.0902% 10/12/2033 | 1,127 | 0.49 |
| | | **Baa2 1.39% (1.66%)** | | |
| GBP | 581,000 | Eversholt Funding 2.742% 30/06/2040 | 596 | 0.26 |
| GBP | 810,000 | Eversholt Funding 3.529% 07/08/2042 | 891 | 0.39 |
| GBP | 780,000 | Eversholt Funding 6.359% 02/12/2025 | 962 | 0.42 |
| GBP | 450,000 | Santander UK 10.0625% 06/04/2169 | 725 | 0.32 |
| | | **BBB- 4.62% (5.62%)** | | |
| GBP | 570,000 | Barclays Bank 5.75% 14/09/2026 | 689 | 0.30 |
| EUR | 1,216,000 | DS Smith 0.875% 12/09/2026 | 1,075 | 0.47 |
| EUR | 1,013,000 | G4S International Finance 1.875% 24/05/2025 | 873 | 0.38 |
| GBP | 377,000 | Intercontinental Hotel 3.375% 08/10/2028 | 399 | 0.17 |
| GBP | 3,100,000 | *NGG Finance 5.625% 18/06/2073 | 3,467 | 1.51 |
| GBP | 281,000 | Pearson 3.75% 04/06/2030 | 306 | 0.13 |
| GBP | 1,000,000 | *SSE Variable 14/04/2169 | 1,055 | 0.46 |
| GBP | 612,000 | Tesco Property Finance 1 7.6227% 13/07/2039 | 758 | 0.33 |
| GBP | 1,390,000 | Tesco Property Finance 5.5% 13/10/2041 | 1,789 | 0.78 |
| GBP | 170,000 | Tesco Property Finance 6 5.4111% 13/07/2044 | 206 | 0.09 |
| | | **Baa3 0.67% (0.68%)** | | |
| GBP | 1,535,000 | *TSB Banking Group 5.75% 06/05/2026 | 1,545 | 0.67 |
| | | **BB+ 2.12% (0.87%)** | | |
| GBP | 740,000 | GKN Holdings 4.625% 15/05/2032 | 770 | 0.34 |
| EUR | 920,000 | Ineos Finance 3.375% 31/03/2026 | 818 | 0.36 |
| GBP | 412,000 | *Marstons Issuer 5.1576% 15/10/2027 | 349 | 0.15 |
| GBP | 452,000 | *Royal Bank of Scotland Group Variable 14/08/2030 | 484 | 0.21 |
| GBP | 873,000 | Travis Perkins 3.75% 17/02/2026 | 923 | 0.40 |
| EUR | 507,000 | *Vodafone Group Variable 4.2% 03/10/2078 | 492 | 0.21 |
| USD | 1,307,000 | *Vodafone Group Variable 6.25% 03/10/2078 | 1,039 | 0.45 |
| | | **BB 1.28% (0.83%)** | | |
| EUR | 893,000 | Canpack Eastern Land 2.375% 01/11/2027 | 788 | 0.34 |
| EUR | 160,000 | Ineos Quattro Finance 2 2.5% 15/01/2026 (Germany listing) | 138 | 0.06 |
| EUR | 576,000 | Ineos Quattro Finance 2 2.5% 15/01/2026 (Luxembourg listing) | 498 | 0.22 |
| GBP | 320,000 | Mitchells & Butlers Finance 6.013% 15/12/2023 | 58 | 0.03 |
| GBP | 298,000 | Pinewood 3.25% 30/09/2025 | 304 | 0.13 |
| GBP | 798,000 | Pinewood 3.25% 30/09/2025 (Guernsey listing) | 816 | 0.36 |
| EUR | 361,000 | Synthomer 3.875% 01/07/2025 | 324 | 0.14 |
| | | **Ba2 0.25% (0.00%)** | | |
| GBP | 574,000 | Bellis Acquisition 3.25% 16/02/2026 | 577 | 0.25 |
| | | **BB- 1.77% (1.10%)** | | |
| EUR | 381,000 | Ardagh Packaging Finance 2.125% 15/08/2026 | 329 | 0.14 |
| GBP | 535,000 | Arrow Global Finance 5.125% 15/09/2024 Callable | 539 | 0.24 |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED KINGDOM 24.50% (30.84%) (continued)** | | | | |
| GBP | 1,277,000 | Iron Mountain UK 3.875% 15/11/2025 | 1,293 | 0.56 |
| EUR | 550,000 | Victoria 3.625% 26/08/2026 | 479 | 0.21 |
| GBP | 448,000 | Virgin Media Secured Finance 4.25% 15/01/2030 | 451 | 0.20 |
| GBP | 361,000 | Virgin Media Secured Finance 5.25% 15/05/2029 | 385 | 0.17 |
| EUR | 400,000 | Vmed O2 UK Financing I 3.25% 31/01/2031 | 347 | 0.15 |
| GBP | 230,000 | Vmed O2 UK Financing I 4% 31/01/2029 | 231 | 0.10 |
| | | **Ba3 0.00% (0.15%)** | | |
| | | **B+ 0.14% (0.16%)** | | |
| GBP | 310,000 | *NatWest Group 5.125% 12/11/2067 | 325 | 0.14 |
| | | **B1 0.16% (0.00%)** | | |
| GBP | 355,000 | Heathrow Finance 4.375% 01/09/2029 | 358 | 0.16 |
| | | **B 0.00% (0.51%)** | | |
| | | **B2 0.00% (0.28%)** | | |
| | | **B- 0.40% (0.62%)** | | |
| GBP | 910,000 | Boparan Finance 7.625% 30/11/2025 | 914 | 0.40 |
| | | **B3 0.58% (0.21%)** | | |
| EUR | 506,000 | Pinnacle Bidco 5.5% 15/02/2025 | 443 | 0.19 |
| GBP | 881,000 | Pinnacle Bidco 6.375% 15/02/2025 | 893 | 0.39 |
| | | **CCC+ 0.28% (0.06%)** | | |
| USD | 1,039,031 | EnQuest PIK 7% 15/04/2022 | 642 | 0.28 |
| | | **CC 0.12% (0.00%)** | | |
| EUR | 337,000 | EC Finance 2.375% 15/11/2022 (Lux) | 281 | 0.12 |
| | | **Not Rated 2.30% (2.26%)** | | |
| GBP | 1,390,000 | First Hydro Finance 9% 31/07/2021 | 1,433 | 0.63 |
| GBP | 750,000 | Newriver REIT 3.5% 07/03/2028 | 695 | 0.30 |
| GBP | 633,000 | Pension Insurance 5.625% 20/09/2030 | 758 | 0.33 |
| GBP | 369,000 | *Telereal Securitisat Sink Variable 10/12/2033 | 369 | 0.16 |
| GBP | 722,000 | United Kingdom Gilt 0.5% 22/10/2061 | 560 | 0.24 |
| GBP | 1,195,000 | United Kingdom Gilt 0.625% 22/10/2050 | 999 | 0.44 |
| GBP | 457,000 | United Kingdom Gilt 1.25% 22/10/2041 | 456 | 0.20 |
| | | **Total United Kingdom** | **56,159** | **24.50** |
| **UNITED STATES OF AMERICA 16.53% (20.91%)** | | | | |
| | | **AA 0.00% (0.21%)** | | |
| | | **A 0.26% (0.25%)** | | |
| EUR | 667,000 | Honeywell International 0.75% 10/03/2032 | 591 | 0.26 |
| | | **A- 0.75% (2.31%)** | | |
| USD | 880,000 | *Bank of America Variable 19/06/2041 | 604 | 0.26 |
| USD | 1,527,000 | *JPMorgan Chase Variable 22/04/2041 | 1,122 | 0.49 |
| | | **BBB+ 2.24% (2.35%)** | | |
| USD | 606,000 | AbbVie 4.25% 21/11/2049 | 489 | 0.21 |
| USD | 250,000 | AbbVie 4.875% 14/11/2048 | 220 | 0.10 |
| EUR | 358,000 | Thermo Fisher Scientific 1.875% 01/10/2049 | 330 | 0.14 |
| GBP | 1,200,000 | Verizon Communications 1.125% 03/11/2028 | 1,158 | 0.51 |
| GBP | 845,000 | Wells Fargo 2.125% 24/09/2031 | 866 | 0.38 |
| GBP | 1,740,000 | Welltower 4.8% 20/11/2028 | 2,055 | 0.90 |
| | | **BBB 4.51% (6.59%)** | | |
| USD | 600,000 | AT&T 3.5% 01/06/2041 | 425 | 0.19 |
| GBP | 680,000 | AT&T 4.25% 01/06/2043 | 809 | 0.35 |
| GBP | 3,256,000 | Becton Dickinson 3.02% 24/05/2025 | 3,478 | 1.52 |
| USD | 1,425,000 | Carrier Global 2.722% 15/02/2030 | 1,048 | 0.46 |
| GBP | 541,000 | Digital Stout 3.3% 19/07/2029 | 597 | 0.26 |
| GBP | 1,300,000 | Fidelity National Information Services 2.25% 03/12/2029 | 1,342 | 0.59 |
| GBP | 1,285,000 | Fidelity National Information Services 3.36% 21/05/2031 | 1,436 | 0.63 |
| GBP | 500,000 | Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange) | 559 | 0.24 |
| GBP | 569,000 | Fiserv 3% 01/07/2031 | 618 | 0.27 |
| | | **BBB- 1.35% (2.34%)** | | |
| USD | 357,000 | Boeing 5.93% 01/05/2060 | 329 | 0.14 |
| USD | 751,000 | Broadcom 5% 15/04/2030 | 626 | 0.27 |
| EUR | 348,000 | Equinix 2.875% 01/02/2026 | 152 | 0.07 |
| USD | 290,000 | Equinix 5.375% 15/05/2027 | 226 | 0.10 |
| GBP | 207,000 | MPT Operating Partnership 2.55% 05/12/2023 | 210 | 0.09 |
| USD | 265,000 | Plains All American Pipeline 3.55% 15/12/2029 | 194 | 0.08 |
| GBP | 1,100,000 | Time Warner Cable 5.75% 02/06/2031 | 1,385 | 0.60 |
| | | **BB+ 3.99% (1.86%)** | | |
| EUR | 939,000 | Avantor Funding 2.625% 01/11/2025 (USA) | 830 | 0.36 |
| GBP | 329,000 | Ford Motor Credit 2.748% 14/06/2024 | 332 | 0.14 |
| EUR | 648,000 | Ford Motor Credit 3.25% 15/09/2025 | 593 | 0.26 |
| EUR | 1,642,000 | Netflix 3.625% 15/05/2027 | 1,621 | 0.71 |
| EUR | 680,000 | Netflix 3.625% 15/06/2030 | 684 | 0.30 |
| EUR | 652,000 | Netflix 3.875% 15/11/2029 | 668 | 0.29 |
| GBP | 3,975,000 | The Kraft Heinz 4.125% 01/07/2027 | 4,429 | 1.93 |
| | | **BB 2.08% (1.74%)** | | |
| EUR | 249,000 | IQVIA 1.75% 15/03/2026 | 216 | 0.09 |
| EUR | 1,460,000 | IQVIA 2.25% 15/01/2028 | 1,263 | 0.55 |
| EUR | 616,000 | IQVIA 2.25% 15/03/2029 | 531 | 0.23 |
| EUR | 2,332,000 | IQVIA 3.25% 15/03/2025 | 2,031 | 0.89 |
| EUR | 350,000 | Silgan Holdings 2.25% 01/06/2028 | 306 | 0.13 |
| EUR | 500,000 | Silgan Holdings 3.25% 15/03/2025 | 435 | 0.19 |
| | | **Ba2 0.21% (0.00%)** | | |
| EUR | 549,000 | Ardagh Metal Packaging 2% 01/09/2028 | 473 | 0.21 |
| | | **BB- 0.52% (1.63%)** | | |
| EUR | 340,000 | Avantor Funding 3.875% 15/07/2028 | 310 | 0.14 |
| EUR | 1,019,000 | Catalent Pharma Solutions 2.375% 01/03/2028 | 882 | 0.38 |
| | | **B+ 0.19% (1.33%)** | | |
| EUR | 498,000 | Ardagh Metal Packaging 3% 01/09/2029 | 428 | 0.19 |
| | | **B 0.43% (0.30%)** | | |
| EUR | 1,125,000 | Spectrum Brands 4% 01/10/2026 | 997 | 0.43 |
| | | **Total United States of America** | **37,898** | **16.53** |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **DERIVATIVES -1.27% (-3.28%)** | | | | |
| | | **Credit Default Swaps -1.41% (-0.99%)** | | |
| EUR | (2,800,000) | Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500 | (108) | (0.05) |
| EUR | (1,075,000) | Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100 | (2) | – |
| EUR | (850,000) | Citigroup Lloyds Banking Group Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (7) | – |
| EUR | (3,155,000) | Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100 | (5) | – |
| EUR | (2,400,000) | Citigroup SSE Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (57) | (0.03) |
| EUR | (1,400,000) | Goldman Sachs Banco Bilbao Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (16) | (0.01) |
| EUR | (3,700,000) | Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100 | (8) | – |
| EUR | (1,600,000) | Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100 | (4) | – |
| EUR | 1,300,000 | J.P. Morgan Airbus Credit Default Swap Sell Protection 20/06/2025 Spread 100 | 22 | 0.01 |
| EUR | (3,420,000) | J.P. Morgan Barclays Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (8) | – |
| EUR | (2,720,000) | J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500 | (62) | (0.03) |
| EUR | (930,000) | J.P. Morgan Daimler AG Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (19) | (0.01) |
| EUR | (3,700,000) | J.P. Morgan Électricité de France Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (76) | (0.03) |
| EUR | (1,800,000) | J.P. Morgan Fortum Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (37) | (0.02) |
| USD | (2,700,000) | J.P. Morgan General Motors Credit Default Swap Buy Protection 20/06/2023 Spread 500 | (191) | (0.08) |
| EUR | (2,250,000) | J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100 | (4) | – |
| EUR | (2,700,000) | J.P. Morgan Standard Chartered Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (64) | (0.03) |
| EUR | (2,600,000) | J.P. Morgan Swedbank Credit Default Swap Buy Protection 20/06/2025 Spread 100 | (71) | (0.03) |
| EUR | (2,700,000) | J.P. Morgan Telia Company Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (82) | (0.04) |
| EUR | (2,600,000) | J.P. Morgan Veolia Environnement Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (68) | (0.03) |
| USD | (4,900,000) | J.P. Morgan Westpac Banking Credit Default Swap Buy Protection 20/12/2025 Spread 100 | (129) | (0.06) |
| USD | (28,270,000) | Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Buy Protection 20/12/2025 Spread 100 | (418) | (0.18) |
| EUR | (9,471,936) | Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2025 Spread 500 | (904) | (0.39) |
| EUR | (39,050,000) | Morgan Stanley Itraxx-European Credit Default Swap Index Buy Protection 20/12/2025 Spread 100 | (836) | (0.37) |
| EUR | (8,550,000) | Morgan Stanley Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100 | (20) | (0.01) |
| EUR | (8,000,000) | Morgan Stanley Itraxx-Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100 | (43) | (0.02) |
| | | **Interest Rate Swaps 0.00% (-0.30%)** | | |
| | | **Futures and Options 0.11% (-0.75%)** | | |
| EUR | (311) | UBS EURO -Bobl Future Expiring June 2021 | 5 | – |
| EUR | (36) | UBS EURO -Bond Future Expiring June 2021 | 3 | – |
| EUR | (4) | UBS EURO -Buxl 30 Year Bond Future Expiring June 2021 | 4 | – |
| EUR | 48 | UBS EURO -Oat Future Expiring June 2021 | (14) | (0.01) |
| JPY | 3 | UBS Japan 10 Year Bond Future Expiring March 2021 | (9) | – |
| GBP | (214) | UBS Long Gilt Future Expiring June 2021 | 174 | 0.08 |
| USD | 85 | UBS US 5 Year Note Future Expiring June 2021 | (59) | (0.03) |
| USD | (26) | UBS US 10 Year Note Future Expiring June 2021 | 38 | 0.02 |
| USD | (56) | UBS US 10 Year Ultra Future Expiring June 2021 | 123 | 0.05 |
| USD | (18) | UBS US Long Bond Future Expiring June 2021 | 58 | 0.03 |
| USD | 18 | UBS US Ultra Bond Cbt Future Expiring June 2021 | (80) | (0.03) |
| | | **Forward Foreign Exchange Contracts 0.03% (-1.24%)** | | |
| | | Sell GBP 299,051 Buy EUR 346,526 Lloyds | 1 | – |
| | | Sell GBP 1,169,583 Buy EUR 1,361,020 UBS | 6 | – |
| | | Sell AUD 422,974 Buy GBP 236,079 Barclays | 1 | – |
| | | Sell EUR 350,000 Buy GBP 301,937 HSBC | (1) | – |
| | | Sell EUR 552,180 Buy GBP 477,378 Barclays[2] | – | – |
| | | Sell EUR 1,600,000 Buy GBP 1,382,624 UBS[2] | – | – |
| | | Sell USD 46,510,901 Buy GBP 33,400,824 Barclays | (262) | (0.11) |
| | | Sell EUR 96,539,540 Buy GBP 83,693,747 Barclays | 287 | 0.12 |
| | | Sell GBP 111,734 Buy USD 158,232 Barclays | 3 | – |
| | | Sell GBP 114,143 Buy USD 160,746 Barclays | 2 | – |
| | | Sell GBP 117,838 | | |

# Threadneedle Strategic Bond Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES -1.27% (-3.28%) (continued)** | | | |
| | Buy USD 165,269 UBS Sell GBP 855,709 | 2 | – |
| | Buy USD 1,200,000 HSBC Sell GBP 1,461,579 | 13 | 0.01 |
| | Buy USD 2,036,230 HSBC | 12 | 0.01 |
| | **Total Derivatives** | **(2,910)** | **(1.27)** |
| **Total value of investments[3]** | | **226,993** | **99.03** |
| **Net other assets (5.95%)** | | **2,223** | **0.97** |
| **Net assets** | | **229,216** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bonds*
*(P) refers to provisional rating.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 186,425 | 82.13 |
| Floating rate notes | 43,470 | 19.15 |
| Derivatives | (2,910) | (1.28) |
| Equity | 8 | – |
| **Total value of investments[3]** | **226,993** | **100.00** |

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

| | Value £000 |
|---|---|
| UBS EURO -Bobl Future Expiring June 2021 | (36,242) |
| UBS EURO -Bond Future Expiring June 2021 | (5,324) |
| UBS EURO -Buxl 30 Year Bond Future Expiring June 2021 | (717) |
| UBS EURO -Oat Future Expiring June 2021 | 6,710 |
| UBS Japan 10 Year Bond Future Expiring March 2021 | 3,033 |
| UBS Long Gilt Future Expiring June 2021 | (27,449) |
| UBS US 5 Year Note Future Expiring June 2021 | 7,627 |
| UBS US 10 Year Note Future Expiring June 2021 | (2,490) |
| UBS US 10 Year Ultra Future Expiring June 2021 | (5,918) |
| UBS US Long Bond Future Expiring June 2021 | (2,045) |
| UBS US Ultra Bond Cbt Future Expiring June 2021 | 2,417 |
| **Total net exposure** | **(60,398)** |

# Threadneedle American Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 1.65% (2.78%)** | | | |
| | **Alternative Energy 0.52% (0.00%)** | | |
| 260,460 | Renewable Energy Group | 14,340 | 0.52 |
| | **Oil & Gas Producers 1.13% (2.78%)** | | |
| 546,432 | Valero Energy | 31,248 | 1.13 |
| | **Total Oil & Gas** | **45,588** | **1.65** |
| **BASIC MATERIALS 3.23% (1.28%)** | | | |
| | **Chemicals 3.23% (1.28%)** | | |
| 306,734 | Albemarle | 31,916 | 1.16 |
| 559,495 | DuPont de Nemours | 29,963 | 1.08 |
| 368,364 | FMC | 27,366 | 0.99 |
| | **Total Basic Materials** | **89,245** | **3.23** |
| **INDUSTRIALS 11.95% (8.68%)** | | | |
| | **Aerospace & Defence 0.57% (0.60%)** | | |
| 717,875 | Howmet Aerospace | 15,770 | 0.57 |
| | **Electronic & Electrical Equipment 2.30% (0.00%)** | | |
| 379,569 | TE Connectivity | 35,696 | 1.29 |
| 547,383 | Trimble Navigation | 27,987 | 1.01 |
| | **General Industrials 1.98% (0.00%)** | | |
| 551,076 | Eaton | 54,769 | 1.98 |
| | **Industrial Engineering 2.09% (4.14%)** | | |
| 165,871 | Caterpillar | 26,421 | 0.96 |
| 872,476 | Ingersoll-Rand | 31,237 | 1.13 |
| | **Industrial Transportation 2.00% (2.11%)** | | |
| 365,513 | Union Pacific | 55,411 | 2.00 |
| | **Support Services 3.01% (1.83%)** | | |
| 163,490 | Bill.Com Holdings | 17,609 | 0.64 |
| 364,844 | Fidelity National Information Services | 37,250 | 1.35 |
| 411,195 | Republic Services | 28,099 | 1.02 |
| | **Total Industrials** | **330,249** | **11.95** |
| **CONSUMER GOODS 6.22% (9.82%)** | | | |
| | **Automobiles & Parts 1.21% (0.00%)** | | |
| 861,078 | General Motors | 33,490 | 1.21 |
| | **Beverages 3.32% (2.24%)** | | |
| 1,431,362 | Coca-Cola | 52,594 | 1.90 |
| 408,616 | PepsiCo | 39,333 | 1.42 |
| | **Food Producers 0.00% (2.00%)** | | |
| | **Household Goods & Home Construction 0.00% (3.02%)** | | |
| | **Leisure Goods 0.90% (1.55%)** | | |
| 201,307 | Take-Two Interactive | 24,863 | 0.90 |
| | **Personal Goods 0.79% (1.01%)** | | |
| 1,329,364 | Under Armour | 21,787 | 0.79 |
| | **Total Consumer Goods** | **172,067** | **6.22** |
| **HEALTH CARE 12.92% (16.66%)** | | | |
| | **Health Care Equipment & Services 5.33% (5.67%)** | | |
| 1,202,264 | Centene | 52,588 | 1.90 |
| 519,873 | Medtronic | 44,464 | 1.61 |
| 155,919 | Thermo Fisher Scientific | 50,375 | 1.82 |
| | **Pharmaceuticals & Biotechnology 7.59% (10.99%)** | | |
| 598,724 | Abbott Laboratories | 50,762 | 1.84 |
| 1,037,812 | Bristol-Myrs Squibb | 45,372 | 1.64 |
| 225,442 | Charles River Laboratories | 44,594 | 1.61 |
| 346,305 | Eli Lilly and Company | 51,848 | 1.88 |
| 136,240 | Novavax | 17,221 | 0.62 |
| | **Total Health Care** | **357,224** | **12.92** |
| **CONSUMER SERVICES 16.00% (10.55%)** | | | |
| | **Food & Drug Retailers 0.99% (0.00%)** | | |
| 532,724 | CVS Health | 27,214 | 0.99 |
| | **General Retailers 12.74% (8.20%)** | | |
| 74,425 | Amazon.com | 161,476 | 5.84 |
| 263,735 | Home Depot | 48,363 | 1.75 |
| 1,116,544 | Lyft | 51,804 | 1.87 |
| 518,245 | Target Corporation | 64,728 | 2.34 |
| 571,721 | TJX Companies | 25,943 | 0.94 |
| | **Media 2.27% (2.35%)** | | |
| 1,574,959 | Comcast Corporation | 62,725 | 2.27 |
| | **Total Consumer Services** | **442,253** | **16.00** |
| **UTILITIES 1.62% (1.89%)** | | | |
| | **Electricity 1.62% (1.89%)** | | |
| 875,632 | Array Technologies | 21,656 | 0.78 |
| 451,338 | FPL Group | 23,080 | 0.84 |
| | **Total Utilities** | **44,736** | **1.62** |
| **FINANCIALS 16.42% (15.70%)** | | | |
| | **Banks 0.00% (5.73%)** | | |
| | **Nonlife Insurance 1.35% (1.84%)** | | |
| 462,840 | Allstate | 37,382 | 1.35 |
| | **Real Estate Investment Trusts 0.00% (1.06%)** | | |
| | **Financial Services 15.07% (7.07%)** | | |
| 106,147 | Blackrock | 53,925 | 1.95 |
| 773,192 | InterContinental Exchange | 64,306 | 2.33 |
| 327,401 | MasterCard Class A | 85,442 | 3.09 |
| 1,893,030 | Morgan Stanley | 110,760 | 4.01 |
| 500,512 | State Street Corporation | 28,760 | 1.04 |
| 407,988 | Virtu Financial | 7,956 | 0.29 |
| 1,451,981 | Voya Financial | 65,392 | 2.36 |
| | **Total Financials** | **453,923** | **16.42** |
| **TECHNOLOGY 28.38% (31.17%)** | | | |
| | **Software & Computer Services 17.10% (17.42%)** | | |
| 156,718 | Adobe Systems | 49,971 | 1.81 |
| 104,093 | Alphabet Class A | 157,824 | 5.71 |
| 99,326 | Facebook | 18,993 | 0.69 |
| 460,571 | Match Group | 48,690 | 1.76 |
| 1,175,460 | Microsoft | 196,970 | 7.13 |
| | **Technology Hardware & Equipment 11.28% (13.75%)** | | |
| 234,548 | Broadcom | 76,345 | 2.76 |
| 2,251,319 | Cisco Systems | 75,294 | 2.72 |
| 105,412 | Lam Research | 41,756 | 1.51 |
| 405,098 | Microchip Technology | 42,629 | 1.54 |
| 210,697 | Nvidia | 75,961 | 2.75 |
| | **Total Technology** | **784,433** | **28.38** |

# Threadneedle American Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **TELECOMMUNICATIONS 1.01% (0.00%)** | | | |
| | **Mobile Telecommunications 1.01% (0.00%)** | | |
| 309,356 | T-Mobile US | 27,909 | 1.01 |
| | **Total Telecommunications** | **27,909** | **1.01** |
| **COLLECTIVE INVESTMENT SCHEMES 1.31% (0.96%)** | | | |
| | **Liquidity Funds 1.31% (0.96%)[1]** | | |
| 50,095,765 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 36,249 | 1.31 |
| | **Total Collective Investment Schemes** | **36,249** | **1.31** |
| **DERIVATIVES -0.16% (0.07%)** | | | |
| | **Forward Foreign Exchange Contracts -0.16% (0.07%)** | | |
| | Sell USD 2,185,095 Buy GBP 1,545,670 J.P. Morgan | (36) | – |
| | Sell USD 171,626 Buy GBP 123,008 J.P. Morgan | (1) | – |
| | Sell USD 3,427,000 Buy GBP 2,462,518 Barclays | (18) | – |
| | Sell USD 437,531,714 Buy GBP 312,000,052 J.P. Morgan | (4,653) | (0.17) |
| | Sell USD 1,013,200 Buy GBP 726,715 J.P. Morgan | (6) | – |
| | Sell USD 1,046,741 Buy GBP 751,570 J.P. Morgan | (6) | – |
| | Sell GBP 156,031 Buy USD 220,584 J.P. Morgan | 4 | – |
| | Sell GBP 2,475,995 Buy USD 3,459,000 Barclays | 28 | – |
| | Sell GBP 484,970 Buy USD 680,090 J.P. Morgan | 7 | – |
| | Sell GBP 6,007,658 Buy USD 8,375,432 J.P. Morgan | 54 | – |
| | Sell GBP 6,956,683 Buy USD 9,774,436 J.P. Morgan | 117 | 0.01 |
| | **Total Derivatives** | **(4,510)** | **(0.16)** |
| **Total value of investments[2]** | | **2,779,366** | **100.55** |
| **Net other (liabilities)/assets (0.44%)** | | **(15,214)** | **(0.55)** |
| **Net assets** | | **2,764,152** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Includes Cash equivalents.*

# Threadneedle American Select Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 0.00% (1.94%)** | | | |
| | **Oil & Gas Producers 0.00% (1.94%)** | | |
| | **Total Oil & Gas** | – | – |
| **INDUSTRIALS 8.62% (2.26%)** | | | |
| | **Aerospace & Defence 0.13% (0.51%)** | | |
| 15,333 | Heico Corporation | 1,367 | 0.13 |
| | **Electronic & Electrical Equipment 0.60% (0.00%)** | | |
| 70,091 | TE Connectivity | 6,592 | 0.60 |
| | **Industrial Engineering 0.43% (0.00%)** | | |
| 257,545 | Bloom Energy | 4,771 | 0.43 |
| | **Industrial Transportation 2.89% (1.75%)** | | |
| 171,851 | Norfolk Southern | 31,826 | 2.89 |
| | **Support Services 4.57% (0.00%)** | | |
| 195,843 | Fiserv | 16,960 | 1.54 |
| 130,523 | PayPal Holdings | 22,576 | 2.05 |
| 68,644 | Square | 10,750 | 0.98 |
| | **Total Industrials** | **94,842** | **8.62** |
| **CONSUMER GOODS 1.85% (3.83%)** | | | |
| | **Beverages 0.91% (1.43%)** | | |
| 103,445 | PepsiCo | 9,957 | 0.91 |
| | **Food Producers 0.00% (1.65%)** | | |
| | **Personal Goods 0.94% (0.75%)** | | |
| 107,560 | NIKE | 10,375 | 0.94 |
| | **Total Consumer Goods** | **20,332** | **1.85** |
| **HEALTH CARE 9.77% (8.71%)** | | | |
| | **Health Care Equipment & Services 6.02% (3.88%)** | | |
| 245,956 | Centene | 10,758 | 0.98 |
| 373,678 | Edwards Lifesciences | 22,091 | 2.01 |
| 33,431 | Thermo Fisher Scientific | 10,801 | 0.98 |
| 89,788 | UnitedHealth Group | 22,529 | 2.05 |
| | **Pharmaceuticals & Biotechnology 3.75% (4.83%)** | | |
| 365,477 | Biomarin Pharmaceutical | 20,524 | 1.86 |
| 135,616 | Vertex Pharmaceuticals | 20,790 | 1.89 |
| | **Total Health Care** | **107,493** | **9.77** |
| **CONSUMER SERVICES 17.00% (18.18%)** | | | |
| | **Food & Drug Retailers 0.98% (0.00%)** | | |
| 211,489 | CVS Health | 10,804 | 0.98 |
| | **General Retailers 8.55% (9.15%)** | | |
| 32,500 | Amazon.com | 70,514 | 6.41 |
| 586,292 | Uber Technologies | 23,549 | 2.14 |
| | **Media 4.79% (5.68%)** | | |
| 22,322 | Charter Communications | 10,079 | 0.91 |
| 836,651 | Comcast Corporation | 33,321 | 3.03 |
| 68,583 | Walt Disney | 9,420 | 0.85 |
| | **Travel & Leisure 2.68% (3.35%)** | | |
| 11,588 | Booking Holdings | 19,345 | 1.76 |
| 223,318 | Las Vegas Sands | 10,083 | 0.92 |
| | **Total Consumer Services** | **187,115** | **17.00** |
| **FINANCIALS 18.01% (24.31%)** | | | |
| | **Banks 4.25% (7.74%)** | | |
| 904,798 | Bank of America | 24,172 | 2.20 |
| 206,351 | JPMorgan Chase | 22,542 | 2.05 |
| | **Nonlife Insurance 7.06% (8.51%)** | | |
| 424,282 | Berkshire Hathaway | 77,691 | 7.06 |
| | **Financial Services 6.70% (8.06%)** | | |
| 163,725 | MasterCard Class A | 42,727 | 3.88 |
| 199,284 | Visa 'A' Shares | 31,042 | 2.82 |
| | **Total Financials** | **198,174** | **18.01** |
| **TECHNOLOGY 43.25% (40.36%)** | | | |
| | **Software & Computer Services 33.77% (29.52%)** | | |
| 146,488 | Adobe Systems | 46,709 | 4.24 |
| 70,689 | Alphabet Class A | 107,177 | 9.74 |
| 79,748 | ANSYS | 17,757 | 1.61 |
| 65,315 | Autodesk | 12,625 | 1.15 |
| 297,897 | Facebook | 56,965 | 5.18 |
| 83,881 | Intuit | 23,190 | 2.11 |
| 584,534 | Microsoft | 97,950 | 8.90 |
| 470,063 | Nutanix | 9,272 | 0.84 |
| | **Technology Hardware & Equipment 9.48% (10.84%)** | | |
| 125,507 | Analog Devices | 13,516 | 1.23 |
| 380,404 | Apple | 33,410 | 3.03 |
| 55,742 | Lam Research | 22,081 | 2.01 |
| 93,245 | Marvell Technology Group | 2,565 | 0.23 |
| 194,294 | Microchip Technology | 20,446 | 1.86 |
| 34,178 | Nvidia | 12,322 | 1.12 |
| | **Total Technology** | **475,985** | **43.25** |
| **UTILITIES 0.83% (0.00%)** | | | |
| | **Electricity 0.83% (0.00%)** | | |
| 178,925 | FPL Group | 9,149 | 0.83 |
| | **Total Utilities** | **9,149** | **0.83** |
| **DERIVATIVES 0.00% (0.00%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | Sell USD 33,780 | | |
| | Buy CHF 30,308 J.P. Morgan | (1) | – |
| | Sell USD 868 | | |
| | Buy CHF 794 J.P. Morgan[1] | – | – |
| | Sell USD 2,001,000 | | |
| | Buy GBP 1,437,846 Barclays | (10) | – |
| | Sell USD 16,994 | | |
| | Buy GBP 12,195 J.P. Morgan[1] | – | – |
| | Sell USD 65 | | |
| | Buy GBP 47 J.P. Morgan[1] | – | – |
| | Sell USD 660,613 | | |
| | Buy GBP 471,077 J.P. Morgan | (7) | – |
| | Sell USD 81 | | |
| | Buy GBP 58 J.P. Morgan[1] | – | – |
| | Sell USD 108,000 | | |
| | Buy GBP 77,364 Bank of Scotland | (1) | – |
| | Sell GBP 90 | | |
| | Buy USD 127 J.P. Morgan[1] | – | – |
| | Sell GBP 11,185 | | |
| | Buy USD 15,716 J.P. Morgan[1] | – | – |
| | Sell GBP 11,290 | | |

# Threadneedle American Select Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES 0.00% (0.00%) (continued)** | | | |
| | Buy USD 15,783 J.P. Morgan[1] Sell GBP 12,564 | – | – |
| | Buy USD 17,557 J.P. Morgan[1] Sell GBP 5,271 | – | – |
| | Buy USD 7,451 J.P. Morgan[1] Sell GBP 535,428 | – | – |
| | Buy USD 748,000 Barclays Sell CHF 724 | 6 | – |
| | Buy USD 801 J.P. Morgan[1] Sell CHF 722 | – | – |
| | Buy USD 806 J.P. Morgan[1] Sell CHF 826 | – | – |
| | Buy USD 894 J.P. Morgan[1] | – | – |
| | **Total Derivatives** | **(13)** | **–** |
| **Total value of investments** | | **1,093,077** | **99.33** |
| **Net other assets (0.41%)** | | **7,361** | **0.67** |
| **Net assets** | | **1,100,438** | **100.00** |

*March 2020 comparatives in brackets.*
[1]*Less than £500, rounded to nil.*

# Threadneedle American Smaller Companies Fund (US)

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 6.68% (1.32%)** | | | |
| | **Oil & Gas Producers 0.00% (0.19%)** | | |
| | **Oil Equipment, Services & Distribution 4.09% (1.13%)** | | |
| 6,555,771 | Newpark Resources | 18,738 | 4.09 |
| | **Alternative Energy 2.59% (0.00%)** | | |
| 66,060 | Renewable Energy Group | 3,637 | 0.79 |
| 370,652 | Sunpower | 8,226 | 1.80 |
| | **Total Oil & Gas** | **30,601** | **6.68** |
| **BASIC MATERIALS 3.99% (5.33%)** | | | |
| | **Chemicals 0.92% (3.22%)** | | |
| 201,412 | Axalta Coating Systems | 4,203 | 0.92 |
| | **Industrial Metals & Mining 3.07% (2.11%)** | | |
| 500,460 | Schnitzer Steel Industries Class A | 14,094 | 3.07 |
| | **Total Basic Materials** | **18,297** | **3.99** |
| **INDUSTRIALS 18.15% (18.70%)** | | | |
| | **Construction & Materials 5.80% (4.28%)** | | |
| 367,002 | KBR | 8,232 | 1.80 |
| 100,003 | Masonite International | 7,999 | 1.75 |
| 414,635 | Quanex Building Products | 7,513 | 1.64 |
| 19,854 | TopBuild | 2,794 | 0.61 |
| | **Aerospace & Defence 0.63% (1.64%)** | | |
| 33,944 | Curtiss-Wright Corporation | 2,906 | 0.63 |
| | **General Industrials 1.06% (0.00%)** | | |
| 76,996 | ITT | 4,848 | 1.06 |
| | **Electronic & Electrical Equipment 2.56% (4.63%)** | | |
| 589,428 | Livent | 7,114 | 1.55 |
| 275,131 | Vishay Intertechnology | 4,647 | 1.01 |
| | **Industrial Engineering 3.36% (2.33%)** | | |
| 64,963 | AGCO Corporation | 6,271 | 1.37 |
| 162,269 | Bloom Energy | 3,006 | 0.66 |
| 52,921 | MSA Safety | 6,118 | 1.33 |
| | **Industrial Transportation 0.00% (3.86%)** | | |
| | **Support Services 4.74% (1.96%)** | | |
| 33,452 | Bill.Com Holdings | 3,603 | 0.79 |
| 572,902 | EVO Payments | 10,973 | 2.40 |
| 45,185 | FTI Consulting | 3,964 | 0.86 |
| 49,912 | ICF International | 3,147 | 0.69 |
| | **Total Industrials** | **83,135** | **18.15** |
| **CONSUMER GOODS 8.77% (7.64%)** | | | |
| | **Food Producers 1.76% (2.12%)** | | |
| 352,954 | Bellring Brands | 5,968 | 1.30 |
| 20,853 | Beyond Meat | 2,087 | 0.46 |
| | **Leisure Goods 0.77% (0.00%)** | | |
| 119,128 | Acushnet Holdings | 3,532 | 0.77 |
| | **Personal Goods 6.24% (5.52%)** | | |
| 167,378 | Canada Goose Holdings | 5,459 | 1.19 |
| 349,777 | ELF Beauty | 6,522 | 1.43 |
| 217,364 | Gildan Activewear | 4,637 | 1.01 |
| 195,221 | Kontoor Brands | 7,160 | 1.56 |
| 292,165 | Under Armour | 4,788 | 1.05 |
| | **Total Consumer Goods** | **40,153** | **8.77** |
| **HEALTH CARE 15.74% (13.53%)** | | | |
| | **Health Care Equipment & Services 5.21% (0.00%)** | | |
| 139,008 | CONMED Corporation | 12,443 | 2.72 |
| 111,323 | Integer Holdings | 7,536 | 1.64 |
| 212,005 | Natus Medical | 3,889 | 0.85 |
| | **Pharmaceuticals & Biotechnology 10.53% (13.53%)** | | |
| 153,147 | Dynavax Technologies | 911 | 0.20 |
| 157,315 | Elanco Animal Health | 3,544 | 0.77 |
| 76,172 | Insmed | 2,096 | 0.46 |
| 1,296,369 | Kindred Biosciences | 4,474 | 0.98 |
| 311,078 | Luminex | 7,250 | 1.58 |
| 94,423 | Medpace Holdings | 10,747 | 2.35 |
| 29,093 | Mirati Therapeutics | 3,996 | 0.87 |
| 37,406 | Novavax | 4,728 | 1.03 |
| 82,557 | Quanterix | 4,017 | 0.88 |
| 116,477 | Sage Therapeutics | 6,467 | 1.41 |
| | **Total Health Care** | **72,098** | **15.74** |
| **CONSUMER SERVICES 17.40% (11.24%)** | | | |
| | **General Retailers 10.59% (5.12%)** | | |
| 489,954 | Carriage Services | 12,068 | 2.63 |
| 20,223 | Lithia Motors | 5,494 | 1.20 |
| 103,532 | Lyft | 4,803 | 1.05 |
| 365,864 | Matthews International | 10,444 | 2.28 |
| 255,164 | Regis Corporation | 2,145 | 0.47 |
| 100,175 | Ritchie Bros Auctioneers | 3,937 | 0.86 |
| 510,323 | WillScot Mobile Mini Holdings | 9,623 | 2.10 |
| | **Media 3.18% (2.12%)** | | |
| 507,265 | Qurate Retail | 4,254 | 0.93 |
| 13,814 | Qurate Retail 8.0% Cum Red Preference Share | 995 | 0.22 |
| 165,909 | Techtarget | 9,304 | 2.03 |
| | **Travel & Leisure 3.63% (4.00%)** | | |
| 450,519 | OneSpaWorld Holdings | 3,605 | 0.79 |
| 272,998 | Wendy's | 3,884 | 0.85 |
| 105,054 | Wingstop | 9,145 | 1.99 |
| | **Total Consumer Services** | **79,701** | **17.40** |
| **UTILITIES 3.98% (3.66%)** | | | |
| | **Electricity 1.07% (3.66%)** | | |
| 197,884 | Array Technologies | 4,894 | 1.07 |
| | **Gas, Water & Multiutilities 2.91% (0.00%)** | | |
| 429,055 | Avista | 13,322 | 2.91 |
| | **Total Utilities** | **18,216** | **3.98** |

# Threadneedle American Smaller Companies Fund (US)

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **FINANCIALS 15.85% (26.16%)** | | | |
| | **Banks 3.03% (8.13%)** | | |
| 295,145 | Houlihan Lokey | 13,890 | 3.03 |
| | **Nonlife Insurance 1.72% (0.00%)** | | |
| 258,237 | Essent Group | 7,897 | 1.72 |
| | **Real Estate Investment Trusts 3.94% (11.18%)** | | |
| 190,860 | Life Storage | 11,349 | 2.48 |
| 156,397 | QTS Realty Trust | 6,676 | 1.46 |
| | **Financial Services 7.16% (6.85%)** | | |
| 328,089 | Moelis & Company | 12,632 | 2.76 |
| 722,802 | Virtu Financial | 14,095 | 3.07 |
| 135,022 | Voya Financial | 6,081 | 1.33 |
| | **Total Financials** | **72,620** | **15.85** |
| **TECHNOLOGY 8.47% (11.56%)** | | | |
| | **Software & Computer Services 3.90% (6.63%)** | | |
| 388,323 | Avaya Holdings | 8,075 | 1.76 |
| 74,852 | Envestnet | 3,857 | 0.84 |
| 199,849 | Teradata Corporation | 5,966 | 1.30 |
| | **Technology Hardware & Equipment 4.57% (4.93%)** | | |
| 218,981 | COHU | 6,354 | 1.39 |
| 284,584 | Impinj | 11,342 | 2.48 |
| 46,171 | SiTime | 3,202 | 0.70 |
| | **Total Technology** | **38,796** | **8.47** |
| **COLLECTIVE INVESTMENT SCHEMES 0.95% (0.82%)** | | | |
| | **Liquidity Funds 0.95% (0.82%)[1]** | | |
| 6,007,613 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 4,347 | 0.95 |
| | **Total Collective Investment Schemes** | **4,347** | **0.95** |
| **DERIVATIVES 0.00% (0.00%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | Sell USD 658,000 Buy GBP 472,815 Barclays | (3) | – |
| | **Total Derivatives** | **(3)** | **–** |
| **Total value of investments[2]** | | **457,961** | **99.98** |
| **Net other assets (0.04%)** | | **78** | **0.02** |
| **Net assets** | | **458,039** | **100.00** |

*March 2020 comparatives in brackets.*
[1]*Cash equivalents.*
[2]*Includes Cash equivalents.*

# Threadneedle Dollar Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 91.67% (97.34%)** | | | | |
| | | **AAA 12.66% (1.54%)** | | |
| USD | 1,000,000 | BNG Bank 1.5% 16/10/2024 | 748 | 1.15 |
| USD | 640,000 | European Investment Bank 2.5% 15/10/2024 | 495 | 0.76 |
| USD | 1,000,000 | International Bank for Reconstruction and Development 3.125% 20/11/2025 (Germany listing) | 800 | 1.23 |
| USD | 1,000,000 | International Bank for Reconstruction and Development 3.125% 20/11/2025 (Luxembourg listing) | 800 | 1.23 |
| USD | 1,000,000 | International Finance Corporation 2% 24/10/2022 | 745 | 1.15 |
| USD | 135,000 | Johnson & Johnson 2.1% 01/09/2040 | 89 | 0.14 |
| USD | 200,000 | Johnson & Johnson 2.1% 01/09/2040 | 132 | 0.20 |
| USD | 1,175,000 | KFW 0.75% 30/09/2030 | 784 | 1.22 |
| USD | 2,000,000 | KFW 2% 29/09/2022 | 1,488 | 2.29 |
| USD | 1,900,000 | KFW 2% 30/11/2021 | 1,393 | 2.15 |
| USD | 540,000 | Microsoft 2.875% 06/02/2024 | 417 | 0.64 |
| USD | 371,000 | Microsoft 4.1% 06/02/2037 | 325 | 0.50 |
| | | **Aaa 29.36% (49.91%)** | | |
| USD | 1,478,000 | United States Treasury Note/Bond 0.25% 31/08/2025 | 1,049 | 1.62 |
| USD | 2,825,900 | United States Treasury Note/Bond 0.375% 31/07/2027 | 1,952 | 3.01 |
| USD | 5,313,000 | United States Treasury Note/Bond 0.625% 15/08/2030 | 3,543 | 5.46 |
| USD | 360,000 | United States Treasury Note/Bond 1.125% 15/05/2040 | 218 | 0.34 |
| USD | 1,010,000 | United States Treasury Note/Bond 1.375% 15/08/2050 | 583 | 0.90 |
| USD | 1,669,000 | United States Treasury Note/Bond 1.875% 30/04/2022 | 1,233 | 1.90 |
| USD | 1,060,000 | United States Treasury Note/Bond 2% 31/05/2024 | 807 | 1.24 |
| USD | 3,570,000 | United States Treasury Note/Bond 2.375% 15/08/2024 | 2,757 | 4.25 |
| USD | 3,160,000 | United States Treasury Note/Bond 2.75% 15/08/2047 | 2,508 | 3.87 |
| USD | 1,900,000 | United States Treasury Note/Bond 4.25% 15/05/2039 | 1,843 | 2.84 |
| USD | 2,615,000 | United States Treasury Note/Bond 4.5% 15/02/2036 | 2,548 | 3.93 |
| | | **AA+ 1.60% (1.38%)** | | |
| USD | 240,000 | Apple 2.65% 11/05/2050 | 158 | 0.24 |
| USD | 54,000 | Apple 4.5% 23/02/2036 | 49 | 0.07 |
| USD | 750,000 | New York Life Global Funding 1.1% 05/05/2023 | 551 | 0.85 |
| USD | 400,000 | Northwestern 0.8% 14/01/2026 | 285 | 0.44 |
| | | **AA 1.19% (0.23%)** | | |
| USD | 600,000 | Abu Dhabi Government International 2.5% 30/09/2029 | 448 | 0.69 |
| USD | 130,000 | Berkshire Hathaway Finance 4.25% 15/01/2049 | 111 | 0.17 |
| USD | 300,000 | Korea Development Bank 0.4% 19/06/2024 | 215 | 0.33 |
| | | **Aa2 0.74% (0.00%)** | | |
| USD | 259,000 | Galaxy Pipeline Assets 2.625% 31/03/2036 | 182 | 0.28 |
| USD | 425,000 | Galaxy Pipeline Assets 2.94% 30/09/2040 | 299 | 0.46 |
| | | **AA- 2.80% (0.98%)** | | |
| USD | 253,000 | Amazon.Com 2.7% 03/06/2060 | 162 | 0.25 |
| USD | 464,000 | Met Life Global Funding I 1.55% 07/01/2031 | 317 | 0.49 |
| USD | 150,000 | Metropolitan Life Global Funding I 2.95% 09/04/2030 | 115 | 0.18 |
| USD | 80,000 | New York Life Insurance 4.45% 04/04/2069 | 69 | 0.11 |
| USD | 160,000 | Northwestern 3.85% 30/09/2047 | 125 | 0.19 |
| USD | 1,000,000 | Qatar Government International Bond 3.25% 02/06/2026 | 789 | 1.22 |
| USD | 263,000 | Teachers Insurance & Annuity Association of America 4.9% 15/09/2044 | 234 | 0.36 |
| | | **A+ 3.39% (3.75%)** | | |
| USD | 550,000 | BPCE 2.7% 01/10/2029 | 409 | 0.63 |
| USD | 60,000 | Burlingtn Northern Santa Fe 4.375% 01/09/2042 | 52 | 0.08 |
| USD | 400,000 | Connecticut Light & Power 3.2% 15/03/2027 | 317 | 0.49 |
| USD | 135,000 | Intel 4.75% 25/03/2050 | 123 | 0.19 |
| USD | 400,000 | Oncor Electric Delivery 0.55% 01/10/2025 | 283 | 0.44 |
| USD | 143,000 | Oncor Electric Delivery 3.7% 15/11/2028 | 116 | 0.18 |
| USD | 113,000 | Pfizer 2.625% 01/04/2030 | 85 | 0.13 |
| USD | 160,000 | Port Authority of New York & New Jersey 4.458% 01/10/2062 | 143 | 0.22 |
| USD | 250,000 | Siemens Financieringsma 1.7% 11/03/2028 | 179 | 0.28 |
| USD | 250,000 | Siemens Financieringsmaatschappij 3.125% 16/03/2024 | 194 | 0.30 |
| USD | 200,000 | Tencent Holdings 3.24% 03/06/2050 | 136 | 0.21 |
| USD | 200,000 | Tencent Holdings 3.595% 19/01/2028 | 155 | 0.24 |
| | | **A1 0.26% (0.00%)** | | |
| USD | 230,000 | Saudi Arabian Oil 1.625% 24/11/2025 | 168 | 0.26 |
| | | **A 3.94% (3.51%)** | | |
| USD | 181,000 | Atlantic City Electric 2.3% 15/03/2031 | 130 | 0.20 |
| USD | 200,000 | Banque Fédérative du Crédit Mutuel 2.375% 21/11/2024 | 153 | 0.24 |
| USD | 80,000 | Consumers Energy 2.5% 01/05/2060 | 49 | 0.08 |
| USD | 500,000 | Danske Bank 1.226% 22/06/2024 | 366 | 0.56 |
| USD | 260,000 | Duke Energy Carolinas 3.2% 15/08/2049 | 186 | 0.29 |
| USD | 635,000 | Five Corners Funding Trust 4.419% 15/11/2023 | 506 | 0.78 |
| USD | 152,000 | International Business Machines 1.95% 15/05/2030 | 107 | 0.17 |
| USD | 317,000 | Oracle 2.95% 01/04/2030 | 242 | 0.37 |
| USD | 240,000 | Oracle 3.6% 01/04/2040 | 183 | 0.28 |
| USD | 150,000 | PPL Electric Utilities 4.15% 15/06/2048 | 125 | 0.19 |
| USD | 100,000 | San Diego Gas & Electric 4.15% 15/05/2048 | 83 | 0.13 |
| USD | 255,000 | Santander UK 2.875% 18/06/2024 | 197 | 0.30 |
| USD | 177,000 | Southwestern Public Service 3.15% 01/05/2050 | 126 | 0.19 |
| USD | 150,000 | Total Capital International 2.986% 29/06/2041 | 107 | 0.16 |
| | | **A- 3.30% (5.74%)** | | |
| USD | 200,000 | Amgen 3.15% 21/02/2040 | 145 | 0.22 |

# Threadneedle Dollar Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 91.67% (97.34%) (continued)** | | | | |
| USD | 185,000 | Berkshire Hathaway Energy 2.85% 15/05/2051 | 121 | 0.19 |
| USD | 130,000 | Cigna 4.9% 15/12/2048 | 115 | 0.18 |
| USD | 390,000 | Cigna Corporation 2.375% 15/03/2031 | 280 | 0.43 |
| USD | 220,000 | Comcast Corporation 4.6% 15/10/2038 | 194 | 0.30 |
| USD | 50,000 | Consolidated Edison 3.95% 01/04/2050 | 39 | 0.06 |
| USD | 100,000 | Georgia Power 3.7% 30/01/2050 | 76 | 0.12 |
| USD | 200,000 | HSBC Holdings 4.95% 31/03/2030 | 171 | 0.26 |
| USD | 275,000 | Indiana Michigan Power 3.75% 01/07/2047 | 215 | 0.33 |
| USD | 300,000 | SGSP Australia Assets 3.3% 09/04/2023 | 228 | 0.35 |
| USD | 475,000 | SGSP Australia Assets 3.5% 07/07/2027 | 376 | 0.58 |
| USD | 50,000 | Southern California Edison 3.65% 01/02/2050 | 36 | 0.06 |
| USD | 185,000 | Southern California Edison 4.125% 01/03/2048 | 142 | 0.22 |
| | | **A3 0.00% (0.52%)** | | |
| | | **BBB+ 9.26% (7.97%)** | | |
| USD | 327,000 | AbbVie 4.25% 21/11/2049 | 264 | 0.41 |
| USD | 135,000 | AbbVie 4.875% 14/11/2048 | 119 | 0.18 |
| USD | 100,000 | American International Group 3.4% 30/06/2030 | 78 | 0.12 |
| USD | 100,000 | Anheuser-Busch InBev 4.35% 01/06/2040 | 82 | 0.13 |
| USD | 420,000 | Anheuser-Busch InBev 4.7% 01/02/2036 | 357 | 0.55 |
| USD | 100,000 | Anheuser-Busch InBev 5.45% 23/01/2039 | 91 | 0.14 |
| USD | 668,000 | Aroundtown 5.375% 21/03/2029 | 561 | 0.87 |
| USD | 309,000 | BAT Capital 4.7% 02/04/2027 | 254 | 0.39 |
| USD | 124,000 | CSX 3.8% 15/04/2050 | 97 | 0.15 |
| USD | 90,000 | Electricite de France 4.875% 22/01/2044 | 78 | 0.12 |
| USD | 155,000 | Enterprise Products Operating 4.45% 15/02/2043 | 124 | 0.19 |
| USD | 80,000 | Eversource Energy 3.45% 15/01/2050 (Germany listing) | 59 | 0.09 |
| USD | 150,000 | Eversource Energy 3.45% 15/01/2050 (USA listing) | 110 | 0.17 |
| USD | 439,000 | GE Capital International Funding Company 4.418% 15/11/2035 | 355 | 0.55 |
| USD | 340,000 | Goodman US Finance 3.7% 15/03/2028 | 265 | 0.41 |
| USD | 234,000 | NiSource Finance 4.8% 15/02/2044 | 199 | 0.31 |
| USD | 150,000 | Piedmont Natural Gas 3.35% 01/06/2050 | 107 | 0.17 |
| USD | 105,000 | Southern Copper 4.4% 01/07/2046 | 85 | 0.13 |
| USD | 150,000 | Sydney Airport 3.625% 28/04/2026 | 118 | 0.18 |
| USD | 50,000 | Tyson Foods 4.55% 02/06/2047 | 43 | 0.07 |
| USD | 200,000 | UBS 5.125% 15/05/2024 | 160 | 0.25 |
| USD | 145,000 | Verizon Communications 2.65% 20/11/2040 | 95 | 0.15 |
| USD | 380,000 | Verizon Communications 4.4% 01/11/2034 | 319 | 0.49 |
| USD | 170,000 | Virginia Electric and Power Company 4.6% 01/12/2048 | 152 | 0.23 |
| USD | 361,000 | Volkswagen Group America 3.35% 13/05/2025 | 282 | 0.43 |
| USD | 960,000 | Vonovia Finance 5% 02/10/2023 | 746 | 1.15 |
| USD | 530,000 | Voya Financial 3.125% 15/07/2024 | 412 | 0.63 |
| USD | 490,000 | Woodside Finance 4.5% 04/03/2029 | 389 | 0.60 |
| | | **BBB 9.39% (9.03%)** | | |
| USD | 62,000 | Altria Group 4% 04/02/2061 | 41 | 0.06 |
| USD | 200,000 | Anglo American Capital 3.95% 10/09/2050 | 151 | 0.23 |
| USD | 155,000 | APT Pipelines 4.2% 23/03/2025 | 123 | 0.19 |
| USD | 40,000 | APT Pipelines 4.25% 15/07/2027 | 33 | 0.05 |
| USD | 230,000 | APT Pipelines 5% 23/03/2035 | 200 | 0.31 |
| USD | 187,000 | AT&T 2.3% 01/06/2027 | 139 | 0.21 |
| USD | 137,000 | AT&T 2.55% 01/12/2033 | 94 | 0.15 |
| USD | 101,000 | AT&T 3.1% 01/02/2043 | 67 | 0.10 |
| USD | 161,000 | AT&T 3.5% 15/09/2053 | 104 | 0.16 |
| USD | 449,000 | AT&T 4.9% 15/08/2037 | 380 | 0.59 |
| USD | 605,000 | Ausgrid Finance 3.85% 01/05/2023 | 461 | 0.71 |
| USD | 375,000 | Ausgrid Finance 4.35% 01/08/2028 | 304 | 0.47 |
| USD | 315,000 | BAE Systems 3.4% 15/04/2030 | 246 | 0.38 |
| USD | 325,000 | Bayer US Finance II 4.25% 15/12/2025 | 264 | 0.41 |
| USD | 840,000 | Becton Dickinson 2.823% 20/05/2030 | 631 | 0.97 |
| USD | 226,000 | Becton Dickinson 3.7% 06/06/2027 | 183 | 0.28 |
| USD | 447,000 | Carrier Global 2.722% 15/02/2030 | 329 | 0.51 |
| USD | 175,000 | CVS Health 5.05% 25/03/2048 | 154 | 0.24 |
| USD | 110,000 | Dte Energy Co 2.95% 01/03/2030 | 83 | 0.13 |
| USD | 120,000 | E.ON International Finance 6.65% 30/04/2038 | 124 | 0.19 |
| USD | 700,000 | Fiserv 2.25% 01/06/2027 | 523 | 0.81 |
| USD | 289,000 | HKT Capital No. 5 3.25% 30/09/2029 | 218 | 0.34 |
| USD | 200,000 | Imperial Brands Finance 3.5% 26/07/2026 | 155 | 0.24 |
| USD | 500,000 | Imperial Tobacco Finance 3.5% 11/02/2023 | 378 | 0.58 |
| USD | 230,000 | Kinder Morgan Energy Partners 5% 01/03/2043 | 185 | 0.29 |
| USD | 400,000 | Petroleos Mexicanos 6.5% 13/03/2027 | 304 | 0.47 |
| USD | 170,000 | Transcont Gas Pipe Line 3.25% 15/05/2030 | 130 | 0.20 |
| USD | 97,000 | Williams Partners 4.85% 01/03/2048 | 79 | 0.12 |
| | | **BBB- 5.75% (6.08%)** | | |
| USD | 222,000 | Adani Ports and Special Economic Zone 4.375% 03/07/2029 | 171 | 0.26 |
| USD | 727,000 | Bacardi 4.45% 15/05/2025 | 589 | 0.91 |
| USD | 120,000 | Bacardi 4.7% 15/05/2028 | 100 | 0.15 |
| USD | 250,000 | Bacardi 5.3% 15/05/2048 | 226 | 0.35 |
| USD | 310,000 | Bank of Ireland Group 4.5% 25/11/2023 | 245 | 0.38 |
| USD | 75,000 | Boeing 3.95% 01/08/2059 | 51 | 0.08 |
| USD | 108,000 | Boeing 5.93% 01/05/2060 | 99 | 0.15 |
| USD | 200,000 | Broadcom 4.15% 15/11/2030 | 159 | 0.24 |
| USD | 221,000 | Broadcom 5% 15/04/2030 | 184 | 0.28 |
| USD | 360,000 | Canadian Natural Resources 2.95% 15/07/2030 | 263 | 0.41 |
| USD | 110,000 | Charter Communications Operating 3.7% 01/04/2051 | 73 | 0.11 |
| USD | 380,000 | Charter Communications Operating 4.5% 01/02/2024 | 301 | 0.46 |
| USD | 125,000 | Charter Communications Operating 4.8% 01/03/2050 | 97 | 0.15 |
| USD | 329,000 | Discovery Communication 3.625% 15/05/2030 | 259 | 0.40 |
| USD | 100,000 | Emera US Finance 4.75% 15/06/2046 | 83 | 0.13 |
| USD | 250,000 | Equinix 5.375% 15/05/2027 | 195 | 0.30 |
| USD | 345,000 | Pacific National Finance 4.75% 22/03/2028 | 264 | 0.41 |
| USD | 168,000 | Plains All American Pipeline 3.55% 15/12/2029 | 123 | 0.19 |

# Threadneedle Dollar Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **FIXED INTEREST 91.67% (97.34%) (continued)** | | | | |
| USD | 112,000 | Plains All American Pipeline 4.7% 15/06/2044 | 77 | 0.12 |
| USD | 228,000 | Syngenta Finance 4.892% 24/04/2025 | 177 | 0.27 |
| | | **BB+ 1.01% (1.18%)** | | |
| USD | 350,000 | Braskem Netherlands Finance 4.5% 10/01/2028 | 260 | 0.40 |
| USD | 317,000 | Kraft Heinz Foods 4.375% 01/06/2046 | 244 | 0.38 |
| USD | 100,000 | Kraft Heinz Foods 4.875% 01/10/2049 | 83 | 0.13 |
| USD | 83,000 | Metropolitan Edison 4.3% 15/01/2029 | 67 | 0.10 |
| | | **Ba2 0.47% (0.29%)** | | |
| USD | 200,000 | Energuate Trust 5.875% 03/05/2027 | 154 | 0.24 |
| USD | 200,000 | Millicom International Cellular 6.25% 25/03/2029 | 146 | 0.23 |
| | | **BB- 0.88% (0.51%)** | | |
| USD | 150,000 | Dominican Republic International Bond 6.4% 05/06/2049 | 114 | 0.18 |
| USD | 150,000 | Dominican Republic International Bond 6.85% 27/01/2045 | 119 | 0.18 |
| USD | 270,000 | GMR Hyderabad 4.25% 27/10/2027 | 190 | 0.29 |
| USD | 200,000 | GMR Hyderabad International 5.375% 10/04/2024 | 149 | 0.23 |
| | | **B 0.46% (0.00%)** | | |
| USD | 400,000 | Altice France 7.375% 01/05/2026 | 300 | 0.46 |
| | | **CCC+ 0.00% (0.03%)** | | |
| | | **Not Rated 1.46% (0.00%)** | | |
| USD | 1,390,000 | United States Treasury Note/Bond 2% 15/02/2050 | 945 | 1.46 |
| | | **Liquidity Funds 3.75% (4.69%)[1]** | | |
| USD | 3,357,251 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 2,430 | 3.75 |
| | | **Total Fixed Interest** | **59,445** | **91.67** |
| **FLOATING RATE NOTES 7.00% (2.28%)** | | | | |
| | | **A 0.99% (0.00%)** | | |
| USD | 900,000 | *DNB Bank Variable 16/09/2026 | 645 | 0.99 |
| | | **A- 2.00% (0.91%)** | | |
| USD | 350,000 | *Bank of America Variable 07/23/2030 | 269 | 0.41 |
| USD | 329,000 | *Bank of America Variable 13/02/2031 | 240 | 0.37 |
| USD | 85,000 | *Bank of America Variable 29/04/2031 | 62 | 0.10 |
| USD | 280,000 | *HSBC Holdings Variable 24/05/2027 | 202 | 0.31 |
| USD | 287,000 | *JPMorgan Chase Variable 22/04/2041 | 211 | 0.33 |
| USD | 390,000 | *JPMorgan Chase Variable 3.882% 24/07/2038 | 312 | 0.48 |
| | | **BBB+ 1.68% (0.00%)** | | |
| USD | 345,000 | *Australia and New Zealand Banking Group 2.57% 25/11/2035 | 239 | 0.37 |
| USD | 250,000 | *Credit Suisse 4.194% 01/04/2031 | 203 | 0.31 |
| USD | 500,000 | *Danske Bank Variable 11/09/2026 | 361 | 0.56 |
| USD | 200,000 | *Legal & General Group Variable 21/03/2047 | 160 | 0.25 |
| USD | 175,000 | *Westpac Banking Variable 15/11/2035 | 123 | 0.19 |
| | | **BBB 1.20% (0.48%)** | | |
| USD | 200,000 | *Aegon Variable 11/04/2048 | 164 | 0.25 |
| USD | 250,000 | *Ausnet Services Holdings Variable 17/03/2076 | 184 | 0.28 |
| USD | 360,000 | *BP Capital Markets Variable 22/09/2168 | 275 | 0.42 |
| USD | 200,000 | *Royal Bank of Scotland Group Variable 08/05/2030 | 164 | 0.25 |
| | | **BBB- 0.62% (0.29%)** | | |
| USD | 200,000 | *Credit Agricole Variable 23/03/2167 | 160 | 0.25 |
| USD | 320,000 | *Deutsche Bank Variable 18/09/2024 | 238 | 0.37 |
| | | **BB 0.24% (0.28%)** | | |
| USD | 200,000 | *UBS Group Funding Switzerland Variable 31/07/2169 | 158 | 0.24 |
| | | **BB- 0.27% (0.32%)** | | |
| USD | 215,000 | *Credit Suisse Group Variable 12/03/2167 | 175 | 0.27 |
| | | **Total Floating Rate Notes** | **4,545** | **7.00** |
| **EQUITIES 0.00% (0.00%)** | | | | |
| | | **Cayman Islands 0.00% (0.00%)** | | |
| | 54 | Noble Corp New Shares | 1 | – |
| | 220 | Noble Holding International-Wt1 Warrant (Tranche 1) | – | – |
| | 220 | Noble Holding International-Wt2 Warrant (Tranche 2) | – | – |
| | | **Total Equities** | **1** | **–** |
| **DERIVATIVES -0.03% (-1.17%)** | | | | |
| | | **Credit Default Swaps -0.45% (-0.03%)** | | |
| USD | (32,900,000) | Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Buy Protection 20/12/2025 Spread 100 | (486) | (0.75) |
| USD | 13,000,000 | Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Sell Protection 20/12/2025 Spread 100 | 192 | 0.30 |
| | | **Futures and Options 0.42% (-1.14%)** | | |
| USD | (16) | UBS US 10 Year Note Future Expiring June 2021 | 22 | 0.03 |
| USD | (43) | UBS US 10 Year Ultra Future Expiring June 2021 | 88 | 0.14 |
| USD | (56) | UBS US Long Bond Future Expiring June 2021 | 162 | 0.25 |
| USD | 1 | UBS US Ultra Bond Future Expiring June 2021 | (4) | (0.01) |
| USD | (8) | UBS US 5 Year Note Future Expiring June 2021 | 6 | 0.01 |
| | | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | | Sell USD 29,000 | | |
| | | Buy GBP 20,774 Bank of Scotland[2] | – | – |
| | | **Total Derivatives** | **(20)** | **(0.03)** |
| **Total value of investments[3]** | | | **63,971** | **98.64** |
| **Net other assets (1.55%)** | | | **885** | **1.36** |
| **Net assets** | | | **64,856** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bond.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

# Threadneedle Dollar Bond Fund

## Portfolio Statement
*(continued)*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 59,445 | 92.93 |
| Floating rate notes | 4,545 | 7.10 |
| Derivatives | (20) | (0.03) |
| Equity | 1 | – |
| **Total value of investments[3]** | **63,971** | **100.00** |

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

| | Value £000 |
|---|---|
| UBS US 10 Year Note Future Expiring June 2021 | (1,532) |
| UBS US 10 Year Ultra Future Expiring June 2021 | (4,544) |
| UBS US Long Bond Future Expiring June 2021 | (6,361) |
| UBS US Ultra Bond Future Expiring June 2021 | 134 |
| UBS US 5 Year Note Future Expiring June 2021 | (718) |
| **Total net exposure** | **(13,021)** |

# Threadneedle Japan Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **BASIC MATERIALS 4.55% (4.40%)** | | | |
| | **Chemicals 4.55% (4.40%)** | | |
| 120,800 | JCU | 2,923 | 0.33 |
| 317,700 | Shin-Etsu Chemical | 37,081 | 4.22 |
| | **Total Basic Materials** | **40,004** | **4.55** |
| **INDUSTRIALS 33.66% (29.34%)** | | | |
| | **Construction & Materials 6.78% (8.83%)** | | |
| 256,400 | Daikin Industries | 37,251 | 4.24 |
| 1,456,800 | Takuma | 22,318 | 2.54 |
| | **General Industrials 6.72% (4.92%)** | | |
| 51,600 | Daiwabo Holdings | 2,787 | 0.32 |
| 2,533,500 | Itochu | 56,265 | 6.40 |
| | **Electronic & Electrical Equipment 8.46% (9.74%)** | | |
| 147,400 | Keyence | 50,603 | 5.75 |
| 385,600 | Murata Manufacturing | 23,840 | 2.71 |
| | **Industrial Engineering 5.03% (0.00%)** | | |
| 133,400 | Fanuc | 22,916 | 2.61 |
| 1,097,600 | Takeuchi Manufacturing Company | 21,284 | 2.42 |
| | **Industrial Transportation 0.78% (0.00%)** | | |
| 206,200 | Japan Airport Terminal | 6,896 | 0.78 |
| | **Support Services 5.89% (5.85%)** | | |
| 1,322,100 | Mitsui & Company | 20,157 | 2.29 |
| 964,600 | Recruit Holdings | 31,705 | 3.60 |
| | **Total Industrials** | **296,022** | **33.66** |
| **CONSUMER GOODS 18.08% (21.42%)** | | | |
| | **Automobiles & Parts 6.87% (5.75%)** | | |
| 582,400 | Koito Manufacturing | 29,974 | 3.41 |
| 572,300 | Toyota Motor | 30,390 | 3.46 |
| | **Household Goods & Home Construction 1.84% (1.05%)** | | |
| 559,900 | Shoei | 16,220 | 1.84 |
| | **Leisure Goods 7.10% (8.63%)** | | |
| 118,500 | Bandai Namco Holdings | 6,376 | 0.72 |
| 38,300 | Nintendo | 15,841 | 1.80 |
| 538,300 | Sony | 40,244 | 4.58 |
| | **Personal Goods 2.27% (5.99%)** | | |
| 408,600 | Kao | 19,932 | 2.27 |
| | **Total Consumer Goods** | **158,977** | **18.08** |
| **HEALTH CARE 8.34% (10.13%)** | | | |
| | **Health Care Equipment & Services 5.47% (4.14%)** | | |
| 417,400 | Hoya | 33,086 | 3.76 |
| 281,900 | M3 | 15,022 | 1.71 |
| | **Pharmaceuticals & Biotechnology 2.87% (5.99%)** | | |
| 269,600 | Chugai Pharmaceutical | 8,104 | 0.92 |
| 831,300 | Daiichi Sankyo | 17,158 | 1.95 |
| | **Total Health Care** | **73,370** | **8.34** |
| **CONSUMER SERVICES 3.47% (1.96%)** | | | |
| | **General Retailers 3.34% (0.87%)** | | |
| 1,130,600 | Don Quijote Holdings | 20,445 | 2.33 |
| 66,600 | Nitori Holdings | 8,900 | 1.01 |
| | **Media 0.13% (1.09%)** | | |
| 61,300 | ValueCommerce | 1,168 | 0.13 |
| | **Total Consumer Services** | **30,513** | **3.47** |
| **TELECOMMUNICATIONS 5.00% (5.87%)** | | | |
| | **Fixed Line Telecommunications 0.00% (4.23%)** | | |
| | **Mobile Telecommunications 5.00% (1.64%)** | | |
| 655,800 | SoftBank Group | 43,951 | 5.00 |
| | **Total Telecommunications** | **43,951** | **5.00** |
| **FINANCIALS 12.74% (10.73%)** | | | |
| | **Banks 0.00% (1.46%)** | | |
| | **Nonlife Insurance 0.00% (2.26%)** | | |
| | **Life Insurance 4.11% (1.95%)** | | |
| 2,874,400 | Dai-ichi Life Insurance | 36,168 | 4.11 |
| | **Real Estate Investment & Services 1.19% (0.00%)** | | |
| 364,200 | Open House | 10,442 | 1.19 |
| | **Real Estate Investment Trusts 0.00% (0.93%)** | | |
| | **Financial Services 7.44% (4.13%)** | | |
| 247,300 | Nihon M&A Center | 9,475 | 1.08 |
| 3,727,800 | Orix | 45,176 | 5.14 |
| 409,700 | Plaid | 10,775 | 1.22 |
| | **Total Financials** | **112,036** | **12.74** |
| **TECHNOLOGY 11.13% (10.94%)** | | | |
| | **Software & Computer Services 3.25% (4.44%)** | | |
| 71,100 | BayCurrent Consulting | 10,327 | 1.17 |
| 91,000 | Freee KK | 6,469 | 0.74 |
| 228,700 | Technopro Holdings | 11,801 | 1.34 |
| | **Technology Hardware & Equipment 7.88% (6.50%)** | | |
| 600,000 | Elecom | 18,524 | 2.11 |
| 370,400 | Rohm | 26,085 | 2.97 |
| 150,100 | Shinko Electric Industries | 2,767 | 0.31 |
| 79,000 | Tokyo Electron | 21,874 | 2.49 |
| | **Total Technology** | **97,847** | **11.13** |
| **DERIVATIVES 0.32% (-1.11%)** | | | |
| | **Forward Foreign Exchange Contracts 0.32% (-1.11%)** | | |
| | Sell JPY 20,232,076 | | |
| | Buy GBP 134,847 J.P. Morgan[1] | – | – |
| | Sell JPY 20,358,013 | | |
| | Buy GBP 136,393 J.P. Morgan[1] | – | – |
| | Sell JPY 35,522,494,864 | | |
| | Buy GBP 240,018,601 J.P. Morgan | 2,860 | 0.32 |
| | Sell JPY 4,569,930 | | |
| | Buy GBP 30,550 J.P. Morgan[1] | – | – |
| | Sell JPY 111,900,554 | | |
| | Buy GBP 751,570 J.P. Morgan | 5 | – |
| | Sell GBP 7,492,962 | | |
| | Buy JPY 1,121,164,881 J.P. Morgan | (8) | – |
| | Sell GBP 863,415 | | |
| | Buy JPY 129,201,700 J.P. Morgan | (1) | – |
| | Sell GBP 1,001,990 | | |
| | Buy JPY 149,692,000 Lloyds | (3) | – |

# Threadneedle Japan Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES 0.32% (-1.11%) (continued)** | | | |
| | Sell GBP 1,192,421 | | |
| | Buy JPY 177,284,000 Citigroup | (9) | – |
| | Sell GBP 177,151 | | |
| | Buy JPY 26,218,071 J.P. Morgan | (2) | – |
| | Sell GBP 451,190 | | |
| | Buy JPY 67,106,882 J.P. Morgan | (3) | – |
| | Sell GBP 54,661 | | |
| | Buy JPY 8,204,000 Bank of Scotland[1] | – | – |
| | **Total Derivatives** | **2,839** | **0.32** |
| **Total value of investments** | | **855,559** | **97.29** |
| **Net other assets (6.32%)** | | **23,865** | **2.71** |
| **Net assets** | | **879,424** | **100.00** |

*March 2020 comparatives in brackets.*
[1]*Less than £500, rounded to nil.*

# Threadneedle Asia Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **AUSTRALIA 10.81% (12.86%)** | | | |
| | **Mining 3.41% (2.38%)** | | |
| 1,052,303 | BHP Group (AUD) | 28,157 | 3.41 |
| | **Construction & Materials 0.64% (1.50%)** | | |
| 714,552 | Lend Lease Group | 5,304 | 0.64 |
| | **General Industrials 0.00% (0.85%)** | | |
| | **Pharmaceuticals & Biotechnology 0.94% (2.38%)** | | |
| 56,526 | CSL | 7,792 | 0.94 |
| | **Travel & Leisure 1.24% (1.36%)** | | |
| 596,782 | Aristocrat Leisure | 10,270 | 1.24 |
| | **Banks 2.55% (1.48%)** | | |
| 1,318,748 | Australia & New Zealand Banking Group | 21,047 | 2.55 |
| | **Financial Services 2.03% (1.95%)** | | |
| 210,837 | Macquarie Group | 16,802 | 2.03 |
| | **Total Australia** | **89,372** | **10.81** |
| **CAYMAN ISLANDS 26.51% (17.99%)** | | | |
| | **Automobiles & Parts 0.38% (0.00%)** | | |
| 148,740 | XPeng | 3,162 | 0.38 |
| | **Food Producers 1.05% (0.00%)** | | |
| 2,289,000 | China Mengniu Dairy | 8,696 | 1.05 |
| | **General Retailers 11.20% (7.53%)** | | |
| 315,117 | Alibaba Group ADR | 52,472 | 6.35 |
| 264,085 | JD.com ADR | 17,351 | 2.10 |
| 420,724 | Meituan Dianping-Class B | 13,211 | 1.60 |
| 74,160 | New Oriental Education & Technology Group ADR | 9,487 | 1.15 |
| | **Pharmaceuticals & Biotechnology 0.74% (0.00%)** | | |
| 731,500 | WuXi Biologics (Cayman) | 6,100 | 0.74 |
| | **Media 0.27% (0.00%)** | | |
| 84,850 | Kuaishou Technology | 2,253 | 0.27 |
| | **Travel & Leisure 1.53% (1.54%)** | | |
| 3,657,600 | Sands China | 12,651 | 1.53 |
| | **Real Estate Investment & Services 1.15% (1.62%)** | | |
| 2,781,184 | China Resources Land | 9,490 | 1.15 |
| | **Software & Computer Services 8.99% (6.48%)** | | |
| 55,494 | Sea ADR | 9,225 | 1.12 |
| 1,027,780 | Tencent Holdings | 65,063 | 7.87 |
| | **Technology Hardware & Equipment 1.20% (0.82%)** | | |
| 1,094,100 | Asm Pacific Technology | 9,889 | 1.20 |
| | **Total Cayman Islands** | **219,050** | **26.51** |
| **CHINA 7.11% (12.19%)** | | | |
| | **Construction & Materials 0.70% (1.38%)** | | |
| 1,240,500 | Anhui Conch Cement | 5,742 | 0.70 |
| | **Industrial Engineering 0.00% (0.71%)** | | |
| | **Industrial Transportation 0.00% (0.81%)** | | |
| | **Beverages 1.06% (1.58%)** | | |
| 295,530 | Wuliangye Yibin | 8,764 | 1.06 |
| | **Household Goods & Home Construction 0.73% (0.00%)** | | |
| 929,290 | Gree Electric Appliances | 6,011 | 0.73 |
| | **General Retailers 0.00% (1.34%)** | | |
| | **Banks 2.23% (3.44%)** | | |
| 3,217,000 | China Merchants Bank | 18,431 | 2.23 |
| | **Life Insurance 2.39% (2.84%)** | | |
| 2,190,272 | Ping An Insurance Group | 19,726 | 2.39 |
| | **Total China** | **58,674** | **7.11** |
| **HONG KONG 10.67% (13.90%)** | | | |
| | **Oil & Gas Producers 0.00% (1.54%)** | | |
| | **Household Goods & Home Construction 1.26% (1.03%)** | | |
| 952,012 | Techtronic Industries | 10,438 | 1.26 |
| | **Pharmaceuticals & Biotechnology 0.00% (1.09%)** | | |
| | **Travel & Leisure 1.91% (1.66%)** | | |
| 2,302,000 | Galaxy Entertainment Group | 15,785 | 1.91 |
| | **Mobile Telecommunications 0.00% (0.81%)** | | |
| | **Life Insurance 3.24% (3.97%)** | | |
| 2,930,516 | AIA Group | 26,803 | 3.24 |
| | **Real Estate Investment & Services 1.22% (1.90%)** | | |
| 906,000 | Sun Hung Kai Properties | 10,069 | 1.22 |
| | **Financial Services 2.31% (1.90%)** | | |
| 426,111 | Hong Kong Exchanges and Clearing | 19,053 | 2.31 |
| | **Technology Hardware & Equipment 0.73% (0.00%)** | | |
| 1,465,000 | Hua Hong Semiconductor | 6,023 | 0.73 |
| | **Total Hong Kong** | **88,171** | **10.67** |
| **INDIA 7.02% (6.68%)** | | | |
| | **Oil & Gas Producers 2.29% (0.83%)** | | |
| 879,694 | Reliance Industries | 18,959 | 2.29 |
| | **Personal Goods 0.34% (0.72%)** | | |
| 414,736 | Godrej Consumer Products | 2,839 | 0.34 |
| | **Mobile Telecommunications 0.75% (1.03%)** | | |
| 1,176,366 | Bharti Airtel | 6,222 | 0.75 |
| | **Gas, Water & Multiutilities 0.53% (1.01%)** | | |
| 1,762,726 | Petronet LNG | 4,405 | 0.53 |
| | **Banks 2.07% (3.09%)** | | |
| 1,126,261 | HDFC Bank | 17,116 | 2.07 |
| | **Software & Computer Services 1.04% (0.00%)** | | |
| 902,707 | Tech Mahindra | 8,604 | 1.04 |
| | **Total India** | **58,145** | **7.02** |

# Threadneedle Asia Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **INDONESIA 1.62% (2.72%)** | | | |
| | **Construction & Materials 0.40% (0.00%)** | | |
| 4,925,000 | Indocement Tunggal Prakarsa | 3,309 | 0.40 |
| | **Fixed Line Telecommunications 0.00% (1.26%)** | | |
| | **Banks 1.22% (1.46%)** | | |
| 41,821,000 | Bank Rakyat Indonesia | 10,076 | 1.22 |
| | **Total Indonesia** | **13,385** | **1.62** |
| **JERSEY 0.70% (0.00%)** | | | |
| | **General Industrials 0.70% (0.00%)** | | |
| 712,208 | Amcor | 5,757 | 0.70 |
| | **Total Jersey** | **5,757** | **0.70** |
| **PHILIPPINES 0.92% (3.54%)** | | | |
| | **Banks 0.40% (0.91%)** | | |
| 4,526,493 | Metropolitan Bank & Trust | 3,295 | 0.40 |
| | **Real Estate Investment & Services 0.52% (1.07%)** | | |
| 7,470,960 | Ayala Land | 4,287 | 0.52 |
| | **Total Philippines** | **7,582** | **0.92** |
| **REPUBLIC OF IRELAND 0.83% (1.77%)** | | | |
| | **Liquidity Funds 0.83% (1.77%)[1]** | | |
| 9,518,503 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 6,890 | 0.83 |
| | **Total Republic of Ireland** | **6,890** | **0.83** |
| **SINGAPORE 1.84% (2.84%)** | | | |
| | **Banks 1.84% (1.28%)** | | |
| 1,107,200 | United Overseas Bank | 15,200 | 1.84 |
| | **Total Singapore** | **15,200** | **1.84** |
| **SOUTH KOREA 17.84% (12.96%)** | | | |
| | **Chemicals 1.31% (0.00%)** | | |
| 18,665 | LG Chemicals | 10,846 | 1.31 |
| | **Industrial Metals & Mining 1.28% (0.00%)** | | |
| 52,425 | POSCO | 10,598 | 1.28 |
| | **Automobiles & Parts 2.30% (0.00%)** | | |
| 741,067 | Hanon Systems | 8,217 | 0.99 |
| 207,204 | Kia Motors | 10,788 | 1.31 |
| | **Electronic & Electrical Equipment 3.09% (3.37%)** | | |
| 111,206 | Samsung Elec Mech Krw5000 | 13,939 | 1.69 |
| 26,796 | Samsung SDI | 11,558 | 1.40 |
| | **Banks 0.00% (0.78%)** | | |
| | **Software & Computer Services 1.34% (0.95%)** | | |
| 36,675 | Kakao | 11,092 | 1.34 |
| | **Technology Hardware & Equipment 8.52% (7.86%)** | | |
| 1,036,661 | Samsung Electronics | 54,709 | 6.62 |
| 174,806 | SK Hynix | 15,731 | 1.90 |
| | **Total South Korea** | **147,478** | **17.84** |
| **TAIWAN 14.22% (13.13%)** | | | |
| | **Electronic & Electrical Equipment 3.85% (2.02%)** | | |
| 1,756,000 | Chroma Ate | 8,932 | 1.08 |
| 1,384,000 | Delta Electronic | 9,878 | 1.20 |
| 4,358,000 | Hon Hai Precision Industry | 13,007 | 1.57 |
| | **Leisure Goods 0.00% (0.91%)** | | |
| | **Banks 0.00% (1.50%)** | | |
| | **Technology Hardware & Equipment 10.37% (8.70%)** | | |
| 703,000 | MediaTek | 16,110 | 1.95 |
| 4,469,408 | Taiwan Semiconductor Manufacturing | 69,596 | 8.42 |
| | **Total Taiwan** | **117,523** | **14.22** |
| **DERIVATIVES 0.00% (-0.01%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (-0.01%)** | | |
| | Sell GBP 168,932 Buy USD 236,000 Barclays | 2 | – |
| | **Total Derivatives** | **2** | **–** |
| **Total value of investments[2]** | | **827,229** | **100.09** |
| **Net other liabilities/(assets) (0.99%)** | | **(728)** | **(0.09)** |
| **Net assets** | | **826,501** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Includes Cash equivalents.*

# Threadneedle Latin America Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **BERMUDA 2.36% (2.82%)** | | | |
| | **Banks 2.36% (2.82%)** | | |
| 63,464 | Credicorp | 7,141 | 2.36 |
| | **Total Bermuda** | **7,141** | **2.36** |
| **BRAZIL 63.76% (59.39%)** | | | |
| | **Oil & Gas Producers 4.41% (7.39%)** | | |
| 2,867,843 | Petrol Brasileiros Preference share | 8,179 | 2.71 |
| 1,821,342 | Petroleo Brasileiro | 5,118 | 1.70 |
| | **Forestry & Paper 3.09% (0.89%)** | | |
| 963,372 | Suzano Papel e Celulose | 9,338 | 3.09 |
| | **Industrial Metals & Mining 7.81% (4.10%)** | | |
| 1,848,512 | Vale | 23,586 | 7.81 |
| | **Industrial Transportation 1.44% (2.30%)** | | |
| 1,683,597 | Rumo | 4,356 | 1.44 |
| | **Support Services 1.63% (1.12%)** | | |
| 88,768 | StoneCo | 4,924 | 1.63 |
| | **Personal Goods 4.13% (3.74%)** | | |
| 516,821 | Arezzo Industria E Comercio | 5,163 | 1.71 |
| 1,134,160 | Natura & Company Holding | 7,296 | 2.42 |
| | **Health Care Equipment & Services 6.74% (3.94%)** | | |
| 346,753 | Afya Class A | 5,615 | 1.86 |
| 3,059,215 | Hapvida Participacoes E Investimentos | 6,094 | 2.02 |
| 790,952 | Notredame Intermedica | 8,647 | 2.86 |
| | **Food & Drug Retailers 0.00% (0.97%)** | | |
| | **General Retailers 12.20% (10.85%)** | | |
| 210,112 | Arco Platform 'A' Shares | 5,084 | 1.68 |
| 157,077 | B2W Digital | 1,430 | 0.47 |
| 954,304 | Localiza Rent a Car | 7,378 | 2.44 |
| 699,396 | Lojas Americanas | 1,974 | 0.65 |
| 981,667 | Lojas Renner | 4,947 | 1.64 |
| 3,283,254 | Magazine Luiza | 10,505 | 3.48 |
| 494,570 | Mobly | 1,436 | 0.48 |
| 1,685,189 | MPM Corporeos | 4,096 | 1.36 |
| | **Travel & Leisure 1.55% (1.12%)** | | |
| 963,817 | Azul | 4,680 | 1.55 |
| | **Mobile Telecommunications 0.00% (1.64%)** | | |
| | **Banks 0.97% (7.06%)** | | |
| 152,545 | Banco Inter SA-Units | 2,939 | 0.97 |
| | **Nonlife Insurance 1.05% (2.45%)** | | |
| 739,355 | Sul America | 3,159 | 1.05 |
| | **Real Estate Investment & Services 1.32% (0.00%)** | | |
| 1,254,531 | Cyrela Brazil Realty | 3,973 | 1.32 |
| | **Financial Services 8.55% (10.00%)** | | |
| 429,703 | B3 SA Brasil Bolsa Balcao | 3,092 | 1.02 |
| 898,119 | Bradespar | 7,642 | 2.53 |
| 8,341,491 | Itausa - Investimentos Itau | 11,018 | 3.65 |
| 137,565 | XP Inc - Class A | 4,062 | 1.35 |
| | **Nonequity Investment Instruments 3.39% (0.00%)** | | |
| 830,070 | Banco BTG Pactual | 10,238 | 3.39 |
| | **Software & Computer Services 5.48% (1.82%)** | | |
| 2,209,261 | Locaweb Serviços de Internet | 7,246 | 2.40 |
| 397,281 | Meliuz | 1,331 | 0.44 |
| 2,076,008 | Totvs | 7,965 | 2.64 |
| | **Total Brazil** | **192,511** | **63.76** |
| **BRITISH VIRGIN ISLANDS 0.97% (0.77%)** | | | |
| | **Travel & Leisure 0.97% (0.77%)** | | |
| 315,903 | Despegar.Com | 2,935 | 0.97 |
| | **Total British Virgin Islands** | **2,935** | **0.97** |
| **CANADA 1.45% (0.56%)** | | | |
| | **Oil & Gas Producers 1.45% (0.56%)** | | |
| 325,480 | Parex Resources | 4,388 | 1.45 |
| | **Total Canada** | **4,388** | **1.45** |
| **CAYMAN ISLANDS 2.80% (1.33%)** | | | |
| | **Support Services 2.16% (1.33%)** | | |
| 170,056 | PagSeguro Digital | 6,519 | 2.16 |
| | **General Retailers 0.64% (0.00%)** | | |
| 196,251 | Vasta Platform | 1,931 | 0.64 |
| | **Total Cayman Islands** | **8,450** | **2.80** |
| **CHILE 1.14% (2.83%)** | | | |
| | **Beverages 1.14% (1.17%)** | | |
| 1,773,074 | Embotelladora Andina | 3,438 | 1.14 |
| | **Real Estate Investment & Services 0.00% (1.66%)** | | |
| | **Total Chile** | **3,438** | **1.14** |
| **COLOMBIA 1.75% (1.21%)** | | | |
| | **Banks 1.75% (1.21%)** | | |
| 218,416 | Bancolombia ADR | 5,280 | 1.75 |
| | **Total Colombia** | **5,280** | **1.75** |
| **ISRAEL 0.72% (0.83%)** | | | |
| | **Technology Hardware & Equipment 0.72% (0.83%)** | | |
| 141,974 | Ituran Location and Control | 2,187 | 0.72 |
| | **Total Israel** | **2,187** | **0.72** |
| **LUXEMBOURG 4.73% (3.16%)** | | | |
| | **Industrial Metals & Mining 1.04% (0.66%)** | | |
| 129,789 | Ternium S.A. Sponsored | 3,133 | 1.04 |
| | **General Retailers 1.29% (0.00%)** | | |
| 417,403 | Global Fashion Group | 3,885 | 1.29 |
| | **Software & Computer Services 2.40% (2.50%)** | | |
| 49,989 | Globant | 7,256 | 2.40 |
| | **Total Luxembourg** | **14,274** | **4.73** |
| **MEXICO 17.05% (17.68%)** | | | |
| | **Industrial Metals & Mining 4.50% (2.21%)** | | |
| 3,993,145 | Grupo Mexico | 13,573 | 4.50 |

# Threadneedle Latin America Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **MEXICO 17.05% (17.68%) (continued)** | | | |
| | **Beverages 3.15% (4.70%)** | | |
| 178,384 | Fomento Economico Mexicano ADR | 9,508 | 3.15 |
| | **General Retailers 4.74% (3.82%)** | | |
| 6,643,753 | Wal-Mart de Mexico | 14,304 | 4.74 |
| | **Travel & Leisure 0.00% (0.72%)** | | |
| | **Mobile Telecommunications 2.56% (2.39%)** | | |
| 814,571 | America Movil ADR | 7,739 | 2.56 |
| | **Banks 1.58% (3.84%)** | | |
| 1,331,295 | Grupo Financiero Banorte | 4,778 | 1.58 |
| | **Real Estate Investment Trusts 0.52% (0.00%)** | | |
| 1,559,595 | PLA Administradora Industrial | 1,580 | 0.52 |
| | **Total Mexico** | **51,482** | **17.05** |
| **PANAMA 0.00% (0.49%)** | | | |
| | **Travel & Leisure 0.00% (0.49%)** | | |
| | **Total Panama** | – | – |
| **REPUBLIC OF IRELAND 2.16% (6.05%)** | | | |
| | **Liquidity Funds 2.16% (6.05%)[1]** | | |
| 9,030,366 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 6,534 | 2.16 |
| | **Total Republic of Ireland** | **6,534** | **2.16** |
| **UNITED STATES OF AMERICA 1.65% (1.48%)** | | | |
| | **General Retailers 1.65% (1.48%)** | | |
| 4,678 | Mercadolibre | 4,977 | 1.65 |
| | **Total United States of America** | **4,977** | **1.65** |
| **DERIVATIVES 0.00% (0.00%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | Sell USD 260,000 Buy GBP 186,827 Barclays | (1) | – |
| | **Total Derivatives** | **(1)** | **–** |
| **Total value of investments[2]** | | **303,596** | **100.54** |
| **Net other (liabilities)/assets (1.40%)** | | **(1,643)** | **(0.54)** |
| **Net assets** | | **301,953** | **100.00** |

*March 2020 comparatives in brackets.*
*[1] Cash equivalents.*
*[2] Includes Cash equivalents.*

# Threadneedle Emerging Market Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **ANGOLA 1.90% (1.69%)** | | | | |
| | | **B- 0.00% (0.79%)** | | |
| | | **B3 0.00% (0.90%)** | | |
| | | **CCC+ 0.80% (0.00%)** | | |
| USD | 1,803,000 | Republic of Angola 8% 26/11/2029 | 1,291 | 0.80 |
| | | **Caa1 1.10% (0.00%)** | | |
| USD | 2,500,000 | Republic of Angola 9.375% 08/05/2048 | 1,790 | 1.10 |
| | | **Total Angola** | **3,081** | **1.90** |
| **ARGENTINA 1.09% (1.04%)** | | | | |
| | | **CCC- 0.00% (1.04%)** | | |
| | | **CCC+ 1.09% (0.00%)** | | |
| USD | 7,573,757 | Republic of Argentina 0.125% 09/07/2035 | 1,689 | 1.04 |
| USD | 400,000 | Republic of Argentina 0.125% 09/07/2046 | 90 | 0.05 |
| | | **Total Argentina** | **1,779** | **1.09** |
| **BAHRAIN 0.00% (0.79%)** | | | | |
| | | **B+ 0.00% (0.79%)** | | |
| | | **Total Bahrain** | – | – |
| **BELARUS 0.39% (0.43%)** | | | | |
| | | **B 0.39% (0.43%)** | | |
| USD | 920,000 | Republic of Belarus 6.2% 28/02/2030 | 638 | 0.39 |
| | | **Total Belarus** | **638** | **0.39** |
| **BRAZIL 2.46% (3.77%)** | | | | |
| | | **BB- 2.46% (3.77%)** | | |
| USD | 3,300,000 | Brazil Government International Bond 3.875% 12/06/2030 | 2,351 | 1.45 |
| USD | 2,000,000 | Brazil Government International Bond 5% 27/01/2045 | 1,386 | 0.85 |
| USD | 350,000 | Brazil Government International Bond 5.625% 21/02/2047 | 260 | 0.16 |
| | | **Total Brazil** | **3,997** | **2.46** |
| **BRITISH VIRGIN ISLANDS 4.32% (5.11%)** | | | | |
| | | **A+ 1.54% (4.51%)** | | |
| USD | 750,000 | Sinopec Group Overseas Development (2018) 2.95% 12/11/2029 | 557 | 0.34 |
| USD | 800,000 | Sinopec Group Overseas Development (2018) 4.125% 12/09/2025 | 643 | 0.40 |
| USD | 800,000 | Sinopec Group Overseas Development 3.25% 13/09/2027 | 626 | 0.38 |
| USD | 1,000,000 | State Grid Overseas 1.625% 05/08/2030 | 676 | 0.42 |
| | | **BB+ 0.62% (0.60%)** | | |
| USD | 1,150,000 | Gold Fields Orogen Holdings 6.125% 15/05/2029 | 1,000 | 0.62 |
| | | **Not Rated 2.16% (0.00%)** | | |
| USD | 4,539,000 | JG Summit 4.125% 09/07/2030 | 3,517 | 2.16 |
| | | **Total British Virgin Islands** | **7,019** | **4.32** |
| **CANADA 0.42% (0.00%)** | | | | |
| | | **BBB 0.42% (0.00%)** | | |
| USD | 861,000 | Meglobal Canada 5% 18/05/2025 | 690 | 0.42 |
| | | **Total Canada** | **690** | **0.42** |
| **CAYMAN ISLANDS 2.08% (2.28%)** | | | | |
| | | **A1 0.44% (0.00%)** | | |
| USD | 950,000 | KSA Sukuk 2.969% 29/10/2029 | 722 | 0.44 |
| | | **A 0.93% (0.90%)** | | |
| USD | 2,000,000 | QNB Finance 2.75% 12/02/2027 | 1,513 | 0.93 |
| | | **BBB- 0.00% (0.74%)** | | |
| | | **Baa3 0.25% (0.00%)** | | |
| USD | 500,000 | DP World Crescent 4.848% 26/09/2028 | 408 | 0.25 |
| | | **Ba2 0.46% (0.32%)** | | |
| USD | 970,000 | Energuate Trust 5.875% 03/05/2027 | 746 | 0.46 |
| | | **Not rated 0.00% (0.32%)** | | |
| | | **Total Cayman Islands** | **3,389** | **2.08** |
| **CHILE 0.81% (1.23%)** | | | | |
| | | **A+ 0.48% (1.23%)** | | |
| USD | 1,100,000 | Chile Government International Bond 3.5% 25/01/2050 | 789 | 0.48 |
| | | **A 0.33% (0.00%)** | | |
| USD | 710,000 | Codelco 3% 30/09/2029 | 536 | 0.33 |
| | | **Total Chile** | **1,325** | **0.81** |
| **CHINA 0.28% (0.28%)** | | | | |
| | | **Not Rated 0.28% (0.28%)** | | |
| USD | 606,000 | China Government International Bond 1.95% 03/12/2024 | 462 | 0.28 |
| | | **Total China** | **462** | **0.28** |
| **COLOMBIA 4.99% (2.22%)** | | | | |
| | | **BBB- 4.99% (2.22%)** | | |
| USD | 6,600,000 | Colombia Government International Bond 3% 30/01/2030 | 4,745 | 2.92 |
| USD | 4,000,000 | Colombia Government International Bond 3.125% 15/04/2031 | 2,858 | 1.76 |
| USD | 650,000 | Colombia Government International Bond 3.875% 25/04/2027 | 507 | 0.31 |
| | | **Total Colombia** | **8,110** | **4.99** |
| **CROATIA 0.25% (1.30%)** | | | | |
| | | **BBB- 0.25% (1.30%)** | | |
| USD | 480,000 | Croatia Government International Bond 6% 26/01/2024 | 399 | 0.25 |
| | | **Total Croatia** | **399** | **0.25** |
| **DOMINICAN REPUBLIC 3.53% (4.46%)** | | | | |
| | | **BB- 2.70% (3.53%)** | | |
| USD | 1,226,000 | Dominican Republic International Bond 4.5% 30/01/2030 | 894 | 0.55 |
| USD | 1,500,000 | Dominican Republic International Bond 4.875% 23/09/2032 | 1,097 | 0.68 |

# Threadneedle Emerging Market Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **DOMINICAN REPUBLIC 3.53% (4.46%) (continued)** | | | | |
| USD | 1,112,000 | Dominican Republic International Bond 5.875% 30/01/2060 | 767 | 0.47 |
| USD | 868,000 | Dominican Republic International Bond 6.4% 05/06/2049 | 658 | 0.40 |
| USD | 1,145,000 | Dominican Republic International Bond 7.45% 30/04/2044 | 979 | 0.60 |
| | | **Not Rated 0.83% (0.93%)** | | |
| DOP | 93,000,000 | Dominican Republic International Bond 11.25% 05/02/2027 | 1,342 | 0.83 |
| | | **Total Dominican Republic** | **5,737** | **3.53** |
| **ECUADOR 0.58% (0.54%)** | | | | |
| | | **B- 0.58% (0.54%)** | | |
| USD | 2,062,728 | *Republic of Ecuador 0.5% 31/07/2035 | 628 | 0.39 |
| USD | 1,107,987 | *Republic of Ecuador 0.5% 31/07/2040 | 315 | 0.19 |
| | | **Total Ecuador** | **943** | **0.58** |
| **EGYPT 2.86% (3.77%)** | | | | |
| | | **B 2.60% (2.57%)** | | |
| EUR | 880,000 | Arab Republic of Egypt 5.625% 16/04/2030 | 767 | 0.47 |
| EUR | 1,000,000 | Arab Republic of Egypt 6.375% 11/04/2031 | 893 | 0.55 |
| USD | 600,000 | Arab Republic of Egypt 7.0529% 15/01/2032 | 441 | 0.27 |
| USD | 570,000 | Arab Republic of Egypt 7.5% 16/02/2061 | 384 | 0.24 |
| USD | 1,600,000 | Arab Republic of Egypt 7.625% 29/05/2032 | 1,217 | 0.75 |
| USD | 744,000 | Arab Republic of Egypt 7.903% 21/02/2048 | 523 | 0.32 |
| | | **B2 0.26% (0.18%)** | | |
| USD | 575,000 | Arab Republic of Egypt 8.5% 31/01/2047 | 425 | 0.26 |
| | | **Not Rated 0.00% (1.02%)** | | |
| | | **Total Egypt** | **4,650** | **2.86** |
| **EL SALVADOR 1.76% (0.94%)** | | | | |
| | | **B- 1.76% (0.94%)** | | |
| USD | 400,000 | El Salvador Government International Bond 5.88% 30/01/2025 | 294 | 0.18 |
| USD | 2,505,000 | El Salvador Government International Bond 6.375% 18/01/2027 | 1,847 | 1.14 |
| USD | 900,000 | El Salvador Government International Bond 9.5% 15/07/2052 | 714 | 0.44 |
| | | **Total El Salvador** | **2,855** | **1.76** |
| **GHANA 1.39% (0.57%)** | | | | |
| | | **B 0.00% (0.57%)** | | |
| | | **B- 1.39% (0.00%)** | | |
| USD | 500,000 | Republic of Ghana 6.375% 11/02/2027 | 372 | 0.23 |
| USD | 1,050,000 | Republic of Ghana 7.875% 11/02/2035 | 748 | 0.46 |
| USD | 1,600,000 | Republic of Ghana 8.95% 26/03/2051 | 1,141 | 0.70 |
| | | **Total Ghana** | **2,261** | **1.39** |
| **GUATEMALA 0.53% (0.54%)** | | | | |
| | | **Ba1 0.00% (0.54%)** | | |
| | | **BB- 0.53% (0.00%)** | | |
| USD | 1,000,000 | Guatemala Government Bond 6.125% 01/06/2050 | 862 | 0.53 |
| | | **Total Guatemala** | **862** | **0.53** |
| **HONDURAS 0.00% (0.76%)** | | | | |
| | | **BB- 0.00% (0.76%)** | | |
| | | **Total Honduras** | **–** | **–** |
| **HONG KONG 0.99% (0.00%)** | | | | |
| | | **Not Rated 0.99% (0.00%)** | | |
| USD | 1,950,000 | Lenovo Group 5.875% 24/04/2025 | 1,611 | 0.99 |
| | | **Total Hong Kong** | **1,611** | **0.99** |
| **INDIA 0.94% (0.90%)** | | | | |
| | | **BBB- 0.94% (0.90%)** | | |
| USD | 1,100,000 | Adani Ports and Special Economic Zone 4% 30/07/2027 | 847 | 0.52 |
| USD | 950,000 | Export-Import Bank of India 3.25% 15/01/2030 | 689 | 0.42 |
| | | **Total India** | **1,536** | **0.94** |
| **INDONESIA 8.15% (8.70%)** | | | | |
| | | **BBB 1.78% (2.78%)** | | |
| USD | 2,050,000 | Indonesia Government International Bond 3.7% 30/10/2049 | 1,481 | 0.91 |
| USD | 1,000,000 | Perusahaan Listrik Negara 4.875% 17/07/2049 | 758 | 0.47 |
| USD | 875,000 | Perusahaan Penerbit SBSN Indonesia 2.3% 23/06/2025 | 653 | 0.40 |
| | | **Baa2 4.54% (4.64%)** | | |
| USD | 2,200,000 | Indonesia Asahan Aluminium 5.45% 15/05/2030 | 1,828 | 1.13 |
| USD | 2,900,000 | Indonesia Asahan Aluminium 6.757% 15/11/2048 | 2,685 | 1.65 |
| USD | 3,500,000 | Indonesia Government International Bond 4.75% 18/07/2047 | 2,861 | 1.76 |
| | | **BBB- 0.47% (0.00%)** | | |
| USD | 900,000 | PT. Pelabuhan Indonesia II 5.375% 05/05/2045 | 764 | 0.47 |
| | | **BB 0.00% (1.28%)** | | |
| | | **B2 1.36% (0.00%)** | | |
| USD | 3,400,000 | Saka Energi Indonesia 4.45% 05/05/2024 | 2,218 | 1.36 |
| | | **Total Indonesia** | **13,248** | **8.15** |
| **ISLE OF MAN 0.19% (0.00%)** | | | | |
| | | **BB+ 0.19% (0.00%)** | | |
| USD | 400,000 | Anglogold Holdings 3.75% 01/10/2030 | 302 | 0.19 |
| | | **Total Isle of Man** | **302** | **0.19** |

# Threadneedle Emerging Market Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **IVORY COAST 1.71% (1.07%)** | | | | |
| | | **Ba3 1.71% (1.07%)** | | |
| EUR | 2,083,000 | Ivory Coast 5.875% 17/10/2031 | 1,925 | 1.19 |
| USD | 1,100,000 | Ivory Coast 6.125% 15/06/2033 | 848 | 0.52 |
| | | **Total Ivory Coast** | **2,773** | **1.71** |
| **JERSEY 1.11% (0.00%)** | | | | |
| | | **Aa2 1.11% (0.00%)** | | |
| USD | 1,231,000 | Galaxy Pipeline Assets 2.625% 31/03/2036 | 868 | 0.53 |
| USD | 1,336,000 | Galaxy Pipeline Assets 2.94% 30/09/2040 | 940 | 0.58 |
| | | **Total Jersey** | **1,808** | **1.11** |
| **KAZAKHSTAN 1.91% (1.84%)** | | | | |
| | | **Baa3 0.97% (1.50%)** | | |
| USD | 1,830,000 | KazMunayGas 5.375% 24/04/2030 | 1,575 | 0.97 |
| | | **BB 0.94% (0.34%)** | | |
| USD | 700,000 | KazMunayGas 4.75% 19/04/2027 | 579 | 0.36 |
| USD | 1,100,000 | KazMunayGas 5.75% 19/04/2047 | 944 | 0.58 |
| | | **Total Kazakhstan** | **3,098** | **1.91** |
| **LUXEMBOURG 0.83% (0.43%)** | | | | |
| | | **Ba2 0.83% (0.43%)** | | |
| USD | 1,000,000 | Millicom International Cellular 5.125% 15/01/2028 | 692 | 0.43 |
| USD | 895,000 | Millicom International Cellular 6.25% 25/03/2029 | 653 | 0.40 |
| | | **Total Luxembourg** | **1,345** | **0.83** |
| **MALAYSIA 0.58% (0.00%)** | | | | |
| | | **A- 0.58% (0.00%)** | | |
| USD | 855,000 | Petronas Capital 3.5% 21/04/2030 | 674 | 0.41 |
| USD | 345,000 | Petronas Capital 3.5% 21/04/2030 (Frankfurt Exchange) | 272 | 0.17 |
| | | **Total Malaysia** | **946** | **0.58** |
| **MAURITIUS 0.00% (0.35%)** | | | | |
| | | **BB 0.00% (0.35%)** | | |
| | | **Total Mauritius** | **–** | **–** |
| **MEXICO 11.69% (10.25%)** | | | | |
| | | **A- 0.00% (1.57%)** | | |
| | | **BBB+ 0.86% (8.16%)** | | |
| MXN | 35,000,000 | Mexican Bonos 8.5% 31/05/2029 | 1,400 | 0.86 |
| | | **BBB 10.83% (0.00%)** | | |
| USD | 1,920,000 | Petroleos Mexicanos 4.5% 23/01/2026 | 1,371 | 0.84 |
| USD | 2,589,000 | Petroleos Mexicanos 5.95% 28/01/2031 | 1,802 | 1.11 |
| USD | 2,400,000 | Petroleos Mexicanos 6.375% 23/01/2045 | 1,479 | 0.91 |
| USD | 4,600,000 | Petroleos Mexicanos 6.5% 23/01/2029 | 3,355 | 2.06 |
| USD | 1,092,000 | Petroleos Mexicanos 6.625% 15/06/2035 | 752 | 0.46 |
| USD | 5,366,000 | Petroleos Mexicanos 6.84% 23/01/2030 | 3,933 | 2.42 |
| USD | 1,137,000 | Petroleos Mexicanos 7.69% 23/01/2050 | 772 | 0.47 |
| USD | 3,200,000 | United Mexican States 3.25% 16/04/2030 | 2,335 | 1.44 |
| USD | 1,400,000 | United Mexican States 4.35% 15/01/2047 | 1,002 | 0.62 |
| USD | 1,100,000 | United Mexican States 4.6% 10/02/2048 | 810 | 0.50 |
| | | **BB 0.00% (0.52%)** | | |
| | | **Total Mexico** | **19,011** | **11.69** |
| **MONGOLIA 0.00% (0.45%)** | | | | |
| | | **B 0.00% (0.45%)** | | |
| | | **Total Mongolia** | **–** | **–** |
| **MOROCCO 0.62% (0.67%)** | | | | |
| | | **BBB- 0.62% (0.67%)** | | |
| USD | 1,150,000 | OCP Group 6.875% 25/04/2044 | 1,012 | 0.62 |
| | | **Total Morocco** | **1,012** | **0.62** |
| **NETHERLANDS 2.76% (4.19%)** | | | | |
| | | **Aa2 0.00% (0.85%)** | | |
| | | **BBB- 1.44% (2.34%)** | | |
| USD | 500,000 | Syngenta Finance 4.441% 24/04/2023 | 380 | 0.23 |
| USD | 1,300,000 | Syngenta Finance 5.182% 24/04/2028 | 1,021 | 0.63 |
| USD | 1,250,000 | Syngenta Finance 5.676% 24/04/2048 | 946 | 0.58 |
| | | **BB+ 0.82% (0.00%)** | | |
| USD | 1,000,000 | Braskem Netherlands Finance 3.5% 10/01/2023 | 745 | 0.46 |
| USD | 800,000 | Braskem Netherlands Finance 4.5% 31/01/2030 | 580 | 0.36 |
| | | **Ba3 0.50% (0.51%)** | | |
| USD | 1,117,000 | Mong Duong Finance Holdings 5.125% 07/05/2029 | 821 | 0.50 |
| | | **B 0.00% (0.49%)** | | |
| | | **Total Netherlands** | **4,493** | **2.76** |
| **NIGERIA 0.00% (0.47%)** | | | | |
| | | **B 0.00% (0.47%)** | | |
| | | **Total Nigeria** | **–** | **–** |
| **OMAN 0.84% (1.54%)** | | | | |
| | | **BB 0.00% (0.83%)** | | |
| | | **Ba2 0.00% (0.71%)** | | |
| | | **Ba3 0.84% 0.00%)** | | |
| USD | 909,000 | Oman Government International 6.25% 25/01/2031 | 696 | 0.43 |
| USD | 950,000 | Oman Government International 6.75% 17/01/2048 | 666 | 0.41 |
| | | **Total Oman** | **1,362** | **0.84** |
| **PAKISTAN 0.14% (1.05%)** | | | | |
| | | **B- 0.00% (1.05%)** | | |
| | | **B3 0.14% (0.00%)** | | |
| USD | 279,000 | Islamic Republic of Pakistan 8.25% 30/09/2025 | 225 | 0.14 |
| | | **Total Pakistan** | **225** | **0.14** |

# Threadneedle Emerging Market Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **PANAMA 0.80% (0.00%)** | | | | |
| | | **BBB 0.80% (0.00%)** | | |
| USD | 1,900,000 | Panama Government International Bond 2.252% 29/09/2032 | 1,294 | 0.80 |
| | | **Total Panama** | **1,294** | **0.80** |
| **PARAGUAY 0.91% (1.21%)** | | | | |
| | | **BB 0.91% (1.21%)** | | |
| USD | 1,040,000 | Republic of Paraguay 5.6% 13/03/2048 | 865 | 0.53 |
| USD | 700,000 | Republic of Paraguay 6.1% 11/08/2044 | 611 | 0.38 |
| | | **Total Paraguay** | **1,476** | **0.91** |
| **PERU 0.91% (1.84%)** | | | | |
| | | **BBB+ 0.41% (1.84%)** | | |
| USD | 900,000 | Peruvian Government International Bond 2.844% 20/06/2030 | 664 | 0.41 |
| | | **B1 0.50% (0.00%)** | | |
| USD | 1,100,000 | Volcan Compania Minera 4.375% 11/02/2026 | 821 | 0.50 |
| | | **Total Peru** | **1,485** | **0.91** |
| **PHILIPPINES 0.59% (1.94%)** | | | | |
| | | **BBB+ 0.00% (1.80%)** | | |
| | | **Not Rated 0.59% (0.14%)** | | |
| USD | 1,300,000 | *SMC Global Power Holdings Variable 21/07/2168 | 958 | 0.59 |
| | | **Total Philippines** | **958** | **0.59** |
| **QATAR 5.46% (4.51%)** | | | | |
| | | **AA- 5.46% (4.51%)** | | |
| USD | 3,876,000 | Qatar Government International Bond 3.75% 16/04/2030 | 3,148 | 1.94 |
| USD | 4,098,000 | Qatar Government International Bond 4% 14/03/2029 | 3,372 | 2.07 |
| USD | 678,000 | Qatar Government International Bond 4.4% 16/04/2050 | 559 | 0.34 |
| USD | 2,057,000 | Qatar Government International Bond 4.817% 14/03/2049 | 1,797 | 1.11 |
| | | **Total Qatar** | **8,876** | **5.46** |
| **REPUBLIC OF IRELAND 4.39% (4.75%)** | | | | |
| | | **Liquidity Funds 4.39% (4.75%)[1]** | | |
| USD | 9,866,626 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 7,142 | 4.39 |
| | | **Total Republic Of Ireland** | **7,142** | **4.39** |
| **ROMANIA 0.65% (0.52%)** | | | | |
| | | **BBB- 0.65% (0.52%)** | | |
| USD | 1,500,000 | Romania Government International Bond 4% 14/02/2051 | 1,059 | 0.65 |
| | | **Total Romania** | **1,059** | **0.65** |
| **RUSSIA 4.29% (3.49%)** | | | | |
| | | **BBB 0.00% (0.73%)** | | |
| | | **Not Rated 4.29% (2.76%)** | | |
| USD | 3,600,000 | Russian Federal Bond 4.375% 21/03/2029 | 2,911 | 1.79 |
| USD | 1,200,000 | Russian Federal Bond 5.1% 28/03/2035 | 1,018 | 0.63 |
| USD | 600,000 | Russian Federal Bond 5.1% 28/03/2035 | 509 | 0.31 |
| RUB | 240,000,000 | Russian Federal Bond 7.7% 23/03/2033 | 2,532 | 1.56 |
| | | **Total Russia** | **6,970** | **4.29** |
| **SAUDI ARABIA 3.56% (2.64%)** | | | | |
| | | **A1 3.56% (2.64%)** | | |
| USD | 550,000 | Kingdom of Saudi Arabia 4% 04/10/2047 | 447 | 0.28 |
| USD | 2,400,000 | Saudi International Bond 3.45% 02/02/2061 | 1,588 | 0.98 |
| USD | 950,000 | Saudi International Bond 3.625% 04/03/2028 | 755 | 0.46 |
| USD | 4,250,000 | Saudi International Bond 3.75% 21/01/2055 | 2,990 | 1.84 |
| | | **Total Saudi Arabia** | **5,780** | **3.56** |
| **SENEGAL 0.00% (0.26%)** | | | | |
| | | **B+ 0.00% (0.26%)** | | |
| | | **Total Senegal** | **–** | **–** |
| **SINGAPORE 0.33% (0.40%)** | | | | |
| | | **B- 0.00% (0.40%)** | | |
| | | **CCC 0.33% (0.00%)** | | |
| USD | 905,000 | Geo Coal International 8% 04/10/2022 | 537 | 0.33 |
| | | **Total Singapore** | **537** | **0.33** |
| **SOUTH AFRICA 2.01% (1.84%)** | | | | |
| | | **BB- 1.67% (0.00%)** | | |
| USD | 1,000,000 | South Africa Government Bond 4.85% 30/09/2029 | 731 | 0.45 |
| USD | 3,000,000 | South Africa Government Bond 5.75% 30/09/2049 | 1,993 | 1.22 |
| | | **CCC+ 0.34% (1.84%)** | | |
| USD | 725,000 | Eskom Holdings 7.125% 11/02/2025 | 551 | 0.34 |
| | | **Total South Africa** | **3,275** | **2.01** |
| **SRI LANKA 0.31% (0.86%)** | | | | |
| | | **B 0.00% (0.86%)** | | |
| | | **CCC+ 0.31% (0.00%)** | | |
| USD | 260,000 | Republic of Sri Lanka 6.75% 18/04/2028 | 110 | 0.07 |
| USD | 950,000 | Republic of Sri Lanka 7.55% 28/03/2030 | 402 | 0.24 |
| | | **Total Sri Lanka** | **512** | **0.31** |
| **TURKEY 5.46% (3.65%)** | | | | |
| | | **B1 0.00% (3.65%)** | | |
| | | **B2 5.46% (0.00%)** | | |
| USD | 700,000 | Turkey Government International Bond 4.25% 14/04/2026 | 490 | 0.30 |
| USD | 6,500,000 | Turkey Government International Bond 5.125% 17/02/2028 | 4,595 | 2.83 |
| USD | 900,000 | Turkey Government International Bond 5.75% 22/03/2024 | 679 | 0.42 |
| USD | 2,410,000 | Turkey Government International Bond 6% 25/03/2027 | 1,799 | 1.11 |
| USD | 1,000,000 | Turkey Government International Bond 6% 14/01/2041 | 650 | 0.40 |

# Threadneedle Emerging Market Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **TURKEY 5.46% (3.65%) (continued)** | | | | |
| USD | 900,000 | Turkey Government International Bond 6.875% 17/03/2036 | 659 | 0.40 |
| | | **Total Turkey** | **8,872** | **5.46** |
| **UKRAINE 0.76% (2.17%)** | | | | |
| | | **B 0.76% (2.17%)** | | |
| USD | 300,000 | Ukraine Government 7.253% 15/03/2033 | 217 | 0.13 |
| USD | 1,330,000 | Ukraine Government 7.75% 01/09/2026 | 1,023 | 0.63 |
| | | **Total Ukraine** | **1,240** | **0.76** |
| **UNITED ARAB EMIRATES 3.42% (2.10%)** | | | | |
| | | **AA 1.55% (2.10%)** | | |
| USD | 3,400,000 | Abu Dhabi Government International 3.125% 30/09/2049 | 2,340 | 1.44 |
| USD | 223,000 | Abu Dhabi Government International 3.875% 16/04/2050 | 175 | 0.11 |
| | | **Baa3 1.87% (0.00%)** | | |
| USD | 3,250,000 | DP World 6.85% 02/07/2037 | 3,042 | 1.87 |
| | | **Total United Arab Emirates** | **5,557** | **3.42** |
| **UNITED KINGDOM 0.53% (3.38%)** | | | | |
| | | **BBB- 0.00% (2.18%)** | | |
| | | **B1 0.00% (0.91%)** | | |
| | | **B 0.00% (0.20%)** | | |
| | | **Not Rated 0.53% (0.09%)** | | |
| USD | 1,170,000 | Kondor Finance 7.625% 08/11/2026 | 864 | 0.53 |
| | | **Total United Kingdom** | **864** | **0.53** |
| **UNITED STATES OF AMERICA 0.80% (0.21%)** | | | | |
| | | **BBB- 0.00% (0.21%)** | | |
| | | **BB+ 0.80% (0.00%)** | | |
| USD | 1,600,000 | Braskem America 7.125% 22/07/2041 | 1,295 | 0.80 |
| | | **Total United States Of America** | **1,295** | **0.80** |
| **VENEZUELA 0.52% (0.93%)** | | | | |
| | | **D 0.37% (0.56%)** | | |
| USD | 8,677,700 | Venezuela Government International Bond 8.25% 13/10/2024 (Defaulted) | 612 | 0.37 |
| | | **Not Rated 0.15% (0.37%)** | | |
| USD | 8,692,931 | Petroleos de Venezuela 6% 15/11/2026 (Defaulted) | 241 | 0.15 |
| | | **Total Venezuela** | **853** | **0.52** |
| **DERIVATIVES 0.09% (0.11%)** | | | | |
| | | **Forward Foreign Exchange Contracts 0.09% (0.11%)** | | |
| | | Sell USD 4,000 | | |
| | | Buy GBP 2,865 Bank of Scotland[2] | – | – |
| | | Sell USD 8,000 | | |
| | | Buy GBP 5,749 Barclays[2] | – | – |
| | | Sell MXN 41,430,000 | | |
| | | Buy USD 2,059,040 HSBC | 81 | 0.05 |
| | | Sell EUR 3,920,023 | | |
| | | Buy USD 4,775,474 UBS | 69 | 0.04 |
| | | **Total Derivatives** | **150** | **0.09** |
| **Total value of investments[3]** | | | **159,162** | **97.89** |
| **Net other assets/(liabilities) (-0.44%)** | | | **3,424** | **2.11** |
| **Net assets** | | | **162,586** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bonds.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 157,111 | 98.71 |
| Floating rate notes | 1,901 | 1.20 |
| Derivatives | 150 | 0.09 |
| **Total value of investments[3]** | **159,162** | **100.00** |

# Threadneedle High Yield Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **BELGIUM 0.93% (0.85%)** | | | | |
| | | **BB+ 0.38% (0.12%)** | | |
| EUR | 1,000,000 | *Solvay Finance Variable 04/03/2167 | 925 | 0.10 |
| EUR | 3,000,000 | *Solvay Variable 02/09/2169 | 2,649 | 0.28 |
| | | **B+ 0.00% (0.32%)** | | |
| | | **B 0.19% (0.00%)** | | |
| EUR | 2,057,000 | The House of Finance 4.375% 15/07/2026 | 1,793 | 0.19 |
| | | **Not Rated 0.36% (0.41%)** | | |
| EUR | 3,900,000 | *Belfius Bank 4.609% 29/12/2168 | 3,335 | 0.36 |
| | | **Total Belgium** | **8,702** | **0.93** |
| **CANADA 0.32% (0.52%)** | | | | |
| | | **B 0.32% (0.52%)** | | |
| EUR | 3,389,000 | Primo Water 3.875% 31/10/2028 | 2,997 | 0.32 |
| | | **Total Canada** | **2,997** | **0.32** |
| **CAYMAN ISLANDS 0.21% (0.27%)** | | | | |
| | | **BB 0.00% (0.27%)** | | |
| | | **BB- 0.21% (0.00%)** | | |
| EUR | 2,254,000 | UPCB Finance VII 3.625% 15/06/2029 | 1,980 | 0.21 |
| | | **Total Cayman Islands** | **1,980** | **0.21** |
| **FINLAND 0.22% (0.19%)** | | | | |
| | | **BB+ 0.22% (0.19%)** | | |
| EUR | 1,627,000 | Nokia 2% 11/03/2026 | 1,468 | 0.16 |
| EUR | 100,000 | Nokia 2% 11/03/2026 (Frankfurt Exchange) | 90 | 0.01 |
| EUR | 485,000 | Nokia 3.125% 15/05/2028 | 461 | 0.05 |
| | | **Total Finland** | **2,019** | **0.22** |
| **FRANCE 13.81% (11.48%)** | | | | |
| | | **BBB- 0.13% (0.72%)** | | |
| EUR | 1,416,000 | *Credit Agricole 6.5% 23/12/2049 | 1,241 | 0.13 |
| | | **BB+ 2.47% (3.62%)** | | |
| EUR | 1,532,000 | Crown European Holdings 2.625% 30/09/2024 | 1,387 | 0.15 |
| EUR | 1,735,000 | Crown European Holdings 2.875% 01/02/2026 | 1,600 | 0.17 |
| EUR | 300,000 | Crown European Holdings 3.375% 15/05/2025 | 279 | 0.03 |
| EUR | 3,300,000 | Renault 2% 28/09/2026 | 2,835 | 0.30 |
| EUR | 6,000,000 | Renault 2.375% 25/05/2026 | 5,243 | 0.56 |
| EUR | 4,381,000 | *Solvay Finance 5.869% 29/06/2049 | 4,253 | 0.46 |
| EUR | 2,115,000 | SPCM 2% 01/02/2026 | 1,845 | 0.20 |
| EUR | 726,000 | SPCM 2.625% 01/02/2029 | 641 | 0.07 |
| EUR | 2,700,000 | Valeo 1.625% 18/03/2026 | 2,414 | 0.26 |
| EUR | 2,900,000 | *Veolia Environnement Variable 20/04/2169 | 2,531 | 0.27 |
| | | **BB 1.72% (0.56%)** | | |
| EUR | 3,200,000 | Elis 1% 03/04/2025 | 2,677 | 0.29 |
| EUR | 2,355,000 | Faurecia 2.375% 15/06/2027 | 2,053 | 0.22 |
| EUR | 4,602,000 | Faurecia 2.375% 15/06/2027 (Germany listing) | 4,011 | 0.43 |
| EUR | 953,000 | Faurecia 2.625% 15/06/2025 (Frankfurt Exchange) | 834 | 0.09 |
| EUR | 1,859,000 | Faurecia 3.125% 15/06/2026 | 1,651 | 0.18 |
| EUR | 3,069,000 | Faurecia 3.75% 15/06/2028 | 2,782 | 0.30 |
| EUR | 2,200,000 | SPIE 2.625% 18/06/2026 | 1,952 | 0.21 |
| | | **Ba2 0.08% (0.46%)** | | |
| EUR | 800,000 | Elis 2.875% 15/02/2026 | 718 | 0.08 |
| | | **BB- 3.00% (1.53%)** | | |
| EUR | 6,800,000 | *Electricite de France 5% 22/01/2049 | 6,555 | 0.70 |
| EUR | 4,100,000 | *Electricite de France 5.375% Perpetual | 3,960 | 0.43 |
| GBP | 3,000,000 | *Electricite de France 5.875% 31/12/2049 | 3,363 | 0.36 |
| EUR | 1,400,000 | *Electricite de France Variable 03/12/2168 | 1,239 | 0.13 |
| EUR | 4,600,000 | *Electricite de France Variable 15/03/2169 | 4,042 | 0.43 |
| EUR | 3,400,000 | *Electricite de France Variable 15/09/2169 | 3,034 | 0.33 |
| EUR | 4,301,000 | Getlink 3.5% 30/10/2025 | 3,855 | 0.41 |
| EUR | 2,247,000 | Rexel 2.75% 15/06/2026 | 1,986 | 0.21 |
| | | **B+ 0.43% (0.18%)** | | |
| EUR | 1,400,000 | *Accor Variable 30/04/2169 | 1,249 | 0.13 |
| EUR | 400,000 | Louvre Bidco SAS 4.25% 30/09/2024 | 343 | 0.04 |
| EUR | 2,043,000 | Louvre Bidco SAS 6.5% 30/09/2024 | 1,815 | 0.19 |
| EUR | 1,316,000 | *Louvre Bidco SAS FRN 30/09/2024 | 648 | 0.07 |
| | | **B 4.66% (3.95%)** | | |
| EUR | 3,474,000 | Altice France 3.375% 15/01/2028 | 2,933 | 0.32 |
| EUR | 957,000 | Altice France 4.125% 15/01/2029 | 828 | 0.09 |
| EUR | 6,019,000 | Altice France 5.875% 01/02/2027 | 5,557 | 0.60 |
| EUR | 1,036,000 | Banijay Entertainment 3.5% 01/03/2025 | 891 | 0.10 |
| EUR | 2,600,000 | Casino Guichard 2.798% 05/08/2026 | 2,182 | 0.23 |
| EUR | 5,800,000 | Casino Guichard 4.498% 07/03/2024 | 5,067 | 0.54 |
| EUR | 2,538,000 | Casino Guichard 6.625% 15/01/2026 | 2,274 | 0.24 |
| EUR | 700,000 | Casino Guichard-Perrachon 3.58% 07/02/2025 | 587 | 0.06 |
| EUR | 7,041,000 | CMA CGM 7.5% 15/01/2026 | 6,622 | 0.71 |
| EUR | 1,075,000 | Kapla Holding 3.375% 15/12/2026 (Germany listing) | 920 | 0.10 |
| EUR | 100,000 | Kapla Holding 3.375% 15/12/2026 (Luxembourg listing) | 86 | 0.01 |
| EUR | 3,532,000 | La Financiere Atalian 4% 15/05/2024 | 2,891 | 0.31 |
| EUR | 2,634,000 | La Financiere Atalian 5.125% 15/05/2025 | 2,207 | 0.24 |
| EUR | 4,328,000 | Loxam SAS 3.25% 14/01/2025 | 3,683 | 0.40 |
| EUR | 2,662,000 | Loxam SAS 3.75% 15/07/2026 | 2,310 | 0.25 |
| EUR | 4,043,000 | Paprec Holding 4% 31/03/2025 | 3,526 | 0.38 |
| EUR | 915,000 | *Picard Groupe FRN 30/11/2023 | 789 | 0.08 |
| | | **B- 0.85% (0.13%)** | | |
| EUR | 5,450,000 | Cab 3.375% 01/02/2028 | 4,712 | 0.51 |
| EUR | 3,488,000 | Parts Europe 6.5% 16/07/2025 | 3,149 | 0.34 |
| | | **CCC+ 0.28% (0.33%)** | | |
| EUR | 1,975,000 | Banijay Group 6.5% 01/03/2026 | 1,679 | 0.18 |
| EUR | 1,035,000 | Loxam SAS 5.75% 15/07/2027 | 888 | 0.10 |
| | | **CCC 0.19% (0.00%)** | | |
| EUR | 1,997,000 | Laboratoire Eimer Selarl 5% 01/02/2029 | 1,756 | 0.19 |
| | | **Total France** | **128,573** | **13.81** |

# Threadneedle High Yield Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **GERMANY 9.07% (6.57%)** | | | | |
| | | **BB+ 2.03% (2.32%)** | | |
| EUR | 2,000,000 | ADLER Real Estate 1.875% 27/04/2023 | 1,733 | 0.19 |
| EUR | 965,000 | ADLER Real Estate 2.125% 06/02/2024 | 837 | 0.09 |
| EUR | 2,800,000 | ADLER Real Estate 3% 27/04/2026 | 2,521 | 0.27 |
| EUR | 2,700,000 | Schaeffler 2.75% 12/10/2025 | 2,476 | 0.26 |
| EUR | 1,900,000 | Schaeffler Holding Finance 2.75% 12/10/2025 | 1,742 | 0.19 |
| EUR | 2,569,000 | Schaeffler Holding Finance 2.875% 26/03/2027 | 2,371 | 0.25 |
| EUR | 1,500,000 | Schaeffler Holding Finance 3.375% 12/10/2028 | 1,435 | 0.15 |
| EUR | 2,600,000 | ZF Finance 3% 21/09/2025 | 2,339 | 0.25 |
| EUR | 3,200,000 | ZF Finance 3.75% 21/09/2028 | 2,977 | 0.32 |
| EUR | 600,000 | ZF Finance GMBH 2.75% 25/05/2027 | 530 | 0.06 |
| | | **BB 0.29% (0.00%)** | | |
| EUR | 1,500,000 | *Infineon Technologies Variable 01/04/2169 (Germany listing) | 1,344 | 0.14 |
| EUR | 1,500,000 | *Infineon Technologies Variable 01/04/2169 (Luxembourg listing) | 1,400 | 0.15 |
| | | **BB- 2.63% (1.93%)** | | |
| EUR | 2,600,000 | Deutsche Lufthansa 2.875% 11/02/2025 | 2,233 | 0.24 |
| EUR | 2,800,000 | Deutsche Lufthansa 3.75% 11/02/2028 | 2,393 | 0.26 |
| EUR | 1,245,000 | IHO Verwaltungs PIK 3.625% 15/05/2025 | 1,093 | 0.12 |
| EUR | 1,390,069 | IHO Verwaltungs PIK 3.75% 15/09/2026 | 1,223 | 0.13 |
| EUR | 5,200,000 | NV PROFIT SHARE LTD PREFERENCE SHARES | 4,415 | 0.47 |
| EUR | 4,021,000 | Peach Property Finance 4.375% 15/11/2025 | 3,601 | 0.39 |
| EUR | 3,594,000 | Progroup 3% 31/03/2026 | 3,131 | 0.34 |
| EUR | 948,000 | Thyssenkrupp 1.875% 06/03/2023 | 817 | 0.09 |
| EUR | 3,244,000 | Thyssenkrupp 2.875% 22/02/2024 | 2,857 | 0.31 |
| EUR | 2,977,000 | Wepa Hygieneprodukte 2.875% 15/12/2027 | 2,593 | 0.28 |
| | | **B+ 0.50% (0.28%)** | | |
| EUR | 2,300,000 | Consus Real Estate 9.625% 15/05/2024 | 2,105 | 0.23 |
| EUR | 2,942,000 | Techem Verwaltungsgesellschaft 2% 15/07/2025 | 2,498 | 0.27 |
| | | **B 1.80% (0.92%)** | | |
| EUR | 5,646,000 | Cheplapharm Arzneimittel 3.5% 11/02/2027 | 4,868 | 0.52 |
| EUR | 1,779,000 | Cheplapharm Arzneimittel 4.375% 15/01/2028 | 1,586 | 0.17 |
| EUR | 2,700,000 | K+S 3% 20/06/2022 | 2,299 | 0.25 |
| EUR | 319,000 | K+S 4.125% 06/12/2021 | 277 | 0.03 |
| EUR | 3,160,000 | Nidda Healthcare Holding 3.5% 30/09/2024 | 2,756 | 0.30 |
| EUR | 5,472,000 | Vertical Midco 4.375% 15/07/2027 | 4,956 | 0.53 |
| | | **B3 0.16% (0.11%)** | | |
| EUR | 1,700,000 | Tele Columbus 3.875% 02/05/2025 | 1,475 | 0.16 |
| | | **B- 0.68% (0.67%)** | | |
| EUR | 3,035,000 | Blitz 6% 30/07/2026 | 2,719 | 0.29 |
| EUR | 2,371,000 | Platin 5.375% 15/06/2023 | 2,049 | 0.22 |
| EUR | 1,874,000 | SGL Carbon 4.625% 30/09/2024 | 1,620 | 0.17 |
| | | **(P)B- 0.51% (0.00%)** | | |
| EUR | 4,953,000 | HT Troplast 9.25% 15/07/2025 | 4,739 | 0.51 |
| | | **CCC+ 0.38% (0.00%)** | | |
| EUR | 1,120,000 | Ceramtec Bondco 5.25% 15/12/2025 | 982 | 0.10 |
| EUR | 1,005,000 | Douglas 6.25% 15/07/2022 | 858 | 0.09 |
| EUR | 2,083,000 | Safari Holdings 5.375% 30/11/2022 | 1,733 | 0.19 |
| | | **CCC 0.00% (0.34%)** | | |
| | | **CCC- 0.09% (0.00%)** | | |
| EUR | 1,069,000 | Kirk Beauty One 8.75% 15/07/2023 | 886 | 0.09 |
| | | **Total Germany** | **84,467** | **9.07** |
| **ISLE OF MAN 0.20% (0.47%)** | | | | |
| | | **BB 0.00% (0.47%)** | | |
| | | **BB- 0.20% (0.00%)** | | |
| EUR | 2,076,000 | Playtech 4.25% 07/03/2026 | 1,851 | 0.20 |
| | | **Total Isle of Man** | **1,851** | **0.20** |
| **ITALY 7.14% (5.61%)** | | | | |
| | | **BBB- 0.00% (0.49%)** | | |
| | | **BB+ 2.43% (3.35%)** | | |
| EUR | 744,000 | Infrastrutture Wireless Italiane 1.625% 21/10/2028 | 650 | 0.07 |
| EUR | 2,010,000 | Leonardo 2.375% 08/01/2026 | 1,804 | 0.19 |
| EUR | 1,390,000 | Leonardo 4.875% 24/03/2025 | 1,375 | 0.15 |
| EUR | 3,187,000 | Telecom Italia 1.625% 18/01/2029 | 2,704 | 0.29 |
| EUR | 483,000 | Telecom Italia 2.375% 12/10/2027 | 430 | 0.05 |
| EUR | 2,070,000 | Telecom Italia 2.5% 19/07/2023 | 1,869 | 0.20 |
| EUR | 4,680,000 | Telecom Italia 2.75% 15/04/2025 | 4,250 | 0.46 |
| EUR | 1,197,000 | Telecom Italia 2.875% 28/01/2026 | 1,094 | 0.12 |
| EUR | 3,270,000 | Telecom Italia 3.625% 25/05/2026 | 3,114 | 0.34 |
| EUR | 1,100,000 | Telecom Italia 5.25% 17/03/2055 | 1,155 | 0.12 |
| EUR | 2,900,000 | TIM 4% 11/04/2024 | 2,706 | 0.29 |
| EUR | 1,473,000 | *Unione Di Banche Italian Variable 12/07/2029 | 1,383 | 0.15 |
| | | **BB 0.00% (0.47%)** | | |
| | | **BB- 2.74% (0.95%)** | | |
| EUR | 543,000 | Atlantia 1.625% 03/02/2025 | 470 | 0.05 |
| EUR | 3,383,000 | Atlantia 1.875% 12/02/2028 | 2,873 | 0.31 |
| EUR | 2,250,000 | Atlantia 1.875% 13/07/2027 | 1,943 | 0.21 |
| EUR | 2,106,000 | Autostrade 4.375% 16/09/2025 | 2,064 | 0.22 |
| EUR | 4,500,000 | Autostrade 5.875% 09/06/2024 | 4,446 | 0.48 |
| EUR | 3,748,000 | Autostrade per L'Italia 1.625% 12/06/2023 | 3,269 | 0.35 |
| EUR | 1,535,000 | Autostrade per L'Italia 1.75% 26/06/2026 | 1,346 | 0.14 |
| EUR | 4,568,000 | Autostrade per L'Italia 1.875% 04/11/2025 | 4,049 | 0.44 |
| EUR | 3,160,000 | Autostrade per L'Italia 2% 04/12/2028 | 2,790 | 0.30 |
| EUR | 1,704,000 | Autostrade per L'Italia 2% 15/01/2030 | 1,477 | 0.16 |
| GBP | 745,000 | Autostrade per L'Italia 6.25% 09/06/2022 | 784 | 0.08 |
| | | **B1 0.33% (0.00%)** | | |
| EUR | 3,291,000 | *Banco BPM Variable 14/09/2030 | 3,072 | 0.33 |

# Threadneedle High Yield Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **ITALY 7.14% (5.61%) (continued)** | | | | |
| | | **B 0.31% (0.35%)** | | |
| EUR | 3,244,000 | International Design Group 6.5% 15/11/2025 | 2,913 | 0.31 |
| | | **(P)B 0.19% (0.00%)** | | |
| EUR | 2,037,000 | Sofima Holding 3.75% 15/01/2028 | 1,767 | 0.19 |
| | | **Caa1 1.14% (0.00%)** | | |
| EUR | 4,006,000 | Banca Monte dei Paschi di Siena 1.875% 09/01/2026 | 3,503 | 0.38 |
| EUR | 5,668,000 | Banca Monte dei Paschi di Siena 2.625% 28/04/2025 | 5,062 | 0.54 |
| EUR | 2,268,000 | Banca Monte dei Paschi di Siena 3.625% 24/09/2024 | 2,087 | 0.22 |
| | | **Total Italy** | **66,449** | **7.14** |
| **JAPAN 0.98% (1.25%)** | | | | |
| | | **BB+ 0.98% (1.25%)** | | |
| EUR | 1,443,000 | SoftBank Group 4% 20/04/2023 | 1,312 | 0.14 |
| EUR | 7,823,000 | SoftBank Group 5% 15/04/2028 (Berlin Exchange) | 7,787 | 0.84 |
| | | **Total Japan** | **9,099** | **0.98** |
| **JERSEY 1.60% (1.49%)** | | | | |
| | | **BB 0.00% (0.51%)** | | |
| | | **Ba2 0.70% (0.72%)** | | |
| EUR | 7,465,980 | LHC Three PIK 4.125% 15/08/2024 | 6,513 | 0.70 |
| | | **B 0.90% (0.26%)** | | |
| EUR | 3,549,000 | Adient Global Holdings 3.5% 15/08/2024 | 3,112 | 0.34 |
| EUR | 6,079,000 | Avis Budget Finance 4.75% 30/01/2026 | 5,236 | 0.56 |
| | | **Total Jersey** | **14,861** | **1.60** |
| **LUXEMBOURG 8.96% (9.77%)** | | | | |
| | | **BBB- 0.25% (0.45%)** | | |
| EUR | 2,800,000 | *Grand City Properties Variable 09/06/2169 | 2,355 | 0.25 |
| | | **BB+ 2.09% (2.23%)** | | |
| EUR | 2,800,000 | Adler Group 1.875% 14/01/2026 | 2,356 | 0.25 |
| EUR | 3,700,000 | Adler Group 2.25% 14/01/2029 | 3,037 | 0.33 |
| EUR | 1,600,000 | Adler Group 2.75% 13/11/2026 | 1,397 | 0.15 |
| EUR | 3,400,000 | Ado Properties 3.25% 05/08/2025 | 3,057 | 0.33 |
| EUR | 1,054,000 | *CPI Property Group Variable 16/10/2167 | 954 | 0.10 |
| EUR | 2,372,000 | *Holcim Finance Variable 05/07/2168 | 2,115 | 0.23 |
| EUR | 4,154,000 | Lincoln Finance 3.625% 01/04/2024 | 3,619 | 0.39 |
| EUR | 2,292,000 | Telecom Italia Finance 7.75% 24/01/2033 | 2,893 | 0.31 |
| | | **BB 0.33% (0.79%)** | | |
| EUR | 3,392,000 | Hanesbrands 3.5% 15/06/2024 | 3,096 | 0.33 |
| | | **BB- 0.74% (0.40%)** | | |
| GBP | 4,043,000 | B&M European Value Retail 3.625% 15/07/2025 | 4,180 | 0.45 |
| EUR | 3,000,000 | Telenet Finance VI Luxembourg 3.5% 01/03/2028 | 2,679 | 0.29 |
| | | **B+ 0.97% (1.24%)** | | |
| EUR | 1,154,000 | Garfunkelux 6.75% 01/11/2025 | 1,024 | 0.11 |
| GBP | 5,041,000 | Garfunkelux 7.75% 01/11/2025 | 5,190 | 0.56 |
| EUR | 850,000 | Matterhorn Telecom 2.625% 15/09/2024 | 739 | 0.08 |
| EUR | 2,428,000 | Matterhorn Telecom 3.125% 15/09/2026 | 2,065 | 0.22 |
| | | **B 1.61% (2.24%)** | | |
| EUR | 1,606,000 | Altice Financing 2.25% 15/01/2025 | 1,342 | 0.14 |
| EUR | 5,269,000 | Altice Financing 3% 15/01/2028 | 4,317 | 0.46 |
| EUR | 2,499,000 | Crystal Almond 4.25% 15/10/2024 | 2,209 | 0.24 |
| EUR | 1,657,000 | Kleopatra Finco 4.25% 01/03/2026 (Germany Listing) | 1,424 | 0.15 |
| EUR | 2,777,000 | Kleopatra Finco 4.25% 01/03/2026 (Guernsey Listing) | 2,386 | 0.26 |
| EUR | 1,212,000 | PLT VII Finance 4.625% 05/01/2026 | 1,087 | 0.12 |
| EUR | 760,000 | PLT VII Finance 4.625% 05/01/2026 (Frankfurt Exchange) | 682 | 0.07 |
| EUR | 1,673,000 | Rossini 6.75% 30/10/2025 | 1,531 | 0.17 |
| | | **B- 1.06% (1.02%)** | | |
| EUR | 4,849,980 | ARD Finance 5% PIK 30/06/2027 | 4,321 | 0.46 |
| EUR | 1,401,000 | Cirsa Finance International 4.75% 22/05/2025 | 1,157 | 0.12 |
| EUR | 5,149,000 | Cirsa Finance International 6.25% 20/12/2023 | 4,463 | 0.48 |
| | | **CCC+ 1.75% (1.23%)** | | |
| EUR | 5,345,000 | Altice Financing 4.75% 15/01/2028 | 4,416 | 0.48 |
| EUR | 7,835,000 | Altice France 8% 15/05/2027 | 7,371 | 0.79 |
| EUR | 1,766,000 | *Group Ecore Holdings SAS FRN 15/11/2023 | 1,517 | 0.16 |
| EUR | 3,238,000 | Motion Finco 7% 15/05/2025 | 2,954 | 0.32 |
| | | **CCC 0.16% (0.08%)** | | |
| EUR | 1,275,000 | Codere Finance 2 (Luxembourg) 6.75% 01/11/2021 | 638 | 0.07 |
| EUR | 1,100,000 | *LHMC Finco 2 7.25% 02/10/2025 | 830 | 0.09 |
| | | **Caa2 0.00% (0.09%)** | | |
| | | **Total Luxembourg** | **83,401** | **8.96** |
| **MEXICO 2.16% (0.29%)** | | | | |
| | | **BBB 2.00% (0.00%)** | | |
| EUR | 1,532,000 | Petroleos Mexicanos 2.5% 24/11/2022 | 1,329 | 0.14 |
| EUR | 5,332,000 | Petroleos Mexicanos 2.75% 21/04/2027 | 4,181 | 0.45 |
| EUR | 3,285,000 | Petroleos Mexicanos 3.75% 21/02/2024 | 2,902 | 0.31 |
| EUR | 3,402,000 | Petroleos Mexicanos 4.75% 26/02/2029 | 2,854 | 0.31 |
| EUR | 4,729,000 | Petroleos Mexicanos 4.875% 21/02/2028 | 4,060 | 0.44 |
| EUR | 3,615,000 | Petroleos Mexicanos 5.125% 15/03/2023 | 3,285 | 0.35 |
| | | **BB 0.16% (0.29%)** | | |
| EUR | 300,000 | Cemex 3.125% 19/03/2026 | 265 | 0.03 |
| EUR | 1,360,000 | Cemex S.A.B. De C.V. 2.75% 05/12/2024 | 1,187 | 0.13 |
| | | **Total Mexico** | **20,063** | **2.16** |

# Threadneedle High Yield Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **NETHERLANDS 12.23% (15.43%)** | | | | |
| | | **BBB- 0.50% (0.00%)** | | |
| EUR | 4,800,000 | *Volkswagen Financial Services Variable 27/06/2169 | 4,638 | 0.50 |
| | | **BB+ 4.31% (6.62%)** | | |
| EUR | 2,967,000 | Ashland Services 2% 30/01/2028 | 2,544 | 0.27 |
| EUR | 2,986,000 | Darling Global Finance 3.625% 15/05/2026 | 2,626 | 0.28 |
| EUR | 4,667,000 | Intertrust Group 3.375% 15/11/2025 | 4,109 | 0.44 |
| EUR | 3,564,000 | LKQ European Holdings 3.625% 01/04/2026 | 3,130 | 0.34 |
| EUR | 400,000 | LKQ European Holdings 4.125% 01/04/2028 | 367 | 0.04 |
| EUR | 2,600,000 | Phoenix Pib Dutch Finance 2.375% 05/08/2025 | 2,310 | 0.25 |
| EUR | 2,852,000 | PPF Arena 1 2.125% 31/01/2025 | 2,504 | 0.27 |
| EUR | 2,564,000 | PPF Telecom Group 3.25% 29/09/2027 | 2,362 | 0.25 |
| EUR | 1,388,000 | PPF Telecom Group 3.5% 20/05/2024 | 1,273 | 0.14 |
| EUR | 2,085,000 | *Repsol International Finance 4.5% 25/03/2075 | 1,968 | 0.21 |
| EUR | 867,000 | *Repsol International Finance Variable 11/06/2169 | 799 | 0.09 |
| EUR | 3,044,000 | *Repsol International Finance Variable 11/06/2169 (Frankfurt Exchange) | 2,807 | 0.30 |
| EUR | 3,465,000 | *Repsol International Finance Variable 11/12/2168 | 3,267 | 0.35 |
| EUR | 2,002,000 | Saipem Finance International 3.375% 15/07/2026 | 1,799 | 0.19 |
| EUR | 5,153,000 | *TenneT Holding Variable Perpetual | 4,622 | 0.50 |
| EUR | 2,263,000 | *TenneT Holding Variable 2.995% 01/06/2167 | 2,057 | 0.22 |
| EUR | 1,800,000 | ZF Europe Finance 3% 23/10/2029 | 1,604 | 0.17 |
| | | **BB 2.92% (3.53%)** | | |
| EUR | 3,300,000 | *Abertis Finance Variable 26/04/2169 | 2,771 | 0.30 |
| EUR | 761,000 | OCI 3.125% 01/11/2024 | 669 | 0.07 |
| EUR | 2,670,000 | OCI 3.625% 15/10/2025 | 2,404 | 0.26 |
| EUR | 1,100,000 | *Telefonica Europe 3% 04/12/2066 | 978 | 0.11 |
| EUR | 7,400,000 | *Telefonica Europe 3.875% 22/09/2066 | 6,798 | 0.73 |
| EUR | 1,900,000 | *Telefonica Europe 5.875% 31/03/2049 | 1,834 | 0.20 |
| EUR | 3,300,000 | *Telefonica Europe Variable 12/05/2169 | 2,745 | 0.29 |
| EUR | 7,900,000 | *Telefonica Europe Variable 14/03/2168 | 7,370 | 0.79 |
| EUR | 1,800,000 | *Telefonica Europe Variable 24/09/2168 | 1,555 | 0.17 |
| | | **BB- 1.55% (1.69%)** | | |
| EUR | 1,834,000 | Q-Park Holding 1.5% 01/03/2025 | 1,518 | 0.16 |
| EUR | 4,712,000 | Q-Park Holding 2% 01/03/2027 | 3,840 | 0.41 |
| EUR | 3,333,000 | Teva Pharmaceutical Finance 1.125% 15/10/2024 | 2,713 | 0.29 |
| EUR | 2,797,000 | Teva Pharmaceutical Finance 1.25% 31/03/2023 | 2,364 | 0.25 |
| EUR | 1,515,000 | Teva Pharmaceutical Finance 1.625% 15/10/2028 | 1,172 | 0.13 |
| EUR | 1,400,000 | Teva Pharmaceutical Finance 1.875% 31/03/2027 | 1,119 | 0.12 |
| EUR | 1,960,000 | Teva Pharmaceutical Finance Netherlands 4.5% 01/03/2025 | 1,767 | 0.19 |
| | | **B+ 0.37% (1.03%)** | | |
| EUR | 1,795,000 | Dufry One 2.5% 15/10/2024 | 1,500 | 0.16 |
| EUR | 1,755,000 | Ziggo 2.875% 15/01/2030 | 1,519 | 0.16 |
| EUR | 661,000 | Ziggo Secured Finance 4.25% 15/01/2027 | 474 | 0.05 |
| | | **B 0.91% (1.50%)** | | |
| EUR | 1,808,000 | Trivium Packaging Finance 3.75% 15/08/2026 | 1,593 | 0.17 |
| EUR | 3,480,000 | United Group 3.125% 15/02/2026 | 2,901 | 0.31 |
| EUR | 2,063,000 | United Group 3.625% 15/02/2028 | 1,716 | 0.18 |
| EUR | 536,000 | United Group 4.875% GTD 01/07/2024 | 472 | 0.05 |
| EUR | 2,095,000 | UPC Holding 3.875% 15/06/2029 | 1,833 | 0.20 |
| | | **B- 1.57% (0.76%)** | | |
| EUR | 4,463,000 | Diebold Nixdorf 9% 15/07/2025 | 4,259 | 0.46 |
| EUR | 2,214,132 | *Summer BidCo 9% PIK 15/11/2025 | 2,048 | 0.22 |
| EUR | 2,424,195 | *Summer BidCo 9% PIK 16/11/2025 | 2,195 | 0.24 |
| EUR | 7,192,000 | VZ Vendor Financing 2.875% 15/01/2029 | 6,090 | 0.65 |
| | | **Not Rated 0.10% (0.30%)** | | |
| EUR | 1,590,000 | Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted) | 889 | 0.10 |
| | | **Total Netherlands** | **113,892** | **12.23** |
| **PANAMA 0.58% (0.00%)** | | | | |
| | | **B+ 0.58% (0.00%)** | | |
| EUR | 5,866,000 | Carnival Corporation 7.625% 01/03/2026 | 5,437 | 0.58 |
| | | **Total Panama** | **5,437** | **0.58** |
| **PORTUGAL 0.34% (0.79%)** | | | | |
| | | **BB 0.18% (0.51%)** | | |
| EUR | 2,000,000 | *Energias de Portugal Variable 20/07/2080 | 1,713 | 0.18 |
| | | **Not Rated 0.16% (0.28%)** | | |
| EUR | 1,100,000 | Banco Espirito 2.625% 08/05/2017 (Defaulted) | 133 | 0.02 |
| EUR | 8,900,000 | Banco Espirito Santo 4% 21/01/2019 (Defaulted) | 1,076 | 0.12 |
| EUR | 1,700,000 | Banco Espirito Santo 4.75% 15/01/2018 (Defaulted) | 206 | 0.02 |
| | | **Total Portugal** | **3,128** | **0.34** |
| **REPUBLIC OF IRELAND 6.50% (7.29%)** | | | | |
| | | **BB+ 0.00% (0.87%)** | | |
| | | **BB 0.00% (0.72%)** | | |
| | | **BB- 0.00% (0.28%)** | | |
| | | **B+ 0.84% (1.17%)** | | |
| EUR | 2,620,000 | Eircom Finance 2.625% 15/02/2027 | 2,222 | 0.24 |
| EUR | 6,399,000 | Eircom Finance 3.5% 15/05/2026 | 5,611 | 0.60 |
| | | **B 0.47% (0.29%)** | | |
| GBP | 4,254,000 | Virgin Media 4.875% 15/07/2028 | 4,360 | 0.47 |
| | | **B- 0.07% (0.00%)** | | |
| GBP | 650,000 | Ardagh Packaging Finance 4.75% 15/07/2027 | 672 | 0.07 |
| | | **(P)B- 0.00% (0.08%)** | | |
| | | **Liquidity Funds 5.12% (3.88%)[1]** | | |
| EUR | 151,467 | BlackRock Institutional Cash Series Euro Liquidity Platinum | 12,943 | 1.39 |

# Threadneedle High Yield Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **REPUBLIC OF IRELAND 6.50% (7.29%) (continued)** | | | | |
| GBP | 33,173,909 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 33,174 | 3.57 |
| USD | 2,035,084 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 1,473 | 0.16 |
| GBP | 15,058 | Insight Liquidity Funds - ILF GBP Liquidity Class 3 | 15 | – |
| | | **Total Republic of Ireland** | **60,470** | **6.50** |
| **ROMANIA 0.27% (0.29%)** | | | | |
| | | **BB- 0.27% (0.29%)** | | |
| EUR | 2,900,000 | RCS & RDS 3.25% 05/02/2028 | 2,519 | 0.27 |
| | | **Total Romania** | **2,519** | **0.27** |
| **SPAIN 2.50% (2.19%)** | | | | |
| | | **BB+ 1.65% (1.42%)** | | |
| EUR | 3,300,000 | Cellnex Finance 1.25% 15/01/2029 | 2,783 | 0.30 |
| EUR | 3,400,000 | Cellnex Finance 2% 15/02/2033 | 2,866 | 0.31 |
| EUR | 500,000 | Cellnex Telecom 1% 20/04/2027 | 428 | 0.05 |
| EUR | 3,400,000 | Cellnex Telecom 1.875% 26/06/2029 | 2,983 | 0.32 |
| EUR | 3,836,000 | Grifols 1.625% 15/02/2025 | 3,311 | 0.36 |
| EUR | 3,361,000 | Grifols 2.25% 15/11/2027 | 2,932 | 0.31 |
| | | **BB 0.20% (0.00%)** | | |
| EUR | 2,127,000 | Gestamp Automocion 3.25% 30/04/2026 | 1,853 | 0.20 |
| | | **B+ 0.26% (0.34%)** | | |
| EUR | 2,825,000 | Grifols 3.2% 01/05/2025 | 2,460 | 0.26 |
| | | **B 0.00% (0.28%)** | | |
| | | **B- 0.39% (0.00%)** | | |
| EUR | 1,585,000 | Grupo-Antolin Irausa 3.25% 30/04/2024 | 1,335 | 0.14 |
| EUR | 2,851,000 | Grupo-Antolin Irausa 3.375% 30/04/2026 | 2,366 | 0.25 |
| | | **CC 0.00% (0.15%)** | | |
| | | **Total Spain** | **23,317** | **2.50** |
| **SWEDEN 3.20% (1.57%)** | | | | |
| | | **BB+ 1.15% (1.57%)** | | |
| EUR | 1,256,000 | *Akelius Residential FRN 05/10/2078 | 1,134 | 0.12 |
| EUR | 4,209,000 | *Heimstaden Bostad Variable 01/05/2169 | 3,557 | 0.38 |
| EUR | 3,600,000 | *Heimstaden Bostad Variable 15/04/2169 | 3,181 | 0.34 |
| EUR | 2,190,000 | *Heimstaden Bostad Variable 19/02/2169 | 1,935 | 0.21 |
| EUR | 1,034,000 | Volvo Car 2.5% 07/10/2027 | 955 | 0.10 |
| | | **BB 0.79% (0.00%)** | | |
| EUR | 4,293,000 | Intrum 3.5% 15/07/2026 | 3,694 | 0.40 |
| EUR | 1,586,000 | Intrum 4.875% 15/08/2025 | 1,422 | 0.15 |
| EUR | 142,000 | Intrum Justitia 2.75% 15/07/2022 | 12 | – |
| EUR | 2,561,000 | *Samhallsbyggnadsbolaget Variable 14/03/2169 | 2,187 | 0.24 |
| | | **B 0.70% (0.00%)** | | |
| EUR | 671,000 | Verisure Holding 3.25% 15/02/2027 (Germany listing) | 585 | 0.07 |
| EUR | 5,045,000 | Verisure Holding 3.25% 15/02/2027 (Luxembourg listing) | 4,397 | 0.47 |
| EUR | 1,700,000 | Verisure Holding 3.875% 15/07/2026 | 1,508 | 0.16 |
| | | **CCC+ 0.56% (0.00%)** | | |
| EUR | 1,807,000 | Verisure Midholding 5.25% 15/02/2029 (Germany listing) | 1,608 | 0.17 |
| EUR | 4,032,000 | Verisure Midholding 5.25% 15/02/2029 (Luxembourg listing) | 3,589 | 0.39 |
| | | **Total Sweden** | **29,764** | **3.20** |
| **SWITZERLAND 0.37% (0.95%)** | | | | |
| | | **BBB+ 0.05% (0.06%)** | | |
| USD | 620,000 | UBS 5.125% 15/05/2024 | 496 | 0.05 |
| | | **BBB 0.13% (0.48%)** | | |
| USD | 1,497,000 | Credit Suisse 6.5% 08/08/2023 | 1,215 | 0.13 |
| | | **BB+ 0.19% (0.41%)** | | |
| EUR | 1,965,000 | *UBS Group 5.75% 29/12/2049 | 1,758 | 0.19 |
| | | **Total Switzerland** | **3,469** | **0.37** |
| **UNITED KINGDOM 17.95% (17.29%)** | | | | |
| | | **BBB 0.40% (0.00%)** | | |
| EUR | 1,282,000 | *BP Capital Markets Variable 22/06/2169 | 1,184 | 0.13 |
| EUR | 2,718,000 | *BP Capital Markets Variable 22/06/2169 EUR | 2,487 | 0.27 |
| | | **Baa2 0.44% (0.49%)** | | |
| GBP | 2,574,000 | Santander UK 10.0625% 06/04/2169 | 4,144 | 0.44 |
| | | **BBB- 0.22% (1.41%)** | | |
| EUR | 263,000 | FCE Bank 1.615% 11/05/2023 | 229 | 0.02 |
| GBP | 1,815,000 | FCE Bank 2.727% 03/06/2022 | 1,838 | 0.20 |
| | | **BB+ 3.94% (3.93%)** | | |
| GBP | 1,250,000 | *Centrica 5.25% 10/04/2075 | 1,359 | 0.15 |
| EUR | 1,022,000 | Drax Finco 2.625% 01/11/2025 | 906 | 0.10 |
| GBP | 2,100,000 | GKN Holdings 4.625% 15/05/2032 | 2,185 | 0.23 |
| EUR | 4,768,000 | Ineos Finance 2.875% 01/05/2026 | 4,168 | 0.45 |
| EUR | 3,747,000 | Ineos Finance 3.375% 31/03/2026 | 3,332 | 0.36 |
| GBP | 1,958,000 | Marks & Spencer 3.75% 19/05/2026 | 2,015 | 0.22 |
| GBP | 4,347,000 | Travis Perkins 3.75% 17/02/2026 | 4,598 | 0.49 |
| EUR | 6,474,000 | *Vodafone Group Variable 03/01/2079 | 5,803 | 0.62 |
| USD | 1,691,000 | *Vodafone Group Variable 04/04/2079 | 1,458 | 0.16 |
| EUR | 1,660,000 | *Vodafone Group Variable 27/08/2080 | 1,461 | 0.16 |
| EUR | 1,024,000 | *Vodafone Group Variable 27/08/2080 (London Listing) | 905 | 0.10 |
| EUR | 3,192,000 | *Vodafone Group Variable 4.2% 03/10/2078 | 3,096 | 0.33 |
| GBP | 1,983,000 | *Vodafone Group Variable 4.875% 03/10/2078 | 2,144 | 0.23 |
| USD | 3,984,000 | *Vodafone Group Variable 6.25% 03/10/2078 | 3,168 | 0.34 |
| | | **BB 3.03% (2.70%)** | | |
| EUR | 3,770,000 | Canpack Eastern Land 2.375% 01/11/2027 | 3,329 | 0.36 |
| GBP | 1,790,000 | Co-operative Group 5.125% 17/05/2024 | 1,916 | 0.21 |
| GBP | 2,101,000 | Co-operative Group 6.25% 08/07/2026 | 2,548 | 0.27 |
| EUR | 1,362,000 | Ineos Quattro Finance 2 2.5% 15/01/2026 (Germany listing) | 1,177 | 0.13 |

# Threadneedle High Yield Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED KINGDOM 17.95% (17.29%) (continued)** | | | | |
| EUR | 4,010,000 | Ineos Quattro Finance 2 2.5% 15/01/2026 (Luxembourg listing) | 3,464 | 0.37 |
| EUR | 3,648,000 | International Game Technology 2.375% 15/04/2028 | 3,082 | 0.33 |
| EUR | 4,087,000 | International Game Technology 3.5% 15/06/2026 | 3,612 | 0.39 |
| EUR | 1,346,000 | International Game Technology 3.5% 15/07/2024 | 1,202 | 0.13 |
| EUR | 1,465,000 | International Game Technology 4.75% 15/02/2023 | 1,319 | 0.14 |
| GBP | 1,947,000 | Pinewood 3.25% 30/09/2025 | 1,988 | 0.21 |
| GBP | 3,325,000 | Pinewood 3.25% 30/09/2025 (Guernsey listing) | 3,400 | 0.36 |
| EUR | 1,328,000 | Synthomer 3.875% 01/07/2025 | 1,190 | 0.13 |
| | | **Ba2 1.13% (0.00%)** | | |
| GBP | 10,486,000 | Bellis Acquisition 3.25% 16/02/2026 | 10,542 | 1.13 |
| | | **BB- 3.69% (3.17%)** | | |
| EUR | 1,256,000 | Ardagh Packaging Finance 2.125% 15/08/2026 | 1,086 | 0.12 |
| EUR | 113,000 | Ardagh Packaging Finance 2.125% 15/08/2026 (USA) | 98 | 0.01 |
| GBP | 2,336,000 | Arrow Global Finance 5.125% 15/09/2024 Callable | 2,352 | 0.25 |
| GBP | 5,658,000 | Iron Mountain UK 3.875% 15/11/2025 | 5,727 | 0.61 |
| GBP | 2,672,000 | Jerrold Finco 5.25% 15/01/2027 | 2,706 | 0.29 |
| GBP | 2,433,000 | Miller Homes Group Holdings 5.5% 15/10/2024 | 2,489 | 0.27 |
| EUR | 1,978,000 | Rolls-Royce 4.625% 16/02/2026 | 1,835 | 0.20 |
| GBP | 1,401,000 | Rolls-Royce 5.75% 15/10/2027 | 1,522 | 0.16 |
| EUR | 2,172,000 | Victoria 3.625% 26/08/2026 | 1,893 | 0.20 |
| EUR | 3,591,000 | Victoria 5.25% 15/07/2024 (London Listing) | 3,220 | 0.35 |
| GBP | 130,000 | Virgin Media Secured Finance 4.125% 15/08/2030 | 129 | 0.01 |
| GBP | 1,325,000 | Virgin Media Secured Finance 4.25% 15/01/2030 | 1,335 | 0.14 |
| GBP | 2,585,000 | Virgin Media Secured Finance 5% 15/04/2027 | 2,697 | 0.29 |
| GBP | 1,107,000 | Virgin Media Secured Finance 5.25% 15/05/2029 | 1,181 | 0.13 |
| EUR | 4,478,000 | Vmed O2 UK Financing I 3.25% 31/01/2031 | 3,889 | 0.42 |
| GBP | 2,223,000 | Vmed O2 UK Financing I 4% 31/01/2029 | 2,233 | 0.24 |
| | | **Ba3 0.00% (0.27%)** | | |
| | | **B+ 0.23% (0.81%)** | | |
| GBP | 2,173,000 | TalkTalk Telecom Group 3.875% 20/02/2025 | 2,130 | 0.23 |
| | | **B1 0.62% (0.00%)** | | |
| GBP | 3,298,000 | Arqiva Broadcast Finance 6.75% 30/09/2023 | 3,405 | 0.37 |
| GBP | 940,000 | Heathrow Finance 3.875% 01/03/2027 | 950 | 0.10 |
| GBP | 1,370,000 | Heathrow Finance 4.375% 01/09/2029 | 1,381 | 0.15 |
| | | **B 0.88% (1.67%)** | | |
| EUR | 130,000 | Jaguar Land Rover Automotive 2.2% 15/01/2024 | 109 | 0.01 |
| GBP | 4,376,000 | Jaguar Land Rover Automotive 3.875% 01/03/2023 | 4,391 | 0.47 |
| EUR | 1,522,000 | Jaguar Land Rover Automotive 5.875% 15/11/2024 | 1,413 | 0.15 |
| EUR | 2,047,000 | Jaguar Land Rover Automotive 6.875% 15/11/2026 | 1,995 | 0.21 |
| EUR | 431,000 | Virgin Media Finance 3.75% 15/07/2030 | 372 | 0.04 |
| | | **B2 0.00% (0.40%)** | | |
| | | **B- 1.13% (1.56%)** | | |
| EUR | 3,199,000 | Algeco Scotsman 6.5% 15/02/2023 (Frankfurt Exchange) | 2,806 | 0.30 |
| GBP | 3,881,000 | Boparan Finance 7.625% 30/11/2025 | 3,897 | 0.42 |
| EUR | 1,525,000 | EG Global Finance 3.625% 07/02/2024 | 1,281 | 0.14 |
| EUR | 1,679,000 | EG Global Finance 4.375% 07/02/2025 | 1,428 | 0.15 |
| EUR | 1,237,000 | EG Global Finance 6.25% 30/10/2025 | 1,094 | 0.12 |
| | | **B3 1.57% (0.66%)** | | |
| EUR | 2,257,000 | Pinnacle Bidco 5.5% 15/02/2025 | 1,975 | 0.21 |
| GBP | 4,742,000 | Pinnacle Bidco 6.375% 15/02/2025 | 4,808 | 0.52 |
| GBP | 2,965,000 | Shop Direct Funding 7.75% 15/11/2022 | 2,986 | 0.32 |
| GBP | 4,638,000 | Stonegate Pub Company Financing 8.25% 31/07/2025 | 4,873 | 0.52 |
| | | **CCC+ 0.29% (0.13%)** | | |
| USD | 4,310,820 | EnQuest PIK 7% 15/04/2022 | 2,664 | 0.29 |
| | | **CC 0.38% (0.00%)** | | |
| EUR | 796,000 | EC Finance 2.375% 15/11/2022 (FWB) | 665 | 0.07 |
| EUR | 3,406,000 | EC Finance 2.375% 15/11/2022 (Lux) | 2,844 | 0.31 |
| | | **Not rated 0.00% (0.09%)** | | |
| USD | 651 | NV Profit Share Preference Share[2] | – | – |
| | | **Total United Kingdom** | **167,108** | **17.95** |
| **UNITED STATES OF AMERICA 11.18% (13.69%)** | | | | |
| | | **BBB- 0.50% (2.51%)** | | |
| GBP | 867,000 | MPT Operating Partnership 2.55% 05/12/2023 | 881 | 0.09 |
| EUR | 1,781,000 | MPT Operating Partnership 3.325% 24/03/2025 | 1,662 | 0.18 |
| GBP | 2,005,000 | MPT Operating Partnership 3.692% 05/06/2028 | 2,122 | 0.23 |
| | | **BB+ 5.97% (1.50%)** | | |
| EUR | 7,784,000 | Avantor Funding 2.625% 01/11/2025 (USA) | 6,881 | 0.74 |
| EUR | 4,780,000 | Ball Corporation 1.5% 15/03/2027 | 4,213 | 0.45 |
| EUR | 1,388,000 | Ford Motor Credit 1.355% 07/02/2025 | 1,181 | 0.13 |
| EUR | 1,500,000 | Ford Motor Credit 1.744% 19/07/2024 | 1,296 | 0.14 |
| EUR | 4,813,000 | Ford Motor Credit 2.33% 25/11/2025 | 4,238 | 0.45 |
| EUR | 503,000 | Ford Motor Credit 2.386% 17/02/2026 | 443 | 0.05 |
| EUR | 888,000 | Ford Motor Credit 2.386% 17/02/2026 (Frankfurt Exchange) | 782 | 0.08 |
| GBP | 2,725,000 | Ford Motor Credit 2.748% 14/06/2024 | 2,751 | 0.30 |
| EUR | 7,448,000 | Ford Motor Credit 3.021% 06/03/2024 | 6,689 | 0.72 |
| EUR | 2,238,000 | Ford Motor Credit 3.25% 15/09/2025 | 2,048 | 0.22 |
| GBP | 2,400,000 | Ford Motor Credit 4.535% 06/03/2025 | 2,564 | 0.28 |
| EUR | 2,306,000 | Kraft Heinz Foods 2.25% 25/05/2028 | 2,186 | 0.23 |
| EUR | 7,320,000 | Netflix 3.625% 15/05/2027 | 7,226 | 0.78 |
| EUR | 4,058,000 | Netflix 3.625% 15/06/2030 | 4,084 | 0.44 |
| EUR | 3,042,000 | Netflix 3.875% 15/11/2029 | 3,115 | 0.33 |
| EUR | 4,350,000 | Netflix 4.625% 15/05/2029 | 4,636 | 0.50 |

# Threadneedle High Yield Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED STATES OF AMERICA 11.18% (13.69%) (continued)** | | | | |
| GBP | 1,116,000 | The Kraft Heinz 4.125% 01/07/2027 | 1,243 | 0.13 |
| | | **Ba1 0.31% (0.35%)** | | |
| EUR | 3,235,000 | UGI International 3.25% 01/11/2025 | 2,850 | 0.31 |
| | | **BB 2.31% (2.85%)** | | |
| EUR | 2,082,000 | IQVIA 1.75% 15/03/2026 | 1,810 | 0.19 |
| EUR | 5,681,000 | IQVIA 2.25% 15/01/2028 | 4,913 | 0.53 |
| EUR | 5,783,000 | IQVIA 2.25% 15/03/2029 | 4,986 | 0.54 |
| EUR | 2,551,000 | IQVIA 2.875% 15/06/2028 | 2,268 | 0.24 |
| EUR | 3,113,000 | IQVIA 3.25% 15/03/2025 | 2,711 | 0.29 |
| EUR | 1,427,000 | Silgan Holdings 2.25% 01/06/2028 | 1,246 | 0.13 |
| EUR | 4,205,000 | Silgan Holdings 3.25% 15/03/2025 | 3,655 | 0.39 |
| | | **Ba2 0.32% (0.00%)** | | |
| EUR | 3,442,000 | Ardagh Metal Packaging 2% 01/09/2028 | 2,965 | 0.32 |
| | | **BB- 0.81% (2.85%)** | | |
| EUR | 2,020,000 | Avantor Funding 3.875% 15/07/2028 | 1,840 | 0.20 |
| USD | 796,000 | Catalent Pharma Solution 5% 15/07/2027 | 606 | 0.06 |
| EUR | 5,891,000 | Catalent Pharma Solutions 2.375% 01/03/2028 | 5,096 | 0.55 |
| | | **B+ 0.56% (2.49%)** | | |
| USD | 3,112,000 | Adient US 9% 15/04/2025 | 2,504 | 0.27 |
| EUR | 3,114,000 | Ardagh Metal Packaging 3% 01/09/2029 | 2,677 | 0.29 |
| | | **B 0.40% (0.71%)** | | |
| EUR | 4,183,000 | Spectrum Brands 4% 01/10/2026 | 3,706 | 0.40 |
| | | **B- 0.00% (0.43%)** | | |
| | | **Total United States of America** | **104,074** | **11.18** |

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **DERIVATIVES 0.29% (-3.75%)** | | | | |
| | | **Forward Foreign Exchange Contracts 0.29% (-3.75%)** | | |
| | | Sell GBP 1,038,293 | | |
| | | Buy EUR 1,200,000 Barclays | (2) | – |
| | | Sell GBP 1,499,041 | | |
| | | Buy EUR 1,735,260 HSBC[2] | – | – |
| | | Sell GBP 10,046,287 | | |
| | | Buy EUR 11,620,480 Barclays | (7) | – |
| | | Sell GBP 1,718,686 | | |
| | | Buy EUR 2,000,000 UBS | 9 | – |
| | | Sell GBP 4,674,275 | | |
| | | Buy EUR 5,416,322 Lloyds | 5 | – |
| | | Sell GBP 7,078,503 | | |
| | | Buy EUR 8,127,980 HSBC | (56) | (0.01) |
| | | Sell USD 23,196,537 | | |
| | | Buy GBP 16,656,430 Barclays | (132) | (0.01) |
| | | Sell EUR 2,817,554 | | |
| | | Buy GBP 2,436,119 Bank of Scotland | 2 | – |
| | | Sell EUR 309,000,000 | | |
| | | Buy GBP 267,839,624 Barclays | 873 | 0.09 |
| | | Sell EUR 309,000,000 | | |
| | | Buy GBP 267,851,768 J.P. Morgan | 885 | 0.10 |
| | | Sell EUR 309,754,216 | | |
| | | Buy GBP 268,503,008 UBS | 884 | 0.10 |
| | | Sell USD 67,401 | | |
| | | Buy GBP 48,509 Barclays[2] | – | – |
| | | Sell GBP 1,140,637 | | |
| | | Buy USD 1,600,000 HSBC | 17 | – |
| | | Sell GBP 12,190,848 | | |
| | | Buy USD 17,095,775 J.P. Morgan | 182 | 0.02 |
| | | Sell GBP 30,466 | | |
| | | Buy USD 42,476 J.P. Morgan[2] | – | – |
| | | Sell GBP 60,416 | | |
| | | Buy USD 84,399 Citigroup | 1 | – |
| | | **Total Derivatives** | **2,661** | **0.29** |
| **Total value of investments[3]** | | | **940,301** | **101.01** |
| **Net other (liabilities)/assets (5.50%)** | | | **(9,367)** | **(1.01)** |
| **Net assets** | | | **930,934** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bonds.*
*(P) refers to provisional rating.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 795,875 | 84.64 |
| Floating rate notes | 141,765 | 15.07 |
| Derivatives | 2,661 | 0.29 |
| **Total value of investments[3]** | **940,301** | **100.00** |

# Threadneedle Global Select Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **CANADA 0.00% (0.97%)** | | | |
| | **Oil & Gas Producers 0.00% (0.97%)** | | |
| | **Total Canada** | – | – |
| **CAYMAN ISLANDS 2.08% (3.32%)** | | | |
| | **General Retailers 0.00% (1.81%)** | | |
| | **Software & Computer Services 2.08% (1.51%)** | | |
| 23,831 | Sea ADR | 3,962 | 0.33 |
| 333,000 | Tencent Holdings | 21,072 | 1.75 |
| | **Total Cayman Islands** | **25,034** | **2.08** |
| **CHINA 1.15% (1.87%)** | | | |
| | **Travel & Leisure 0.00% (0.47%)** | | |
| | **Life Insurance 1.15% (1.40%)** | | |
| 1,545,000 | Ping An Insurance Group | 13,909 | 1.15 |
| | **Total China** | **13,909** | **1.15** |
| **DENMARK 3.45% (1.29%)** | | | |
| | **Pharmaceuticals & Biotechnology 1.59% (1.29%)** | | |
| 385,234 | Novo Nordisk | 19,144 | 1.59 |
| | **Gas, Water & Multiutilities 1.00% (0.00%)** | | |
| 115,714 | Orsted | 12,081 | 1.00 |
| | **Nonlife Insurance 0.86% (0.00%)** | | |
| 666,791 | Tryg Rights Issue | 10,439 | 0.86 |
| | **Total Denmark** | **41,664** | **3.45** |
| **FINLAND 1.16% (1.12%)** | | | |
| | **Forestry & Paper 1.16% (1.12%)** | | |
| 503,999 | UPM | 13,985 | 1.16 |
| | **Total Finland** | **13,985** | **1.16** |
| **FRANCE 3.47% (3.24%)** | | | |
| | **Beverages 0.80% (1.19%)** | | |
| 70,637 | Pernod Ricard | 9,639 | 0.80 |
| | **Personal Goods 0.00% (0.94%)** | | |
| | **Health Care Equipment & Services 1.17% (1.11%)** | | |
| 123,204 | Essilor International | 14,163 | 1.17 |
| | **Electronic & Electrical Equipment 1.50% (0.00%)** | | |
| 170,808 | Schneider Electric | 18,031 | 1.50 |
| | **Total France** | **41,833** | **3.47** |
| **GERMANY 1.56% (1.38%)** | | | |
| | **Personal Goods 1.56% (1.38%)** | | |
| 80,271 | Adidas | 18,822 | 1.56 |
| | **Total Germany** | **18,822** | **1.56** |
| **HONG KONG 1.49% (0.91%)** | | | |
| | **Life Insurance 1.49% (0.91%)** | | |
| 1,962,800 | AIA Group | 17,945 | 1.49 |
| | **Total Hong Kong** | **17,945** | **1.49** |
| **INDIA 1.61% (1.77%)** | | | |
| | **Banks 1.61% (1.77%)** | | |
| 1,276,123 | HDFC Bank | 19,387 | 1.61 |
| | **Total India** | **19,387** | **1.61** |
| **INDONESIA 0.85% (0.00%)** | | | |
| | **Banks 0.85% (0.00%)** | | |
| 42,490,100 | Bank Rakyat Indonesia | 10,234 | 0.85 |
| | **Total Indonesia** | **10,234** | **0.85** |
| **JAPAN 4.93% (4.77%)** | | | |
| | **Electronic & Electrical Equipment 1.29% (1.12%)** | | |
| 45,100 | Keyence | 15,504 | 1.29 |
| | **Industrial Engineering 0.70% (0.00%)** | | |
| 241,300 | Yaskawa Electric | 8,435 | 0.70 |
| | **Household Goods & Home Construction 0.51% (0.00%)** | | |
| 456,200 | Sekisui Chemical | 6,160 | 0.51 |
| | **Leisure Goods 0.94% (3.00%)** | | |
| 151,400 | Sony | 11,334 | 0.94 |
| | **Technology Hardware & Equipment 1.49% (0.65%)** | | |
| 255,600 | Rohm | 18,024 | 1.49 |
| | **Total Japan** | **59,457** | **4.93** |
| **NETHERLANDS 0.54% (3.78%)** | | | |
| | **Chemicals 0.00% (1.19%)** | | |
| | **Aerospace & Defence 0.54% (0.80%)** | | |
| 79,834 | Airbus | 6,563 | 0.54 |
| | **Banks 0.00% (1.11%)** | | |
| | **Technology Hardware & Equipment 0.00% (0.68%)** | | |
| | **Total Netherlands** | **6,563** | **0.54** |
| **REPUBLIC OF IRELAND 5.41% (8.21%)** | | | |
| | **Construction & Materials 1.74% (1.38%)** | | |
| 634,567 | CRH (Dublin Listing) | 20,905 | 1.74 |
| | **Industrial Engineering 1.11% (1.20%)** | | |
| 115,116 | Trane Technologies | 13,357 | 1.11 |
| | **Liquidity Funds 0.72% (4.42%)[1]** | | |
| 12,006,772 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 8,688 | 0.72 |
| | **Health Care Equipment & Services 1.84% (1.21%)** | | |
| 259,780 | Medtronic | 22,219 | 1.84 |
| | **Total Republic of Ireland** | **65,169** | **5.41** |
| **SOUTH KOREA 3.52% (2.54%)** | | | |
| | **Electronic & Electrical Equipment 0.72% (0.00%)** | | |
| 20,175 | Samsung SDI | 8,699 | 0.72 |
| | **Technology Hardware & Equipment 2.80% (2.54%)** | | |
| 638,766 | Samsung Electronics | 33,699 | 2.80 |
| | **Total South Korea** | **42,398** | **3.52** |

# Threadneedle Global Select Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **SPAIN 0.00% (0.56%)** | | | |
| | **General Retailers 0.00% (0.56%)** | | |
| | **Total Spain** | – | – |
| **SWITZERLAND 4.00% (0.86%)** | | | |
| | **Electronic & Electrical Equipment 1.57% (0.86%)** | | |
| 200,922 | TE Connectivity | 18,896 | 1.57 |
| | **Food Producers 1.18% (0.00%)** | | |
| 186,229 | Nestle | 14,262 | 1.18 |
| | **Pharmaceuticals & Biotechnology 1.25% (0.00%)** | | |
| 65,300 | Roche | 15,118 | 1.25 |
| | **Total Switzerland** | **48,276** | **4.00** |
| **TAIWAN 1.72% (0.00%)** | | | |
| | **Technology Hardware & Equipment 1.72% (0.00%)** | | |
| 1,330,000 | Taiwan Semiconductor Manufacturing | 20,704 | 1.72 |
| | **Total Taiwan** | **20,704** | **1.72** |
| **UNITED KINGDOM 2.89% (6.92%)** | | | |
| | **Support Services 0.00% (0.95%)** | | |
| | **Beverages 1.20% (0.96%)** | | |
| 492,604 | Diageo | 14,487 | 1.20 |
| | **Household Goods & Home Construction 1.69% (1.05%)** | | |
| 323,672 | Reckitt Benckiser Group | 20,294 | 1.69 |
| | **Personal Goods 0.00% (1.39%)** | | |
| | **Media 0.00% (1.47%)** | | |
| | **Nonlife Insurance 0.00% (1.10%)** | | |
| | **Total United Kingdom** | **34,781** | **2.89** |
| **UNITED STATES OF AMERICA 60.77% (55.99%)** | | | |
| | **Oil & Gas Producers 0.00% (0.74%)** | | |
| | **Chemicals 1.08% (1.15%)** | | |
| 86,264 | ECOLAB | 12,969 | 1.08 |
| | **Construction & Materials 0.00% (0.80%)** | | |
| | **Electronic & Electrical Equipment 0.00% (0.96%)** | | |
| | **Industrial Engineering 0.00% (0.25%)** | | |
| | **Industrial Transportation 1.70% (1.39%)** | | |
| 135,211 | Union Pacific | 20,498 | 1.70 |
| | **Automobiles & Parts 1.04% (0.00%)** | | |
| 321,685 | General Motors | 12,511 | 1.04 |
| | **Support Services 2.37% (1.92%)** | | |
| 200,074 | Fidelity National Information Services | 20,427 | 1.70 |
| 127,726 | TransUnion | 8,111 | 0.67 |
| | **Leisure Goods 2.81% (2.84%)** | | |
| 270,817 | Activision Blizzard | 18,138 | 1.51 |
| 163,810 | Electronic Arts | 15,715 | 1.30 |
| | **Personal Goods 0.00% (0.97%)** | | |
| | **Health Care Equipment & Services 6.98% (6.82%)** | | |
| 427,587 | Centene | 18,703 | 1.55 |
| 39,769 | Cooper Cos | 11,158 | 0.93 |
| 198,319 | Edwards Lifesciences | 11,724 | 0.97 |
| 89,959 | Stryker | 15,617 | 1.30 |
| 28,863 | Thermo Fisher Scientific | 9,325 | 0.77 |
| 70,030 | UnitedHealth Group | 17,572 | 1.46 |
| | **Pharmaceuticals & Biotechnology 1.00% (4.63%)** | | |
| 142,095 | Abbott Laboratories | 12,047 | 1.00 |
| | **General Retailers 6.39% (5.07%)** | | |
| 24,346 | Amazon.com | 52,822 | 4.38 |
| 355,105 | Service Corporate International | 12,187 | 1.01 |
| 299,311 | Uber Technologies | 12,022 | 1.00 |
| | **Media 3.76% (1.45%)** | | |
| 685,173 | Comcast Corporation | 27,288 | 2.26 |
| 131,650 | Walt Disney | 18,082 | 1.50 |
| | **Electricity 1.34% (0.86%)** | | |
| 314,787 | FPL Group | 16,097 | 1.34 |
| | **Banks 1.84% (2.13%)** | | |
| 203,103 | JPMorgan Chase | 22,187 | 1.84 |
| | **Real Estate Investment Trusts 2.08% (1.57%)** | | |
| 73,532 | American Tower | 10,639 | 0.88 |
| 32,699 | Equinix | 14,445 | 1.20 |
| | **Financial Services 6.78% (7.24%)** | | |
| 124,573 | CME Group | 19,283 | 1.60 |
| 111,499 | MasterCard Class A | 29,098 | 2.41 |
| 43,963 | S&P Global | 10,634 | 0.88 |
| 145,958 | Visa 'A' Shares | 22,735 | 1.89 |
| | **Software & Computer Services 16.77% (12.82%)** | | |
| 67,636 | Adobe Systems | 21,566 | 1.79 |
| 44,387 | Alphabet Class A | 67,299 | 5.58 |
| 2,383 | Alphabet Class C | 3,634 | 0.30 |
| 27,866 | Autodesk | 5,386 | 0.45 |
| 140,222 | Facebook | 26,814 | 2.22 |
| 67,449 | Intuit | 18,647 | 1.55 |
| 350,851 | Microsoft | 58,792 | 4.88 |
| | **Technology Hardware & Equipment 3.01% (2.38%)** | | |
| 48,120 | Lam Research | 19,061 | 1.58 |
| 47,944 | Nvidia | 17,285 | 1.43 |
| | **Mobile Telecommunications 1.82% (0.00%)** | | |
| 242,878 | T-Mobile US | 21,912 | 1.82 |
| | **Total United States of America** | **732,430** | **60.77** |
| **DERIVATIVES 0.00% (0.00%)** | | | |
| | **Forward Foreign Exchange Contracts 0.00% (0.00%)** | | |
| | Sell USD 272,000 | | |
| | Buy GBP 195,449 Barclays | (1) | – |
| | Sell USD 370,000 | | |
| | Buy GBP 265,043 Bank of Scotland | (3) | – |
| | Sell GBP 8,590 | | |

# Threadneedle Global Select Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES 0.00% (0.00%) (continued)** | | | |
| | Buy USD 12,000 Barclays[2] | – | – |
| | **Total Derivatives** | **(4)** | **–** |
| **Total value of investments[3]** | | **1,212,587** | **100.60** |
| **Net other (liabilities)/assets (0.50%)** | | **(7,289)** | **(0.60)** |
| **Net assets** | | **1,205,298** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

# Threadneedle Global Bond Fund

## Portfolio Statement

*as at 7 March 2021*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **AUSTRALIA 1.37% (1.10%)** | | | | |
| | | **Aaa 0.58% (0.48%)** | | |
| AUD | 5,475,000 | Australia Government Bond 2.25% 21/11/2022 | 3,149 | 0.58 |
| | | **AA+ 0.52% (0.62%)** | | |
| AUD | 3,550,000 | Queensland Treasury 6.5% 14/03/2033 | 2,842 | 0.52 |
| | | **Not Rated 0.27% (0.00%)** | | |
| AUD | 3,350,000 | Australia Government Bond 1.75% 21/06/2051 | 1,468 | 0.27 |
| | | **Total Australia** | **7,459** | **1.37** |
| **BELGIUM 0.71% (0.74%)** | | | | |
| | | **Not Rated 0.71% (0.74%)** | | |
| EUR | 3,550,000 | Belgium Government Bond 1.7% 22/06/2050 | 3,859 | 0.71 |
| | | **Total Belgium** | **3,859** | **0.71** |
| **BRITISH VIRGIN ISLANDS 0.40% (0.50%)** | | | | |
| | | **A+ 0.40% (0.50%)** | | |
| USD | 3,000,000 | Sinopec Group 2% 29/09/2021 | 2,187 | 0.40 |
| | | **Total British Virgin Islands** | **2,187** | **0.40** |
| **CANADA 5.20% (3.45%)** | | | | |
| | | **AAA 2.97% (2.06%)** | | |
| USD | 3,020,000 | Canada Government 2.625% 25/01/2022 | 2,234 | 0.41 |
| CAD | 5,530,000 | Canada Housing Trust 1.1% 15/03/2031 | 2,929 | 0.54 |
| USD | 3,000,000 | CDP Financial 3.15% 24/07/2024 | 2,358 | 0.43 |
| GBP | 2,750,000 | CPPIB Capital 1.125% 14/12/2029 | 2,749 | 0.50 |
| USD | 4,500,000 | CPPIB Capital 2.25% 25/01/2022 | 3,316 | 0.61 |
| USD | 3,795,000 | Province of British Columbia 1.3% 29/01/2031 | 2,624 | 0.48 |
| | | **AA 0.27% (0.35%)** | | |
| CAD | 2,700,000 | City of Toronto Canada 2.6% 24/09/2039 | 1,500 | 0.27 |
| | | **Aa3 0.46% (0.00%)** | | |
| USD | 3,750,000 | Province of Ontario Canada 1.125% 07/10/2030 | 2,538 | 0.46 |
| | | **A+ 1.50% (1.04%)** | | |
| USD | 10,000,000 | Province of Ontario Canada 1.05% 21/05/2027 | 7,145 | 1.31 |
| CAD | 1,800,000 | Province of Ontario Canada 1.85% 01/02/2027 | 1,047 | 0.19 |
| | | **Total Canada** | **28,440** | **5.20** |
| **FRANCE 5.47% (6.12%)** | | | | |
| | | **AA 0.89% (0.00%)** | | |
| USD | 3,800,000 | SFIL 0.625% 09/02/2026 | 2,696 | 0.49 |
| EUR | 2,700,000 | Ville de Paris 0.45% 20/10/2045 | 2,167 | 0.40 |
| | | **Aa2 3.37% (0.95%)** | | |
| USD | 7,250,000 | Caisse D'Amort Dette Society 0.375% 23/09/2025 | 5,126 | 0.94 |
| USD | 3,815,000 | Caisse D'Amort Dette Society 1% 21/10/2030 | 2,574 | 0.47 |
| USD | 3,060,000 | Caisse D'Amort Dette Society 1.375% 20/01/2031 | 2,128 | 0.39 |
| EUR | 3,600,000 | SNCF Reseau 2.25% 20/12/2047 | 4,012 | 0.73 |
| EUR | 2,600,000 | Societe du Grand Paris 0.7% 15/10/2060 | 2,018 | 0.37 |
| EUR | 3,000,000 | UNEDIC 0.25% 16/07/2035 | 2,565 | 0.47 |
| | | **Aa2u 0.44% (5.17%)** | | |
| EUR | 1,912,000 | France Government Bond 0.75% 25/05/2052 | 1,648 | 0.30 |
| EUR | 770,000 | France Government Bond 1.25% 25/05/2036 | 761 | 0.14 |
| | | **AA- 0.77% (0.00%)** | | |
| EUR | 4,800,000 | Societe Nationale SNCF 1% 25/05/2040 | 4,184 | 0.77 |
| | | **Total France** | **29,879** | **5.47** |
| **GERMANY 0.47% (0.00%)** | | | | |
| | | **Aaa 0.47% (0.00%)** | | |
| USD | 3,155,000 | Landesbank Baden-Wuerttemberg 7.625% 01/02/2023 | 2,574 | 0.47 |
| | | **Total Germany** | **2,574** | **0.47** |
| **ITALY 6.66% (3.73%)** | | | | |
| | | **BBB 0.65% (0.00%)** | | |
| EUR | 4,000,000 | Cassa Depositi e Prestiti 1.5% 20/04/2023 | 3,574 | 0.65 |
| | | **Baa3u 2.70% (2.08%)** | | |
| EUR | 8,025,000 | Buoni Poliennali Del Tesoro 2.45% 01/09/2050 | 8,167 | 1.49 |
| EUR | 2,315,000 | Italy Government Bond 2.45% 01/09/2033 | 2,346 | 0.43 |
| USD | 5,995,000 | Italy Government International Bond 1.25% 17/02/2026 | 4,269 | 0.78 |
| | | **Not Rated 3.31% (1.65%)** | | |
| EUR | 11,570,000 | Buoni Poliennali Del Tesoro 0.95% 01/08/2030 | 10,255 | 1.88 |
| EUR | 6,026,000 | Buoni Poliennali Del Tesoro 1.8% 01/03/2041 (Italy listing) | 5,535 | 1.01 |
| EUR | 2,310,000 | Italian Government Bond 1.5% 30/04/2045 | 1,985 | 0.36 |
| EUR | 334,000 | Italian Government Bond 1.8% 01/03/2041 | 307 | 0.06 |
| | | **Total Italy** | **36,438** | **6.66** |
| **JAPAN 9.07% (10.23%)** | | | | |
| | | **AA- 0.21% (0.26%)** | | |
| USD | 1,550,000 | Japan Tobacco 2% 13/04/2021 | 1,122 | 0.21 |
| | | **A+ 0.23% (0.00%)** | | |
| USD | 1,778,000 | Development Bank of Japan 0.5% 27/08/2025 | 1,258 | 0.23 |
| | | **A1 6.27% (9.97%)** | | |
| USD | 715,000 | Central Nippon Express 0.894% 10/12/2025 | 510 | 0.09 |
| JPY | 1,504,100,000 | Japan Government 0.3% 20/12/2039 | 9,754 | 1.78 |
| JPY | 2,103,500,000 | Japan Government 0.4% 20/03/2050 | 13,056 | 2.39 |
| JPY | 1,229,850,000 | Japan Government 0.4% 20/03/2056 | 7,485 | 1.37 |
| JPY | 558,300,000 | Japan Government 0.5% 20/03/2059 | 3,498 | 0.64 |
| | | **A 0.22% (0.00%)** | | |
| USD | 1,662,000 | Development Bank of Japan 0.5% 04/03/2024 | 1,205 | 0.22 |

# Threadneedle Global Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **JAPAN 9.07% (10.23%) (continued)** | | | | |
| | | **Not Rated 2.14% (0.00%)** | | |
| JPY | 1,788,800,000 | Japan Government 0.6% 20/09/2050 | 11,720 | 2.14 |
| | | **Total Japan** | **49,608** | **9.07** |
| **NETHERLANDS 1.35% (2.11%)** | | | | |
| | | **A+ 1.35% (1.36%)** | | |
| USD | 3,850,000 | Shell International Finance 3.4% 12/08/2023 | 2,987 | 0.55 |
| USD | 6,000,000 | Siemens Financieringsmaatschappij 1.7% 15/09/2021 | 4,376 | 0.80 |
| | | **BBB+ 0.00% (0.75%)** | | |
| | | **Total Netherlands** | **7,363** | **1.35** |
| **REPUBLIC OF IRELAND 3.45% (3.26%)** | | | | |
| | | **AA- 0.00% (0.67%)** | | |
| | | **Liquidity Funds 3.45% (2.59%)[1]** | | |
| EUR | 72,092 | BlackRock Institutional Cash Series Euro Liquidity Platinum | 6,160 | 1.13 |
| GBP | 5,969 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 6 | – |
| USD | 17,502,958 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum | 12,669 | 2.32 |
| | | **Total Republic of Ireland** | **18,835** | **3.45** |
| **SINGAPORE 0.46% (0.00%)** | | | | |
| | | **AAA 0.46% (0.00%)** | | |
| USD | 3,750,000 | Temasek Financial 1% 06/10/2030 | 2,511 | 0.46 |
| | | **Total Singapore** | **2,511** | **0.46** |
| **SOUTH KOREA 0.81% (1.01%)** | | | | |
| | | **AA 0.81% (1.01%)** | | |
| USD | 6,000,000 | Export-Import Bank of Korea 2.75% 25/01/2022 | 4,432 | 0.81 |
| | | **Total South Korea** | **4,432** | **0.81** |
| **SPAIN 4.85% (3.01%)** | | | | |
| | | **A 0.78% (0.00%)** | | |
| EUR | 4,900,000 | FADE FTA 0.01% 17/09/2025 | 4,269 | 0.78 |
| | | **A3 0.36% (0.43%)** | | |
| EUR | 2,150,000 | Basque Government 1.125% 30/04/2029 | 1,986 | 0.36 |
| | | **Baa1 2.73% (2.58%)** | | |
| EUR | 465,000 | Spain Government Bond 0.35% 30/07/2023 | 409 | 0.07 |
| EUR | 9,965,000 | Spain Government Bond 1.25% 31/10/2030 | 9,359 | 1.71 |
| EUR | 200,000 | Spain Government Bond 2.7% 31/10/2048 | 233 | 0.04 |
| EUR | 3,410,000 | Spain Government Bond 4.7% 30/07/2041 | 4,973 | 0.91 |
| | | **Not Rated 0.98% (0.00%)** | | |
| EUR | 4,700,000 | Spain Government Bond 1% 31/10/2050 (Stuttgart Exchange) | 3,797 | 0.69 |
| EUR | 1,975,000 | Spain Government Bond 1.45% 31/10/2071 | 1,574 | 0.29 |
| | | **Total Spain** | **26,600** | **4.85** |
| **SUPRANATIONAL 11.50% (1.87%)** | | | | |
| | | **AAA 10.64% (1.46%)** | | |
| USD | 6,825,000 | Asian Development Bank 1.75% 19/09/2029 | 5,008 | 0.92 |
| USD | 2,440,000 | Asian Infrastructure 0.25% 29/09/2023 | 1,760 | 0.32 |
| USD | 2,380,000 | European Bank for Reconstruction and Development 1.5% 13/02/2025 | 1,781 | 0.33 |
| USD | 1,190,000 | European Investment Bank 0.625% 21/10/2027 | 825 | 0.15 |
| CAD | 1,400,000 | European Investment Bank 1% 28/01/2028 | 762 | 0.14 |
| USD | 18,600,000 | *European Investment Bank FRN 05/03/2024 | 13,520 | 2.47 |
| USD | 7,175,000 | Inter-American Development Bank 0.5% 24/05/2023 | 5,222 | 0.96 |
| USD | 3,815,000 | Inter-American Development Bank 1.125% 13/01/2031 | 2,614 | 0.48 |
| EUR | 1,635,000 | International Bank for Reconstruction and Development 0.2% 21/01/2061 | 1,215 | 0.22 |
| USD | 5,900,000 | International Bank for Reconstruction and Development 0.625% 22/04/2025 | 4,265 | 0.78 |
| USD | 3,300,000 | International Bank for Reconstruction and Development 0.875% 14/05/2030 | 2,239 | 0.41 |
| USD | 22,300,000 | *International Bank for Reconstruction and Development FRN 18/09/2025 | 16,374 | 2.99 |
| USD | 3,625,000 | International Development Association 0.375% 23/09/2025 | 2,564 | 0.47 |
| | | **AA+ 0.48% (0.00%)** | | |
| USD | 3,700,000 | New Development Bank 0.625% 29/09/2025 | 2,629 | 0.48 |
| | | **AA 0.38% (0.00%)** | | |
| EUR | 735,000 | European Union 0.1% 04/10/2040 | 603 | 0.11 |
| USD | 1,999,000 | Inter-American Investment Corporation 0.5% 21/07/2023 | 1,456 | 0.27 |
| | | **Not Rated 0.00% (0.41%)** | | |
| | | **Total Supranational** | **62,837** | **11.50** |
| **SWEDEN 2.00% (0.00%)** | | | | |
| | | **AA+ 2.00% (0.00%)** | | |
| USD | 15,000,000 | *Swedish Export Credit FRN 25/05/2023 | 10,918 | 2.00 |
| | | **Total Sweden** | **10,918** | **2.00** |
| **UNITED KINGDOM 7.53% (7.82%)** | | | | |
| | | **AA+ 0.15% (0.00%)** | | |
| EUR | 975,000 | Republic of Austria 0.85% 30/06/2120 | 834 | 0.15 |
| | | **AA 0.33% (0.00%)** | | |
| USD | 2,485,000 | International Finance Facility for Immunisation 0.375% 06/11/2023 | 1,796 | 0.33 |
| | | **Aa2u 0.00% (5.43%)** | | |
| | | **Aa3u 0.34% (0.00%)** | | |
| GBP | 700,000 | United Kingdom Gilt 1.625% 22/10/2071 | 837 | 0.15 |
| GBP | 1,000,000 | United Kingdom Gilt 3.75% 07/09/2021 | 1,019 | 0.19 |
| | | **A 0.00% (0.48%)** | | |
| | | **A- 0.38% (0.00%)** | | |
| USD | 2,800,000 | *HSBC Holdings 3.262% 13/03/2023 | 2,082 | 0.38 |

# Threadneedle Global Bond Fund

## Portfolio Statement
*(continued)*

| | Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|---|
| **UNITED KINGDOM 7.53% (7.82%) (continued)** | | | | |
| | | **BBB 0.38% (0.46%)** | | |
| USD | 2,688,000 | Imperial Brands Finance PI 3.125% 26/07/2024 | 2,068 | 0.38 |
| | | **Not Rated 5.95% (1.45%)** | | |
| GBP | 900,000 | United Kingdom Gilt 0.125% 31/01/2028 | 873 | 0.16 |
| GBP | 2,928,000 | United Kingdom Gilt 0.375% 22/10/2030 | 2,814 | 0.51 |
| GBP | 3,786,000 | United Kingdom Gilt 0.5% 22/10/2061 | 2,936 | 0.54 |
| GBP | 6,560,000 | United Kingdom Gilt 0.625% 31/07/2035 | 6,127 | 1.12 |
| GBP | 9,890,000 | United Kingdom Gilt 0.625% 22/10/2050 | 8,270 | 1.51 |
| GBP | 6,200,000 | United Kingdom Gilt 0.875% 31/01/2046 | 5,643 | 1.03 |
| GBP | 5,914,000 | United Kingdom Gilt 1.25% 22/10/2041 | 5,896 | 1.08 |
| | | **Total United Kingdom** | **41,195** | **7.53** |
| **UNITED STATES OF AMERICA 37.60% (54.19%)** | | | | |
| | | **AAA 0.37% (0.47%)** | | |
| USD | 1,730,000 | Microsoft 1.55% 08/08/2021 | 1,258 | 0.23 |
| USD | 1,025,000 | Microsoft 2.875% 06/02/2024 | 792 | 0.14 |
| | | **Aaa 32.67% (44.92%)** | | |
| USD | 6,650,000 | Tennessee Valley Authority 5.88% 01/04/2036 | 6,990 | 1.28 |
| USD | 100,000 | United States Treasury Note/Bond 0.25% 31/10/2025 | 71 | 0.01 |
| USD | 4,615,000 | United States Treasury Note/Bond 0.375% 31/07/2027 | 3,187 | 0.58 |
| USD | 11,900,000 | United States Treasury Note/Bond 0.375% 30/09/2027 | 8,190 | 1.50 |
| USD | 3,620,000 | United States Treasury Note/Bond 0.5% 31/10/2027 | 2,508 | 0.46 |
| USD | 3,800,000 | United States Treasury Note/Bond 0.625% 31/03/2027 | 2,683 | 0.49 |
| USD | 2,500,000 | United States Treasury Note/Bond 0.625% 30/11/2027 | 1,744 | 0.32 |
| USD | 15,065,000 | United States Treasury Note/Bond 0.75% 31/01/2028 | 10,573 | 1.93 |
| USD | 9,745,000 | United States Treasury Note/Bond 0.875% 15/11/2030 | 6,635 | 1.21 |
| USD | 56,100,000 | United States Treasury Note/Bond 1.125% 30/06/2021 | 40,737 | 7.45 |
| USD | 5,620,000 | United States Treasury Note/Bond 1.125% 15/02/2031 | 3,910 | 0.72 |
| USD | 4,505,000 | United States Treasury Note/Bond 1.125% 15/05/2040 | 2,725 | 0.50 |
| USD | 31,785,000 | United States Treasury Note/Bond 1.125% 15/08/2040 | 19,144 | 3.50 |
| USD | 7,275,000 | United States Treasury Note/Bond 1.25% 15/05/2050 | 4,060 | 0.74 |
| USD | 15,975,000 | United States Treasury Note/Bond 1.375% 15/08/2050 | 9,216 | 1.69 |
| USD | 13,450,000 | United States Treasury Note/Bond 1.5% 15/08/2026 | 10,045 | 1.84 |
| USD | 26,515,000 | United States Treasury Note/Bond 2.25% 30/04/2021 | 19,252 | 3.52 |
| USD | 26,000,000 | United States Treasury Note/Bond 2.375% 15/03/2021 | 18,827 | 3.44 |
| USD | 5,635,000 | United States Treasury Note/Bond 2.5% 15/05/2046 | 4,265 | 0.78 |
| USD | 2,000,000 | United States Treasury Note/Bond 2.875% 15/08/2045 | 1,621 | 0.30 |
| USD | 2,690,000 | United States Treasury Note/Bond 3.125% 15/08/2044 | 2,267 | 0.41 |
| | | **AA+ 0.85% (3.39%)** | | |
| USD | 2,100,000 | Fannie Mae 5.625% 15/07/2037 | 2,245 | 0.41 |
| USD | 2,270,000 | Federal Home Loan Bank 5.5% 15/07/2036 | 2,419 | 0.44 |
| | | **AA- 0.00% (1.02%)** | | |
| | | **A+ 0.73% (0.47%)** | | |
| USD | 4,475,000 | Port Authority of New York & New Jersey 4.458% 01/10/2062 | 3,990 | 0.73 |
| | | **A 0.76% (0.13%)** | | |
| USD | 2,750,000 | Oracle 2.5% 01/04/2025 | 2,101 | 0.38 |
| USD | 2,750,000 | Oracle 2.625% 15/02/2023 | 2,075 | 0.38 |
| | | **A- 1.09% (0.86%)** | | |
| USD | 2,080,000 | ERAC USA Finance 2.6% 01/12/2021 | 1,528 | 0.28 |
| USD | 3,168,000 | Qualcomm 1.3% 20/05/2028 | 2,223 | 0.41 |
| USD | 2,750,000 | Southern California Edison 3.7% 01/08/2025 | 2,182 | 0.40 |
| | | **BBB+ 1.13% (0.55%)** | | |
| USD | 800,000 | Gilead Sciences 0% 01/03/2022 | 589 | 0.11 |
| USD | 3,850,000 | Goldman Sachs Group 3.5% 01/04/2025 | 3,035 | 0.56 |
| USD | 3,500,000 | NiSource 0.95% 15/08/2025 | 2,492 | 0.46 |
| | | **BBB 0.00% (0.09%)** | | |
| | | **BBB- 0.00% (0.85%)** | | |
| | | **Not Rated 0.00% (1.44%)** | | |
| | | **Total United States of America** | **205,579** | **37.60** |
| **DERIVATIVES -0.34% (1.30%)** | | | | |
| | | **Forward Foreign Exchange Contracts -0.34% (1.30%)** | | |
| | | Sell USD 3,337,599 Buy AUD 4,302,360 Bank of Scotland | (27) | – |
| | | Sell USD 368,120 Buy AUD 474,899 HSBC | (3) | – |
| | | Sell USD 3,958,137 Buy CAD 5,027,352 Barclays[2] | – | – |
| | | Sell USD 713,703 Buy CAD 906,122 HSBC[2] | – | – |
| | | Sell USD 333,770 Buy EUR 277,202 Lloyds | (2) | – |
| | | Sell USD 473,799 Buy EUR 388,442 UBS | (7) | – |
| | | Sell USD 550,627 Buy EUR 456,624 Barclays | (4) | – |
| | | Sell USD 585,358 Buy EUR 481,141 Lloyds | (8) | – |
| | | Sell USD 61,094,697 Buy EUR 50,590,672 Barclays | (486) | (0.09) |
| | | Sell USD 845,508 Buy EUR 699,627 UBS | (7) | – |
| | | Sell USD 255,783 Buy GBP 180,781 HSBC | (4) | – |
| | | Sell USD 37,099,831 Buy GBP 26,709,224 HSBC | (139) | (0.03) |
| | | Sell USD 1,227,216 Buy GBP 876,664 HSBC | (11) | – |

# Threadneedle Global Bond Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **DERIVATIVES -0.34% (1.30%) (continued)** | | | |
| | Sell USD 216,905 | | |
| | Buy JPY 22,817,004 Bank of Scotland | (5) | – |
| | Sell USD 437,666 | | |
| | Buy JPY 46,234,778 HSBC | (8) | – |
| | Sell USD 452,490 | | |
| | Buy JPY 48,364,238 Barclays | (5) | – |
| | Sell USD 84,890,138 | | |
| | Buy JPY 8,996,259,588 Barclays | (1,367) | (0.25) |
| | Sell USD 1,883,692 | | |
| | Buy SEK 15,671,452 Goldman Sachs | (34) | (0.01) |
| | Sell GBP 897,856 | | |
| | Buy USD 1,252,733 Lloyds | 9 | – |
| | Sell GBP 918,326 | | |
| | Buy USD 1,288,079 Barclays | 14 | – |
| | Sell EUR 1,184,420 | | |
| | Buy USD 1,430,233 HSBC | 11 | – |
| | Sell GBP 1,463,551 | | |
| | Buy USD 2,062,315 Bank of Scotland | 29 | 0.01 |
| | Sell GBP 1,748,817 | | |
| | Buy USD 2,442,599 UBS | 19 | – |
| | Sell GBP 1,936,376 | | |
| | Buy USD 2,700,026 HSBC | 18 | – |
| | Sell JPY 27,600,094 | | |
| | Buy USD 258,483 Barclays | 3 | – |
| | Sell GBP 19,216,219 | | |
| | Buy USD 26,669,748 J.P. Morgan | 84 | 0.02 |
| | Sell GBP 2,796,673 | | |
| | Buy USD 3,895,573 Lloyds | 22 | – |
| | Sell JPY 41,889,850 | | |
| | Buy USD 395,361 HSBC | 6 | – |
| | Sell MXN 1,311,025 | | |
| | Buy USD 64,351 Bank of Scotland | 2 | – |
| | Sell GBP 5,541,303 | | |
| | Buy USD 7,734,562 UBS | 56 | 0.01 |
| | Sell JPY 92,492,605 | | |
| | Buy USD 874,957 Lloyds | 16 | – |
| | Sell GBP 716,422 | | |
| | Buy USD 999,990 Barclays | 7 | – |
| | **Total Derivatives** | **(1,821)** | **(0.34)** |
| **Total value of investments[3]** | | **538,893** | **98.56** |
| **Net other assets/(liabilities) (-0.44%)** | | **7,878** | **1.44** |
| **Net assets** | | **546,771** | **100.00** |

*March 2020 comparatives in brackets.*
**Variable rate bonds.*
*[1]Cash equivalents.*
*[2]Less than £500, rounded to nil.*
*[3]Includes Cash equivalents.*

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

| | Value £000 | % of Investment |
|---|---|---|
| Fixed interest | 497,820 | 92.38 |
| Floating rate notes | 42,894 | 7.96 |
| Derivatives | (1,821) | (0.34) |
| **Total value of investments[3]** | **538,893** | **100.00** |

# Threadneedle UK Institutional Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 7.59% (5.52%)** | | | |
| | **Oil & Gas Producers 6.72% (4.44%)** | | |
| 8,941,658 | BP | 28,506 | 2.88 |
| 934,707 | Cairn Energy | 1,912 | 0.19 |
| 2,899,798 | EnQuest | 699 | 0.07 |
| 1,123,402 | Premier Oil | 345 | 0.04 |
| 2,354,166 | Royal Dutch Shell 'B' Shares | 35,011 | 3.54 |
| | **Oil Equipment, Services & Distribution 0.87% (1.08%)** | | |
| 2,684,351 | John Wood Group | 8,630 | 0.87 |
| | **Total Oil & Gas** | **75,103** | **7.59** |
| **BASIC MATERIALS 5.61% (2.34%)** | | | |
| | **Chemicals 2.90% (2.34%)** | | |
| 1,295,585 | Elementis | 1,697 | 0.17 |
| 575,644 | Johnson Matthey | 18,225 | 1.84 |
| 507,027 | Synthomer | 2,291 | 0.23 |
| 301,190 | Victrex | 6,500 | 0.66 |
| | **Industrial Metals & Mining 0.13% (0.00%)** | | |
| 174,121 | Bodycote | 1,284 | 0.13 |
| | **Mining 2.58% (0.00%)** | | |
| 1,159,778 | BHP Group | 25,451 | 2.58 |
| | **Total Basic Materials** | **55,448** | **5.61** |
| **INDUSTRIALS 20.14% (17.78%)** | | | |
| | **Construction & Materials 1.47% (1.71%)** | | |
| 10,025,902 | †Breedon Aggregates | 9,464 | 0.96 |
| 442,073 | Eurocell Group | 902 | 0.09 |
| 1,068,569 | Galliford Try | 1,467 | 0.15 |
| 468,685 | Polypipe Group | 2,653 | 0.27 |
| | **Aerospace & Defence 2.17% (2.65%)** | | |
| 72,969 | Avon Rubber | 2,047 | 0.21 |
| 2,956,631 | BAE Systems | 14,292 | 1.44 |
| 897,875 | Chemring Group | 2,321 | 0.23 |
| 1,650,616 | Senior | 1,807 | 0.18 |
| 58,701 | Ultra Electronics Holdings | 1,138 | 0.11 |
| | **General Industrials 1.31% (1.67%)** | | |
| 863,154 | Smiths Group | 12,990 | 1.31 |
| | **Electronic & Electrical Equipment 0.98% (0.89%)** | | |
| 210,086 | Discoverie Group | 1,387 | 0.14 |
| 583,200 | Morgan Advanced Materials | 1,872 | 0.19 |
| 187,515 | Oxford Instruments | 3,390 | 0.34 |
| 608,028 | TT electronics | 1,240 | 0.13 |
| 35,192 | XP Power | 1,781 | 0.18 |
| | **Industrial Engineering 2.67% (2.49%)** | | |
| 2,847,456 | Rotork | 10,399 | 1.05 |
| 1,312,539 | Severfield | 992 | 0.10 |
| 661,759 | Trifast | 860 | 0.09 |
| 755,014 | Weir Group | 13,511 | 1.37 |
| 422,388 | Xaar | 593 | 0.06 |
| | **Industrial Transportation 2.20% (1.15%)** | | |
| 47,978 | Clarkson | 1,257 | 0.13 |
| 135,677 | James Fisher & Sons | 1,552 | 0.16 |
| 4,182,384 | Royal Mail | 18,942 | 1.91 |
| | **Support Services 9.34% (7.22%)** | | |
| 1,544,629 | Aggreko | 13,824 | 1.40 |
| 166,060 | DCC | 9,724 | 0.98 |
| 1,162,912 | Electrocomponents | 11,117 | 1.12 |
| 688,652 | Essentra | 2,060 | 0.21 |
| 162,465 | Ferguson | 13,605 | 1.38 |
| 5,697,148 | Hays | 8,916 | 0.90 |
| 1,427,140 | Howden Joinery Group | 9,822 | 0.99 |
| 738,036 | Mears Group | 1,317 | 0.13 |
| 418,194 | Northgate | 1,148 | 0.12 |
| 351,997 | PayPoint | 2,091 | 0.21 |
| 2,752,464 | Rentokil Initial | 13,278 | 1.34 |
| 1,779,792 | RPS Group | 1,755 | 0.18 |
| 1,766,735 | Serco Group | 2,251 | 0.23 |
| 2,235,163 | Speedy Hire | 1,466 | 0.15 |
| | **Total Industrials** | **199,231** | **20.14** |
| **CONSUMER GOODS 16.93% (19.15%)** | | | |
| | **Beverages 3.31% (4.32%)** | | |
| 898,622 | Britvic | 7,463 | 0.76 |
| 778,682 | Diageo | 22,901 | 2.32 |
| 838,057 | Stock Spirits Group | 2,305 | 0.23 |
| | **Food Producers 1.45% (1.09%)** | | |
| 193,727 | Hilton Food Group | 2,112 | 0.21 |
| 365,862 | †Hotel Chocolat Group | 1,463 | 0.15 |
| 1,431,071 | Tate & Lyle | 10,762 | 1.09 |
| | **Household Goods & Home Construction 2.73% (3.29%)** | | |
| 590,533 | Crest Nicholson Holdings | 2,209 | 0.22 |
| 396,091 | Reckitt Benckiser Group | 24,835 | 2.51 |
| | **Leisure Goods 0.14% (0.18%)** | | |
| 14,248 | Games Workshop Group | 1,389 | 0.14 |
| | **Personal Goods 6.14% (4.68%)** | | |
| 745,146 | Burberry Group | 13,897 | 1.41 |
| 2,838,650 | Ted Baker | 3,449 | 0.35 |
| 1,061,638 | Unilever | 41,298 | 4.18 |
| 319,034 | Watches of Switzerland Group | 2,010 | 0.20 |
| | **Tobacco 3.16% (5.59%)** | | |
| 530,959 | British American Tobacco | 13,866 | 1.40 |
| 1,253,529 | Imperial Brands | 17,449 | 1.76 |
| | **Total Consumer Goods** | **167,408** | **16.93** |
| **HEALTH CARE 9.37% (12.85%)** | | | |
| | **Health Care Equipment & Services 1.23% (1.64%)** | | |
| 903,457 | Smith & Nephew | 12,206 | 1.23 |
| | **Pharmaceuticals & Biotechnology 8.14% (11.21%)** | | |
| 588,123 | AstraZeneca | 40,328 | 4.08 |
| 149,430 | †Clinigen Group | 1,040 | 0.10 |
| 27,184 | Genus | 1,348 | 0.14 |
| 2,703,711 | GlaxoSmithKline | 33,607 | 3.40 |
| 111,929 | Oxford Biomedica | 1,117 | 0.11 |
| 2,645,506 | Vectura Group | 3,042 | 0.31 |
| | **Total Health Care** | **92,688** | **9.37** |

# Threadneedle UK Institutional Fund

## Portfolio Statement
*(continued)*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **CONSUMER SERVICES 18.08% (18.59%)** | | | |
| | **Food & Drug Retailers 2.52% (3.75%)** | | |
| 5,720,403 | Tesco | 12,808 | 1.29 |
| 6,918,682 | WM Morrison Supermarkets | 12,160 | 1.23 |
| | **General Retailers 1.10% (0.98%)** | | |
| 428,355 | Halfords Group | 1,347 | 0.14 |
| 471,908 | †Joules Group | 925 | 0.09 |
| 5,917,364 | Marks & Spencer Group | 8,607 | 0.87 |
| | **Media 6.28% (5.90%)** | | |
| 23,289 | 4imprint Group | 575 | 0.06 |
| 440,469 | Ascential | 1,612 | 0.16 |
| 210,128 | Euromoney Institutional Investor | 2,173 | 0.22 |
| 259,821 | Future | 4,557 | 0.46 |
| 779,449 | Hyve Group | 1,051 | 0.11 |
| 12,545,707 | ITV | 14,635 | 1.48 |
| 1,960,358 | Pearson | 14,899 | 1.51 |
| 387,588 | Reach | 795 | 0.08 |
| 1,056,566 | RELX (London Listing) | 17,941 | 1.81 |
| 275,230 | S4 Capital | 1,164 | 0.12 |
| 515,120 | STV Group | 1,648 | 0.17 |
| 529,739 | Wilmington Group | 1,001 | 0.10 |
| | **Travel & Leisure 8.18% (7.96%)** | | |
| 1,589,496 | Cineworld Group | 1,663 | 0.17 |
| 764,623 | Compass Group | 11,825 | 1.20 |
| 428,106 | Domino's Pizza Group | 1,319 | 0.13 |
| 1,192,948 | easyJet | 11,638 | 1.18 |
| 8,351,902 | Firstgroup | 7,513 | 0.76 |
| 133,671 | Fuller Smith & Turner | 1,142 | 0.11 |
| 309,803 | Gamesys Group | 4,356 | 0.44 |
| 984,586 | Gym Group | 2,353 | 0.24 |
| 919,547 | Hollywood Bowl Group | 2,078 | 0.21 |
| 468,589 | J D Wetherspoon | 5,862 | 0.59 |
| 327,080 | On The Beach Group | 1,439 | 0.15 |
| 98,273 | Pphe Hotel Group | 1,400 | 0.14 |
| 1,125,272 | Rank Group | 2,014 | 0.20 |
| 1,465,983 | Restaurant Group | 1,532 | 0.15 |
| 1,680,576 | SSP Group | 5,811 | 0.59 |
| 5,175,762 | Stagecoach Group | 4,865 | 0.49 |
| 415,005 | Whitbread | 14,127 | 1.43 |
| | **Total Consumer Services** | **178,835** | **18.08** |
| **TELECOMMUNICATIONS 1.58% (1.68%)** | | | |
| | **Fixed Line Telecommunications 1.58% (1.68%)** | | |
| 11,065,992 | BT Group | 15,653 | 1.58 |
| | **Total Telecommunications** | **15,653** | **1.58** |
| **UTILITIES 1.36% (2.12%)** | | | |
| | **Gas, Water & Multiutilities 1.36% (2.12%)** | | |
| 7,749,245 | Centrica | 4,025 | 0.41 |
| 985,372 | Pennon Group | 9,410 | 0.95 |
| | **Total Utilities** | **13,435** | **1.36** |
| **FINANCIALS 17.10% (16.90%)** | | | |
| | **Banks 6.38% (5.23%)** | | |
| 9,692,854 | Barclays | 16,629 | 1.68 |
| 2,299,448 | HSBC Holdings | 10,062 | 1.02 |
| 7,811,879 | NatWest Group | 14,686 | 1.48 |
| 79,823 | Secure Trust Bank | 750 | 0.08 |
| 4,210,060 | Standard Chartered | 21,017 | 2.12 |
| | **Nonlife Insurance 1.94% (1.45%)** | | |
| 1,053,326 | Hiscox | 9,545 | 0.96 |
| 1,435,511 | RSA Insurance Group | 9,718 | 0.98 |
| | **Life Insurance 3.63% (4.10%)** | | |
| 3,581,151 | Legal & General Group | 9,984 | 1.01 |
| 1,764,057 | Prudential | 25,940 | 2.62 |
| | **Real Estate Investment & Services 0.31% (0.19%)** | | |
| 605,318 | CLS Holdings | 1,326 | 0.13 |
| 166,233 | Savills | 1,789 | 0.18 |
| | **Real Estate Investment Trusts 0.96% (1.19%)** | | |
| 222,532 | Derwent London | 7,393 | 0.75 |
| 872,601 | Newriver REIT | 890 | 0.09 |
| 151,259 | Workspace Group | 1,167 | 0.12 |
| | **Financial Services 3.88% (4.74%)** | | |
| 735,438 | Arrow Global Group | 1,982 | 0.20 |
| 1,344,555 | IP Group | 1,568 | 0.16 |
| 309,910 | JTC | 2,008 | 0.20 |
| 97,552 | Liontrust Asset Management | 1,263 | 0.13 |
| 4,992,935 | M&G | 9,981 | 1.01 |
| 9,140,507 | Melrose Industries | 15,904 | 1.61 |
| 507,827 | Paragon Banking Group | 2,337 | 0.24 |
| 86,385 | Rathbone Brothers | 1,367 | 0.14 |
| 266,191 | Sanne Group IPO | 1,507 | 0.15 |
| 10,513 | Schroders | 353 | 0.04 |
| | **Total Financials** | **169,166** | **17.10** |
| **TECHNOLOGY 1.75% (1.18%)** | | | |
| | **Software & Computer Services 1.49% (0.83%)** | | |
| 70,380 | †Blue Prism Group | 882 | 0.09 |
| 276,428 | Bytes Technology Group | 1,078 | 0.11 |
| 267,583 | FDM Group Holdings IPO | 2,815 | 0.29 |
| 32,986 | †First Derivatives | 889 | 0.09 |
| 1,115,247 | †IQGEO Group | 1,071 | 0.11 |
| 43,409 | Kainos Group | 533 | 0.05 |
| 1,264,887 | Sage Group | 7,468 | 0.75 |
| | **Technology Hardware & Equipment 0.26% (0.35%)** | | |
| 1,060,728 | Spirent Communications | 2,583 | 0.26 |
| | **Total Technology** | **17,319** | **1.75** |
| **COLLECTIVE INVESTMENT SCHEMES 0.30% (1.41%)** | | | |
| | **Liquidity Funds 0.30% (1.41%)[1]** | | |
| 3,002,703 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 3,003 | 0.30 |
| | **Total Collective Investment Schemes** | **3,003** | **0.30** |
| **Total value of investments[2]** | | **987,289** | **99.81** |
| **Net other assets (0.48%)** | | **1,869** | **0.19** |
| **Net assets** | | **989,158** | **100.00** |

*March 2020 comparatives in brackets.*
*[1]Cash equivalents.*
*[2]Includes Cash equivalents.*
*†Alternative Investment Market.*

# Threadneedle UK Equity Opportunities Fund

## Portfolio Statement

*as at 7 March 2021*

| Holding | Investment | Value £000 | % of Net Asset Value |
|---|---|---|---|
| **OIL & GAS 4.08% (4.35%)** | | | |
| | **Oil & Gas Producers 2.49% (2.91%)** | | |
| 122,326 | Royal Dutch Shell 'B' Shares | 1,819 | 2.49 |
| | **Oil Equipment, Services & Distribution 1.59% (1.44%)** | | |
| 361,597 | John Wood Group | 1,162 | 1.59 |
| | **Total Oil & Gas** | **2,981** | **4.08** |
| **BASIC MATERIALS 3.79% (3.25%)** | | | |
| | **Chemicals 3.79% (3.25%)** | | |
| 59,755 | Johnson Matthey | 1,892 | 2.59 |
| 40,390 | Victrex | 872 | 1.20 |
| | **Total Basic Materials** | **2,764** | **3.79** |
| **INDUSTRIALS 22.10% (15.31%)** | | | |
| | **Aerospace & Defence 1.71% (0.94%)** | | |
| 258,989 | BAE Systems | 1,252 | 1.71 |
| | **General Industrials 4.03% (2.21%)** | | |
| 789,252 | Melrose Industries | 1,373 | 1.88 |
| 104,097 | Smiths Group | 1,567 | 2.15 |
| | **Industrial Engineering 2.04% (1.65%)** | | |
| 407,915 | Rotork | 1,490 | 2.04 |
| | **Industrial Transportation 2.60% (0.99%)** | | |
| 418,820 | Royal Mail | 1,897 | 2.60 |
| | **Support Services 11.72% (9.52%)** | | |
| 167,087 | Aggreko | 1,495 | 2.05 |
| 318,857 | Electrocomponents | 3,048 | 4.18 |
| 839,151 | Hays | 1,313 | 1.80 |
| 176,337 | Howden Joinery Group | 1,213 | 1.66 |
| 306,520 | Rentokil Initial | 1,479 | 2.03 |
| | **Total Industrials** | **16,127** | **22.10** |
| **CONSUMER GOODS 13.28% (14.20%)** | | | |
| | **Food Producers 2.43% (2.44%)** | | |
| 235,526 | Tate & Lyle | 1,771 | 2.43 |
| | **Household Goods & Home Construction 3.18% (3.26%)** | | |
| 37,012 | Reckitt Benckiser Group | 2,321 | 3.18 |
| | **Personal Goods 5.26% (5.47%)** | | |
| 59,774 | Burberry Group | 1,115 | 1.53 |
| 243,549 | Ted Baker | 296 | 0.40 |
| 62,434 | Unilever | 2,429 | 3.33 |
| | **Tobacco 2.41% (3.03%)** | | |
| 126,410 | Imperial Brands | 1,760 | 2.41 |
| | **Total Consumer Goods** | **9,692** | **13.28** |
| **HEALTH CARE 9.90% (13.24%)** | | | |
| | **Pharmaceuticals & Biotechnology 9.90% (13.24%)** | | |
| 63,741 | AstraZeneca | 4,371 | 5.99 |
| 229,525 | GlaxoSmithKline | 2,853 | 3.91 |
| | **Total Health Care** | **7,224** | **9.90** |
| **CONSUMER SERVICES 27.60% (29.35%)** | | | |
| | **Food & Drug Retailers 4.74% (6.01%)** | | |
| 591,614 | Tesco | 1,325 | 1.82 |
| 1,212,016 | WM Morrison Supermarkets | 2,130 | 2.92 |
| | **General Retailers 1.77% (1.98%)** | | |
| 888,895 | Marks & Spencer Group | 1,293 | 1.77 |
| | **Media 7.15% (6.53%)** | | |
| 1,232,992 | ITV | 1,438 | 1.97 |
| 259,371 | Pearson | 1,971 | 2.70 |
| 106,485 | RELX (London Listing) | 1,808 | 2.48 |
| | **Travel & Leisure 13.94% (14.83%)** | | |
| 157,618 | easyJet | 1,538 | 2.11 |
| 1,435,884 | Firstgroup | 1,292 | 1.77 |
| 82,928 | J D Wetherspoon | 1,037 | 1.42 |
| 1,009,345 | Rank Group | 1,807 | 2.48 |
| 1,902,143 | Restaurant Group | 1,988 | 2.73 |
| 235,764 | SSP Group | 815 | 1.12 |
| 677,330 | Stagecoach Group | 637 | 0.87 |
| 30,965 | Whitbread | 1,054 | 1.44 |
| | **Total Consumer Services** | **20,133** | **27.60** |
| **TELECOMMUNICATIONS 2.14% (2.08%)** | | | |
| | **Fixed Line Telecommunications 2.14% (2.08%)** | | |
| 1,102,705 | BT Group | 1,560 | 2.14 |
| | **Total Telecommunications** | **1,560** | **2.14** |
| **UTILITIES 0.95% (1.41%)** | | | |
| | **Gas, Water & Multiutilities 0.95% (1.41%)** | | |
| 1,329,441 | Centrica | 690 | 0.95 |
| | **Total Utilities** | **690** | **0.95** |
| **FINANCIALS 15.55% (16.98%)** | | | |
| | **Banks 4.41% (3.58%)** | | |
| 796,461 | NatWest Group | 1,497 | 2.05 |
| 345,591 | Standard Chartered | 1,725 | 2.36 |
| | **Nonlife Insurance 2.16% (2.66%)** | | |
| 173,609 | Hiscox | 1,573 | 2.16 |
| | **Life Insurance 3.31% (4.48%)** | | |
| 164,352 | Prudential | 2,417 | 3.31 |
| | **Financial Services 5.67% (6.26%)** | | |
| 185,237 | 3i Group | 2,103 | 2.88 |
| 461,540 | M&G | 923 | 1.27 |
| 2,236,190 | Sherborne Investors Guernsey | 1,109 | 1.52 |
| | **Total Financials** | **11,347** | **15.55** |
| **Total value of investments** | | **72,518** | **99.39** |
| **Net other assets/(liabilities) (-0.17%)** | | **445** | **0.61** |
| **Net assets** | | **72,963** | **100.00** |

*March 2020 comparatives in brackets.*

# Performance Summary for the twelve months ended 28 February 2021

| Fund Name | Sector | Index | Class 1 Net Return % | Class 2 Net Return % | Sector Median Net Return % | Index Total Return % |
|---|---|---|---|---|---|---|
| **UNITED KINGDOM** | | | | | | |
| **UK Fund** | IA UK All Companies | FTSE ALL-SHARE (TR) | +3.24 | +3.83 | +5.58 | +3.50 |
| **UK Select Fund** | IA UK All Companies | FTSE ALL-SHARE (TR) | +4.64 | +5.25 | +5.58 | +3.50 |
| **UK Smaller Companies Fund** | IA UK Smaller Companies | Numis Smaller Companies Index ex Investment Companies | +22.45 | +23.17 | +20.43 | +16.21 |
| **UK Growth & Income Fund** | IA UK All Companies | FTSE ALL-SHARE (TR) | +1.78 | +2.35 | +5.58 | +3.50 |
| **UK Equity Income Fund** | IA UK Equity Income | FTSE ALL-SHARE (TR) | +4.11 | +4.66 | +2.63 | +3.50 |
| **UK Monthly Income Fund** | IA UK Equity Income | FTSE ALL-SHARE (TR) | +0.31 | +0.84 | +2.63 | +3.50 |
| **Monthly Extra Income Fund** | IA UK Equity and Bond Income | 80% FTSE All Share, 20% ICE BofA Sterling Corp & Collaterized (USD Unhedged) | +2.24 | – | +2.51 | +3.37 |
| **Sterling Corporate Bond Fund** | IA £ Corporate Bond | iBoxx GBP Non-Gilts | +2.22 | +2.56 | +1.80 | +1.07 |
| **Strategic Bond Fund** | IA £ Strategic Bond | iBoxx GBP Non-Gilts 1-10 Years (60%), ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) (40%) | +5.22 | +5.79 | +3.57 | +3.62 |
| **Sterling Bond Fund** | IA UK Gilts | FTSE Actuaries UK Conventional Gilts All Stocks | –5.22 | – | –4.63 | –4.22 |
| **UK Institutional Fund** | IA UK All Companies | FTSE ALL-SHARE (TR) | +3.60 | +4.40 | +5.58 | +3.50 |
| **UK Equity Opportunities Fund** | IA UK All Companies | FTSE ALL-SHARE (TR) | – | +1.60 | +5.58 | +3.50 |
| **EUROPE** | | | | | | |
| **European Fund** | IA Europe Excluding UK | FTSE World Europe ex UK – Total Return | +16.67 | +17.34 | +15.43 | +14.44 |
| **European Select Fund** | IA Europe Excluding UK | FTSE World Europe ex UK – Total Return | +20.10 | +20.76 | +15.43 | +14.44 |
| **European Smaller Companies Fund** | Morningstar Category Europe ex-UK Small_Mid-Cap Eq | EMIX Smaller European Companies Ex UK | +30.86 | +31.66 | +31.56 | +28.99 |
| **European Bond Fund** | – | ICE BofA Pan-Europe Broad Market | +1.96 | – | – | –0.06 |
| **US** | | | | | | |
| **American Fund** | IA North America | S&P 500 | +27.65 | +28.29 | +22.41 | +19.95 |
| **American Select Fund** | IA North America | S&P 500 | +25.73 | +26.44 | +22.41 | +19.95 |
| **American Smaller Companies Fund** | Morningstar Category US Mid-Cap Equity | Russell 2500 | +53.35 | +54.22 | +27.28 | +33.30 |
| **Dollar Bond Fund** | Morningstar Category USD Diversified Bond | ICE BofA US Treasury Master (50%), ICE BofA Eurodollar Global (50%) | –4.65 | – | –6.95 | –7.85 |
| **JAPAN** | | | | | | |
| **Japan Fund** | IA Japan | MSCI Japan | +35.16 | +35.93 | +22.27 | +17.72 |

## Performance Summary for the twelve months ended 28 February 2021 (continued)

| Fund Name | Sector | Index | Class 1 Net Return % | Class 2 Net Return % | Sector Median Net Return % | Index Total Return % |
|---|---|---|---|---|---|---|
| **PACIFIC BASIN&EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN** | | | | | | |
| **Asia Fund** | IA Asia Pacific Excluding Japan | MSCI AC Asia Pacific ex Japan – Gross Return | +37.05 | +37.86 | +31.28 | +27.61 |
| **Latin America Fund** | Morningstar Category Latin American Equity | MSCI EM Latin America 10-40 | –2.61 | –2.01 | –14.08 | –14.00 |
| **Emerging Market Bond Fund**[1] | Morningstar Category Global Emerging Markets Bond | J.P. Morgan Emerging Market Bond Index Global (EMBI Global) | –6.75 | –6.26 | –5.93 | –7.73 |
| **GLOBAL** | | | | | | |
| **High Yield Bond Fund** | IA £ High Yield | ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) | +5.07 | +5.62 | +5.58 | +5.83 |
| **Global Select Fund** | IA Global | MSCI AC World Index – Gross Return | +21.49 | +22.19 | +20.92 | +19.56 |
| **Global Bond Fund** | Morningstar Category Global Bond | J.P. Morgan Government Bond Index Global (GBI Global) | –6.06 | –5.64 | –4.27 | –6.34 |
| **CASH** | | | | | | |
| **Sterling Short–Term Money Market Fund** | – | 1 Month GBP London Interbank Bid Rate (LIBID) | –0.01 | – | – | –0.03 |

[1]Gross Shareclasses used

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

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

# Risk and Reward Profiles

| Fund | Share Class | SRRI* |
|---|---|---|
| **UK Fund** | Class 1 – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | **Class L – Gross income shares | 6 |
| | **Class L – Gross accumulation shares | 6 |
| | Class X – Income shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **UK Select Fund** | Class 1 – Income shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class D – Accumulation shares | 6 |
| | Class L – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class X2 – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Gross accumulation shares | 6 |
| **UK Smaller Companies Fund** | Class 1 – Income shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class X – Income shares | 6 |
| | Class X – Gross accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| | Class Z CHF Hedged – Gross accumulation shares | 6 |
| **UK Growth & Income Fund** | Class 1 – Income shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class X – Gross accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **UK Equity Income Fund** | Class 1 – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class D – Income shares | 6 |
| | Class L – Income shares | 6 |
| | Class L – Accumulation shares | 6 |
| | Class X – Income shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **UK Monthly Income Fund** | Class 1 – Income shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class X – Gross income shares | 6 |
| | Class X – Gross accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| **Monthly Extra Income Fund** | Class 1 – Income shares | 5 |
| | Class 1 EUR Hedged – Income shares | 5 |
| | Class 1 EUR Hedged – Accumulation shares | 5 |
| | Class X – Gross income shares | 5 |
| | Class X – Gross accumulation shares | 5 |
| | Class Z – Income shares | 5 |
| | Class Z – Accumulation shares | 5 |
| | Class Z EUR Hedged – Accumulation shares | 5 |
| **Sterling Corporate Bond Fund** | Class 1 – Income shares | 3 |
| | Class 1 – Accumulation shares | 3 |
| | Class 1 – Gross income shares | 3 |
| | Class 2 – Income shares | 3 |
| | Class 2 – Gross accumulation shares | 3 |
| | Class L – Income shares | 3 |
| | Class L – Accumulation shares | 3 |
| | Class L – Gross income shares | 3 |
| | Class X – Gross income shares | 3 |
| | Class X – Gross accumulation shares | 3 |

# Risk and Reward Profiles

*(continued)*

| Fund | Share Class | SRRI* |
|---|---|---|
| **Sterling Bond Fund** | Class 1 – Income shares | 4 |
| | Class 1 – Gross accumulation shares | 4 |
| | Class X – Gross income shares | 4 |
| | Class X – Gross accumulation shares | 4 |
| | Class Z – Income shares | 4 |
| | Class Z – Gross accumulation shares | 4 |
| **Sterling Short-Term Money Market Fund** | Class 1 – Income shares | 1 |
| | Class 2 – Accumulation shares | 1 |
| | Class X – Gross accumulation shares | 1 |
| **European Fund** | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class D – Accumulation shares | 6 |
| | Class L – Income shares | 6 |
| | Class L – Accumulation shares | 6 |
| | Class L GBP Hedged – Income shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class X2 – Accumulation shares | 6 |
| | Class X GBP Hedged – Gross accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **European Select Fund** | Class 1 – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 2 – Income shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class 2 USD Hedged – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **European Smaller Companies Fund** | Class 1 – Income shares | 6 |
| | Class 1 EUR – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Gross accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **European Bond Fund** | Class 1 – Income shares | 4 |
| | Class 1 – Gross accumulation shares | 4 |
| | Class 2 – Gross accumulation shares | 4 |
| | Class X – Gross accumulation shares | 4 |
| | Class Z – Income shares | 4 |
| | Class Z – Gross accumulation shares | 4 |
| **Strategic Bond Fund** | Class 1 – Income shares | 3 |
| | Class 1 – Gross income shares | 3 |
| | Class 2 – Income shares | 3 |
| | Class 2 – Gross income shares | 3 |
| | Class 2 – Gross accumulation shares | 3 |
| | Class X – Gross accumulation shares | 3 |
| | Class Z – Income shares | 3 |
| | Class Z – Gross income shares | 3 |
| | Class Z – Gross accumulation shares | 3 |
| **American Fund** | Class 1 – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class X GBP Hedged – Gross accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **American Select Fund** | Class 1 – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| | Class Z CHF Hedged – Accumulation shares | 6 |
| | Class Z GBP Hedged – Accumulation shares | 6 |

# Risk and Reward Profiles

*(continued)*

| Fund | Share Class | SRRI* |
|---|---|---|
| **American Smaller Companies Fund (US)** | Class 1 – Income shares | 6 |
| | Class 1 – Accumulation shares | 6 |
| | Class 1 EUR – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **Dollar Bond Fund** | Class 1 – Income shares | 4 |
| | Class 1 – Gross accumulation shares | 4 |
| | Class X – Gross accumulation shares | 4 |
| | Class Z – Income shares | 4 |
| | Class Z – Gross accumulation shares | 4 |
| **Japan Fund** | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Income shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class X2 – Accumulation shares | 6 |
| | Class X GBP Hedged – Gross accumulation shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **Asia Fund** | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class X2 – Accumulation shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **Latin America Fund** | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Accumulation shares | 6 |
| **Emerging Market Bond Fund** | Class 1 – Income shares | 5 |
| | Class 1 – Gross income shares | 5 |
| | Class 1 – Gross accumulation shares | 5 |
| | Class 2 – Income shares | 5 |
| | Class 2 – Gross accumulation shares | 5 |
| | Class X – Gross income shares | 5 |
| | Class X – Gross accumulation shares | 5 |
| | Class Z – Income shares | 5 |
| | Class Z – Gross income shares | 5 |
| | Class Z – Gross accumulation shares | 5 |
| **High Yield Bond Fund** | Class 1 – Income shares | 4 |
| | Class 1 – Gross income shares | 4 |
| | Class 1 USD Hedged – Gross income shares | 4 |
| | Class 1 – Gross accumulation shares | 4 |
| | Class 2 – Income shares | 4 |
| | Class 2 – Gross income shares | 4 |
| | Class 2 – Gross accumulation shares | 4 |
| | Class X – Gross income shares | 4 |
| | Class X – Gross accumulation shares | 4 |
| | Class Z – Income shares | 4 |
| | Class Z – Accumulation shares | 4 |
| | Class Z – Gross income shares | 4 |
| | Class Z – Gross accumulation shares | 4 |
| **Global Select Fund** | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |
| | Class Z – Accumulation shares | 6 |

# Risk and Reward Profiles

*(continued)*

| Fund | Share Class | SRRI* |
|---|---|---|
| **Global Bond Fund** | Class 1 – Income shares | 4 |
| | Class 1 – Accumulation shares | 4 |
| | Class 1 – Gross income shares | 4 |
| | Class 1 – Gross accumulation shares | 4 |
| | Class 2 – Income shares | 4 |
| | Class 2 – Gross accumulation shares | 4 |
| | Class X – Gross accumulation shares | 4 |
| | Class Z – Income shares | 4 |
| | Class Z – Gross income shares | 4 |
| | Class Z – Gross accumulation shares | 4 |
| **UK Institutional Fund** | Class 1 – Accumulation shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class X – Gross accumulation shares | 6 |
| **UK Equity Opportunities Fund** | Class 2 – Income shares | 6 |
| | Class 2 – Accumulation shares | 6 |
| | Class Z – Income shares | 6 |

** As at 7 March 2021 the synthetic risk and reward indicator (SRRI) is explained in the table below:*

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

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

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

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The KIID contains the current SRRI.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

The risk and reward profile of UK Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Smaller Companies Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Growth & Income Fund changed to a 6 for all share classes on 24 July 2020.

The risk and reward profile of Monthly Extra Income Fund changed to a 5 for all share classes on 12 June 2020.

The risk and reward profile of the European Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of European Smaller Companies Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of American Select Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of High Yield Bond Fund changed to a 4 for all share classes on 3 July 2020.

The risk and reward profile of Global Select Fund changed to a 6 for all share classes on 31 July 2020.

The risk and reward profile of UK Institutional Fund changed to a 6 for all share classes on 24 July 2020.

The risk and reward profile of UK Equity Opportunities Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Select Fund changed to a 6 for all share classes on 12 February 2021.

The risk and reward profile of UK Equity Income Fund changed to a 6 for all share classes on 24 December 2020 and 8 January 2021.

The risk and reward profile of UK Monthly Income Fund changed to a 6 for all share classes on 19 February 2021.

The risk and reward profile of American Fund changed to a 6 for all share classes on 12 June 2020.

The risk and reward profile of European Select Fund changed to a 6 for all share classes on 16 February 2021.

***For launch dates, refer to the footnotes after the fund's comparative table.*

# Important Information

Threadneedle Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

### Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, International Financial Data Services, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has been authorised as a 'UK UCITS Scheme' for the purposes of the FCA Rules.

Other funds may be launched in the future.

### Key Investor Information Document – Subscription requirements

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

### Changes to the management of the ACD

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

- Resignation of P Stone on 15 June 2020.

### Changes to the Prospectus

During the period from 8 March 2020 to 7 March 2021 the following changes were made to the Prospectus of the Company:

- Change to the board directors of the ACD;
- Fee reductions to reflect Asset Management Market Study remedies;
- Updated Brexit risk wording and new COVID-19 and LIBOR Replacement risk wording;
- Updated capital gains tax exemption for 2020/21;
- Registrar name change from DST Financial Services Europe Ltd to SS&C Financial Services Europe Ltd.;
- Updated share class descriptions;
- Amendments required as a result of changes to UK law, rules and regulations affecting collective investment schemes following the UK's exit from the European Union;
- Updates to eligible securities markets and eligible derivatives markets;
- Updated dilution adjustment estimates;
- Updated performance figures;
- Updated share class information.

### Changes to the Instrument of Incorporation

No changes were made to the instrument of incorporation of the Company during the period from 8 March 2020 to 7 March 2021.

### Brexit

The UK's departure from the European Union (EU) single market became effective from 1 January 2021 with the end of the Brexit transition period and the post-Brexit trade deal between the UK and EU taking effect at 11pm on 31 December 2020.

As a result of the UK leaving the EU, UK funds managed by a UK manager such as the Funds will no longer qualify as EEA UCITS Schemes under the UCITS Directive and can therefore no longer benefit from the passporting rights under the European UCITS regime. Under the UCITS Directive, both the collective investment funds and their managers must be established and registered or authorised in the EU in order to be able to market funds to retail and professional investors across the EU.

The Funds, authorised as UK UCITS Schemes, still follow all the same rules and regulations as EEA UCITS Schemes, but they can no longer be marketed in the EEA States using a UCITS passport.

### COVID-19

The coronavirus disease 2019 (COVID-19) public health crisis has become a pandemic that has resulted in, and may continue to result in, significant global economic and societal disruption and market volatility due to disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls and supply chain disruption, among others. Such disruptions may be caused, or exacerbated by, quarantines and travel restrictions, workforce displacement and loss in human and other resources. The uncertainty surrounding the magnitude, duration, reach, costs and effects of the global pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, present unknowns that are yet to unfold. The impacts, as well as the uncertainty over impacts to come, of COVID-19 – and any other infectious illness outbreaks, epidemics and pandemics that may arise in the future – could negatively affect global economies and markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illness outbreaks and epidemics in emerging market countries may be greater due to generally less established healthcare systems, governments and financial markets. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The disruptions caused by COVID-19 could prevent the Company from executing advantageous investment decisions in a timely manner and negatively impact the Company's ability to achieve their investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the Company.

# Important Information

*(continued)*

### Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

https://www.columbiathreadneedle.co.uk/en/value-assessmentreport?it=Private

https://www.columbiathreadneedle.co.uk/en/value-assessmentreport?it=Intermediary

https://www.columbiathreadneedle.co.uk/en/value-assessmentreport?it=Institutional

### Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 28 different sub-funds. Several classes of share may be issued in respect of the fund, distinguished by their criteria for subscription and fee structure.

| Share Class | Minimum Investment | Availability |
|---|---|---|
| Class 1 (including Hedged Shares) | GBP 2,000<br>EUR 2,500<br>USD 3,000<br>JPY 280,000<br>CHF 3,000<br>SGD 4,000 | All investors, and typically where rebates are paid to the investor or commission is paid to an intermediary. |
| Class 2 (including Hedged Shares) | GBP 0.5 million<br>EUR 0.75 million<br>USD 0.8 million<br>JPY 70 million<br>CHF 1.2 million | Institutional investors and retail investors.<br>At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients. |
| Class D | GBP 2,000 | All investors at the ACD's discretion |
| Class L | GBP 100 million | Institutional investors and retail investors at the ACD's discretion. |
| Class M (including Hedged Shares) | AUD 750<br>USD 3,000 | All investors at the ACD's discretion |
| Class N (including Hedged Shares) | USD 1.5 million | All investors not precluded by law or by the terms of the Prospectus.<br>At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients. |
| Class X (including Hedged Shares) | GBP 3 million<br>EUR 5 million<br>USD 5 million<br>JPY 420 million<br>AUD 5 million | Eligible Shareholders investing under a specific agreement. |
| Class Z (including Hedged Shares) | GBP 1 million<br>EUR 1.5 million<br>USD 1.5 million<br>JPY 140 million<br>CHF 1.5 million | All investors not precluded by law or by the terms of the Prospectus.<br>At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients. |

### Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- "Portfolio Currency" or "Portfolio Currencies" means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

### Income Equalisation

Since each Fund operates equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

### Investor Reports

Annual long-form reports and financial statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period.

The annual accounting period for the Company ends on 7 March and the interim reporting period ends on 7 September.

Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

The Auditors gave their opinion on the financial statements presented in English. They take no responsibility for the translation of these financial statements. Where there is any inconsistency between the version presented in English and any translation, the English language version has precedent.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

### Foreign Account Tax Compliance Act (FATCA)

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

### Common reporting standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

### Holdings in shares of other funds of the Company

None of the funds of the Company held shares in other funds of the Company (listed on the contents page on page 1) at the end of the period.

# Important Information

*(continued)*

### Remuneration Disclosures

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Sárl ("TAM Sárl" or "the Group"), as it applies to Threadneedle Investments Services Limited ("the Manager") in respect of the Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive and other applicable rules and guidance. The Remuneration Policy applies to all its subsidiary entities to which the UCITS Directives requirements apply, and was last approved by the Remuneration Committee in June 2020.

### 1. The Remuneration Committee

The Remuneration Committee of TAM Sárl is a sub-committee of the TAM Sárl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Current Committee Members are Mr Walter Berman, Mr Ted Truscott and Mr William Turner. Meetings are normally held in January, March, June, September and December. The Group's Global Head of Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

### 2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Real Estate business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the Company's discretion, subject to final oversight and approval from the Remuneration Committee. The pools for Real Estate, Distribution and Investments Special Incentive Plans (the "SIPs") are determined 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 funding for support roles forms part of the global 'AIA' plan, with funding to each region and business determined by a comprehensive balanced Business Unit Assessment in context of the overall Ameriprise Financial group's performance. All pools are set in context of the risk and control environment maintained during the year and may be adjusted top-down to reflect any material issues in that regard. 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 its oversight and approval of the Total Incentive pools for the year in question.

### 3. Determining Individual Total Incentive Awards

Individual reward decisions under all incentive plans 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 EMEA Heads of Risk and Compliance also report directly to the Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

### Pay for Performance

The bottom-up element of the SIP 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 Real Estate divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped, and weighted more heavily to longer time periods, so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available funding, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's behavioural Leadership expectations (our Values), each of which is separately rated on a 5-point scale to ensure the behavioural 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 EMEA Heads of Risk and Compliance providing input as required to ensure balance and due reflection of risk management. For Sales, Real Estate and Investment incentives there is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

### Delivery of Total Incentives

Threadneedle believes that deferred awards for higher earners and risk-takers are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for Code Staff and those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Code Staff/Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund-linked units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

### 4. Identified Staff

The Manager defines its Code Staff/Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

### 5. Remuneration Payment Disclosure

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 14 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2020 performance year was £1.10m, of which £0.48m was fixed and £0.62m 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 £6.79m, of which £2.87m was fixed and £3.92m was variable. Total Remuneration paid to delegated managers of UCITS regulated funds was £0.40m, of which £0.08m was fixed and £0.32m was variable.

# Important Information

*(continued)*

**Key Risks of the Fund:**

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

| Funds/ Key risks | Investment | Currency | No Capital Guarantee | Counterparty | Issuer | Political and Financial | Liquidity | Effect of Portfolio Concentration | Inflation | Interest Rate | Valuation | Short Selling | Investment in Derivatives | Leverage | Derivatives for EPM / Hedging | Volatility | High Volatility | Investment in Deposits | China-Hong Kong Stock Connect | China Interbank Bond Market - Hong Kong Bond Connect |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UK Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| UK Select Fund | X | X | | | | | | X | | | | | | | X | X | | | | |
| UK Smaller Companies Fund | X | X | | | | | X | | | | | | | | X | X | | | | |
| UK Growth & Income Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| UK Equity Income Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| UK Monthly Income Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| Monthly Extra Income Fund | X | X | | | X | | X | | X | X | | | | | X | X | | | | |
| Sterling Corporate Bond Fund | X | X | | | X | | X | | X | X | | | | | X | | | | | |
| High Yield Bond Fund | X | X | | | X | | X | | X | X | X | | | | X | X | | | | |
| Strategic Bond Fund | X | X | | X | X | | X | | X | X | X | X | X | X | | | | | | |
| Sterling Bond Fund | X | X | | | X | | X | | X | X | | | | | X | | | | | |
| Sterling Short-Term Money Market Fund | X | | X | X | | | | | X | | | | | | X | | | X | | |
| European Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| European Select Fund | X | X | | | | | | X | | | | | | | X | X | | | | |
| European Smaller Companies Fund | X | X | | | | | X | | | | | | | | X | X | | | | |
| European Bond Fund | X | X | | | X | | X | | X | X | | | | | X | | | | | |
| American Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| American Select Fund | X | X | | | | | | X | | | | | | | X | X | | | | |
| American Smaller Companies Fund (US) | X | X | | | | | X | | | | | | | | X | | X | | | |
| Dollar Bond Fund | X | X | | | X | | X | | X | X | | | | | X | | | | | |
| Japan Fund | X | X | | | | | | | | | | | | | X | | X | | | |
| Asia Fund | X | X | | | | X | X | | | | | | | | X | | X | | X | |
| Latin America Fund | X | X | | | | X | X | | | | | | | | X | | X | | | |
| Emerging Market Bond Fund | X | X | | | X | X | X | | X | X | | | | | X | X | | | | X |
| Global Select Fund | X | X | | | | | | X | | | | | | | X | X | | | | |
| Global Bond Fund | X | X | | | X | | X | | X | X | | | | | X | | | | | |
| UK Institutional Fund | X | X | | | | | | | | | | | | | X | X | | | | |
| UK Equity Opportunities Fund | X | X | | | | | | | | | | | | | X | X | | | | |

**Description of the Key Risks:**

**Investment Risk:** The value of investments can fall as well as rise and investors might not get back the sum originally invested.

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

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

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

# Important Information

*(continued)*

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

**Political and Financial Risk:** The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

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

**Effect of Portfolio Concentration Risk:** The Fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

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

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

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

**Short Selling Risk:** Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

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

**Leverage Risk:** Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

**Derivatives for EPM / Hedging Risk:** The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

**Volatility Risk:** The fund may exhibit significant price volatility.

**High Volatility Risk:** The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

**Investment in Deposits:** The Investment Policy of the fund allows it to invest principally in deposits.

**China-Hong Kong Stock Connect:** The Fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk.

**China Interbank Bond Market - Hong Kong Bond Connect:** The Fund may invest in the China Interbank Bond Market (CIBM) via Hong Kong Bond Connect which is subject to regulatory, volatility and liquidity risk, as well as risks associated with settlement, default of counterparties and market suspension. Furthermore, the Fund may incur significant trading, taxation and realisation costs.

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

# Directory

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and regulated by the FCA and PRA)
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**Name changed from DST Financial Services Europe Limited to SS&C Financial Services Europe Limited on the 31 March 2020.*
***Calls will be recorded.*

# Directory

*(continued)*

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Threadneedle Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 482 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15. 2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended. A list of the appointed local distributors and Funds and share classes available for public distribution in Spain is available at the CNMV web page (www.cnmv.es).

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COLUMBIA THREADNEEDLE INVESTMENTS

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