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INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS  
THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC  
OCTOBER 2018

# THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC

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

## Company Information

### Company

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

### Registered Office

Cannon Place, 78 Cannon Street, London EC4N 6AG

### Director

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

### Board of Directors of the ACD

K Cates (non-executive)  
D Jordison (Resigned from the Board on 1 May 2018)  
D Kremer  
A Roughead (non-executive)  
M Scrimgeour  
P Stone (Appointed to the Board on 5 September 2018)  
L Weatherup

## Authorised Corporate Director's Report

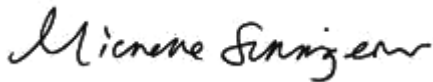
The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle Specialist Investment Funds ICVC for the 6 months to 31 October 2018.

The ACD has considered the impact of Brexit for investors in its funds and made a recommendation to investors in the Pan European Equity Dividend Fund that they should vote in favour of a resolution to transfer the fund, using a cross-border UCITS merger, to an equivalent Luxembourg-based fund, in order to provide continuity and certainty for investors. For EU investors, the transfer will remove uncertainty regarding the future status of their investment in their home country. Shareholders voted in favour of the proposal at a meeting of shareholders held on 24 August 2018. Following the merger, which took place on 6 October 2018, the fund has been closed and is now in the process of being wound up. Accordingly the going concern basis of preparation is no longer appropriate for this fund and its financial statements have been prepared on a basis other than going concern as described in Note 1(a) to the financial statements of this fund.

The Global Opportunities Bond Fund will be closed on 9 January 2019. Accordingly the going concern basis of preparation is no longer appropriate for this sub-fund and its financial statements have been prepared on a basis other than going concern.

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

Thank you for your continued support.



**M Scrimgeour**  
Director

## DIRECTORS' STATEMENTS

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



**L Weatherup**  
Director

**M Scrimgeour**  
Director

10 December 2018

## Threadneedle UK Mid 250 Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Mid 250 Fund has fallen from 267.27p to 243.74p.

For comparison, using noon prices, the performance of the Class 1 share class was -8.80% and -8.53% for the Class 2 share class compared to a return of -5.13% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE Mid 250 (ex Investment Trusts) Index was -6.68%.

#### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Mid-caps lagged the broader market against a backdrop of ongoing uncertainties around Brexit and fears over the resulting implications for the domestic economy. Having thrashed out a new Brexit strategy with her cabinet in July, Prime Minister Theresa May was surprised to see her foreign secretary and Brexit secretary both resign in protest.

These developments increased fears of a Conservative leadership challenge, in turn raising the prospect of an early general election and potentially a new Labour government.

A raft of unfavourable global factors also soured sentiment towards UK equities, and caused investors to become wary of mid-caps. These included jitters around geopolitics, global trade, the approaching end of the "easy money" era, emerging-market volatility and the Italian government's free-spending budget proposals. More encouragingly, UK equities benefited from increased takeover activity and robust corporate earnings, and, in the case of exporters and overseas earners, sterling's weakness.

Brexit-related uncertainties reinforced already-muted expectations around the pace of UK interest-rate rises. The Bank of England hiked rates by 25 basis points in August, as inflation continued to exceed its target, while improving economic indicators convinced policymakers that the soft patch earlier this year had indeed been due to the unseasonable cold spell. Encouragingly for consumers, pay rises continued to outstrip inflation. In October's Budget, the chancellor announced increased spending, to be funded by higher-than-expected tax receipts. He also outlined measures to lower costs for retailers and plans for a digital services tax: both factors are expected to be positive for the high street, which has been hurt by tight margins and the rise in online shopping.

The review period saw several stocks added to the portfolio, notably engineering company Weir, home improvement business HomeServe and biotechnology firm Genus. Weir should benefit from an uplift in capital expenditure, as improving profitability develops in the commodities sector. HomeServe is well positioned to capitalise on the substantial opportunities presented by the digitalisation of the home improvements industry. In our view, Genus can continue to

add significant value from investment in new technologies involving pig and cattle breeding.

We profitably closed our positions in Melrose Industries, Spirax-Sarco Engineering and GVC Holdings. BTG was also sold. In our view, the healthcare firm's transition towards interventional medicine has been hampered by the mixed success of its Mergers and Acquisitions strategy. This has hurt revenues and we chose to recycle proceeds into higher conviction opportunities.

We retain our view that inflation driven by sterling-related cost increases has peaked; however, the headline rate is easing more slowly than we had forecast, due to higher commodity prices, particularly oil. The continued tightness of labour supply, combined with slower investment due to the uncertainties around Brexit, is leading to lower productivity and higher wage growth. We expect that much of the increase in disposable income resulting from higher wage growth would be invested into pensions. As a result, we anticipate more weakness in consumer spending in the first half of 2019. More encouragingly, the weaker pound continues to benefit some businesses.

While the mid-cap index is perceived to be largely domestic-oriented, many firms are seeing growth opportunities overseas and therefore the UK economy cannot be considered to be the sole driver of the index. We would also note that the fund is currently positioned with less exposure than the index to UK domestics.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(5,953)	8,811
Revenue	1,312	1,307
Expenses	(486)	(581)
Net revenue before taxation	826	726
Taxation	–	–
Net revenue after taxation	826	726
<b>Total return before equalisation</b>	<b>(5,127)</b>	<b>9,537</b>
Equalisation	(211)	(47)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(5,338)</b>	<b>9,490</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	61,177	92,316
<b>Current assets:</b>		
Debtors	2,293	4,553
Cash and bank balances	1,059	980
Total assets	64,529	97,849
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(1,669)	(1,353)
Total liabilities	(1,669)	(1,353)
<b>Net assets attributable to shareholders</b>	<b>62,860</b>	<b>96,496</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>96,496</b>	<b>116,282</b>
Amounts receivable on the issue of shares	3,097	5,963
Amounts payable on the cancellation of shares	(31,421)	(21,887)
	(28,324)	(15,924)
Dilution adjustment	26	52
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(5,338)	9,490
<b>Closing net assets attributable to shareholders</b>	<b>62,860</b>	<b>109,900</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle UK Mid 250 Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	266.89	252.12	215.87	290.35	272.68	232.13
Return before operating charges (p)	(21.27)	19.14	39.91	(23.19)	20.77	43.14
Operating charges (p)	(2.24)	(4.37)	(3.66)	(1.62)	(3.10)	(2.59)
Return after operating charges (p)*	(23.51)	14.77	36.25	(24.81)	17.67	40.55
Distributions (p)	–	(0.71)	(1.54)	–	(2.42)	(3.04)
Retained distributions on accumulation shares (p)	–	0.71	1.54	–	2.42	3.04
Closing net asset value per share (p)	243.38	266.89	252.12	265.54	290.35	272.68
*after direct transaction costs of (p)	0.66	0.85	0.80	0.73	0.92	0.87
<b>Performance</b>						
Return after charges (%)	(8.81)	5.86	16.79	(8.54)	6.48	17.47
<b>Other information</b>						
Closing net asset value (£000)	14,045	15,605	14,959	5,189	28,923	41,427
Closing number of shares	5,770,880	5,847,185	5,933,290	1,954,152	9,961,319	15,192,158
Operating charges (%)**	1.65 <sup>†</sup>	1.65	1.65	1.08 <sup>†</sup>	1.08	1.08
Direct transaction costs (%)***	0.49	0.32	0.36	0.49	0.32	0.36
<b>Prices</b>						
Highest share price (p)	283.29	285.04	252.41	308.42	309.51	272.98
Lowest share price (p)	239.49	250.98	189.90	261.28	271.77	204.41
	Class X – Accumulation shares			Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	120.66	112.16	94.50	201.47	188.90	160.53
Return before operating charges (p)	(9.73)	8.54	17.69	(16.12)	14.36	29.86
Operating charges (p)	(0.01)	(0.04)	(0.03)	(0.93)	(1.79)	(1.49)
Return after operating charges (p)*	(9.74)	8.50	17.66	(17.05)	12.57	28.37
Distributions (p)	–	(2.23)	(2.25)	–	(2.02)	(2.39)
Retained distributions on accumulation shares (p)	–	2.23	2.25	–	2.02	2.39
Closing net asset value per share (p)	110.92	120.66	112.16	184.42	201.47	188.90
*after direct transaction costs of (p)	0.30	0.38	0.35	0.50	0.64	0.60
<b>Performance</b>						
Return after charges (%)	(8.07)	7.58	18.69	(8.46)	6.65	17.67
<b>Other information</b>						
Closing net asset value (£000)	3	4	3	43,623	51,964	59,893
Closing number of shares	3,000	3,000	3,000	23,654,252	25,793,053	31,707,053
Operating charges (%)**	0.02 <sup>†</sup>	0.03	0.03	0.90 <sup>†</sup>	0.90	0.90
Direct transaction costs (%)***	0.49	0.32	0.36	0.49	0.32	0.36
<b>Prices</b>						
Highest share price (p)	128.32	128.21	112.27	214.05	214.66	189.10
Lowest share price (p)	109.13	111.96	83.37	181.45	188.33	141.41

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

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

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

## Threadneedle UK Mid 250 Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	5,847,185
Shares issued	133,965
Shares redeemed	(202,525)
Net conversions	(7,745)
Closing shares	<u>5,770,880</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	9,961,319
Shares issued	631,948
Shares redeemed	(8,632,790)
Net conversions	(6,325)
Closing shares	<u>1,954,152</u>
<b>Class X – Accumulation shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	25,793,053
Shares issued	423,670
Shares redeemed	(2,581,830)
Net conversions	19,359
Closing shares	<u>23,654,252</u>

## Threadneedle Ethical UK Equity Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

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

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

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

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

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

Over the six months to 31 October 2018, the published share price of Class Z – Accumulation shares in the Threadneedle Ethical UK Equity Fund has fallen from 124.71p to 119.34p.

For comparison, using noon prices, the performance of the Class Z share class was -4.31% and -4.50% for the Class T share class compared to a return of -5.13% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI UK IMI extended SRI Index was -5.02%.

### Market Overview and Portfolio Activity

Over the review period, sustainability developments in the UK market centred around social impact investments, and the issue of Unilever's proposed restructuring and move to the Netherlands. We have contributed to a government-appointed taskforce aiming to foster impact investing in the UK. This June, the taskforce hosted an event on furthering its work and implementing its recommendations, which included assessing how our outcomes-focused funds have pioneered impact investment.

Unilever's proposals were seen as sub-optimal as well as controversial. These were withdrawn in early October, following shareholder collaboration and engagement. The company – a long-term holding in this fund – is a sustainable leader in its sector.

In terms of financial markets, UK equities had a difficult half-year amid jitters around geopolitics, global trade, emerging-market volatility, the Italian government's free-spending budget proposals, the approaching end of the "easy money" era, and most of all – Brexit. More encouragingly, UK equities benefited from increased takeover activity and robust corporate earnings, and, in the case of exporters and overseas earners, sterling's weakness.

Brexit-related uncertainties reinforced already-muted expectations around the pace of UK interest-rate rises. The Bank of England hiked rates by 25 basis points in August, as inflation continued to exceed its target, while improving economic indicators convinced policymakers that the soft patch earlier this year had indeed been due to harsh weather.

During the review period, we initiated new positions in 1Spatial (via a placing), BT and Tekmar. All three contribute to sustainable outcomes, including some high-intensity ones.

1Spatial's geospatial data services enable significant time and money savings for clients, many of whom provide core sustainability and social services. Furthermore, 1Spatial contributes to enhanced safety benefits and improved services for their clients' end customers.

We added BT to the portfolio, following extensive engagement and research. BT is the largest investor in UK communications. BT's investments in ultrafast should have a positive effect on the UK's GDP. The firm has around 900,000 small and medium-sized enterprises

customers, for whom strong internet and telecommunications may be particularly important in keeping them competitive and, ultimately, contributing to the economy. BT also has a specific inclusion target to reach 10 million socially disadvantaged customers by 2020 and is increasingly seeking to deliver positive environmental impacts.

Tekmar is a market leading provider of cable protection for offshore wind energy. The company is a strong addition to our Energy and Climate Transition theme.

We also topped up several existing positions, chiefly Just Group.

Exits included CityFibre Infrastructure, which was acquired by infrastructure investment consortium Connect Infrastructure at a premium in June.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

This year volatility has returned to equity markets and last year's rotation into cyclical has been somewhat reappraised. A further escalation in trade tensions combined with the growing shift towards quantitative tightening and certain other factors could put further pressure on reflation trades.

At a stock level, we still see numerous pockets of value, especially in the more defensive areas of the UK market. There is also a strong cohort of UK-listed firms – even some with truly global operations – which still trade at significant discounts to their international counterparts. These favourable valuations should help ensure that UK firms remain popular candidates for takeover bids, which have accelerated this year.

In terms of the UK economy, productivity growth should help contain cost pressures and inflation expectations. Falling inflation should provide a tailwind to businesses and, combined with high employment, should lead to higher real wage growth; however, we feel most of the resulting increase in disposable income will be saved. We anticipate continued weakness in some areas of consumer demand.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(1,250)	626
Revenue	337	287
Expenses	(167)	(168)
Net revenue before taxation	170	119
Taxation	–	–
Net revenue after taxation	170	119
<b>Total return before distributions</b>	<b>(1,080)</b>	<b>745</b>
Distributions	(170)	(119)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(1,250)</b>	<b>626</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	22,600	24,196
<b>Current assets:</b>		
Debtors	46	168
Cash and bank balances	448	659
<b>Total assets</b>	<b>23,094</b>	<b>25,023</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(154)	(173)
Other creditors	(41)	(69)
<b>Total liabilities</b>	<b>(195)</b>	<b>(242)</b>
<b>Net assets attributable to shareholders</b>	<b>22,899</b>	<b>24,781</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>24,781</b>	<b>24,850</b>
Amounts receivable on the issue of shares	610	464
Amounts payable on the cancellation of shares	(1,255)	(754)
	(645)	(290)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,250)	626
Retained distribution on accumulation shares	13	8
<b>Closing net assets attributable to shareholders</b>	<b>22,899</b>	<b>25,194</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Dividend distribution in pence per share

#### Class T – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.8110	–	0.8110	0.5562
<b>Group 2</b> 01/05/18 to 31/10/18	0.4154	0.3956	0.8110	0.5562
<b>Total distributions in the period</b>			<b>0.8110</b>	<b>0.5562</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	1.1050	–	1.1050	0.8215
<b>Group 2</b> 01/05/18 to 31/10/18	0.3943	0.7107	1.1050	0.8215
<b>Total distributions in the period</b>			<b>1.1050</b>	<b>0.8215</b>

Group 2: shares purchased during a distribution period.



## Threadneedle Ethical UK Equity Fund

### Comparative Table Disclosure

	Class T – Income shares			Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	118.98	117.30	98.99	124.41	120.71	100.12
Return before operating charges (p)	(4.62)	4.71	21.24	(4.84)	4.85	21.67
Operating charges (p)	(0.82)	(1.59)	(1.44)	(0.60)	(1.15)	(1.08)
Return after operating charges (p)*	(5.44)	3.12	19.80	(5.44)	3.70	20.59
Distributions (p)	(0.81)	(1.44)	(1.49)	(1.11)	(1.98)	(1.95)
Retained distributions on accumulation shares (p)	–	–	–	1.11	1.98	1.95
Closing net asset value per share (p)	112.73	118.98	117.30	118.97	124.41	120.71
*after direct transaction costs of (p)	0.07	0.21	0.21	0.08	0.21	0.22
<b>Performance</b>						
Return after charges (%)	(4.57)	2.66	20.00	(4.37)	3.07	20.57
<b>Other information</b>						
Closing net asset value (£000)	21,439	23,387	23,837	1,460	1,394	1,013
Closing number of shares	19,017,956	19,655,832	20,321,664	1,227,100	1,120,438	839,594
Operating charges (%)**	1.34 <sup>1</sup>	1.34	1.35	0.94 <sup>1</sup>	0.94	0.96
Direct transaction costs (%)***	0.12	0.17	0.19	0.12	0.17	0.19
<b>Prices</b>						
Highest share price (p)	125.71	122.46	118.33	131.62	126.26	121.05
Lowest share price (p)	111.03	111.36	92.55	116.32	115.54	93.67

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

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

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

## Threadneedle Ethical UK Equity Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class T – Income shares</b>	
Opening shares	19,655,832
Shares issued	246,247
Shares redeemed	(884,123)
Net conversions	–
Closing shares	<u>19,017,956</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	1,120,438
Shares issued	245,099
Shares redeemed	(138,437)
Net conversions	–
Closing shares	<u>1,227,100</u>

## Threadneedle UK Extended Alpha Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Extended Alpha Fund has fallen from 473.48p to 445.24p.

For comparison, using noon prices, the performance of the Class 1 share class was -5.96% and -5.70% for the Class 2 share class

compared to a return of -5.13% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was -3.52%.

#### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Factors that soured sentiment included ongoing uncertainties around Brexit and fears over the resulting implications on domestic politics and economics. Having thrashed out a new Brexit strategy with her cabinet in July, Prime Minister Theresa May was surprised to see her foreign secretary and Brexit secretary both resign in protest. These developments increased fears of a Conservative leadership challenge, in turn raising the prospect of an early general election and potentially a new Labour government.

UK equities were also hurt by jitters around geopolitics, global trade, the approaching end of the "easy money" era, emerging-market volatility and the Italian government's free-spending budget proposals. More encouragingly, UK equities benefited from increased takeover activity and robust corporate earnings, and, in the case of exporters and overseas earners, sterling's weakness.

Brexit-related uncertainties reinforced already-muted expectations around the pace of UK interest-rate rises. The Bank of England hiked rates by 25 basis points in August, as inflation continued to exceed its target, while improving economic indicators convinced policymakers that the soft patch earlier this year had indeed been due to the unseasonable cold spell. Encouragingly for consumers, pay rises continued to outstrip inflation. In October's Budget, the chancellor announced increased spending, to be funded by higher-than-expected tax receipts. He also outlined measures to lower costs for retailers and plans for a digital services tax: both factors are expected to be positive for the high street, which has been hurt by tight margins and the rise in online shopping.

In the long book, we took advantage of share-price weakness to initiate a position in technology firm Micro Focus. We believe its shares have de-rated too far and offer an attractive yield; the company enjoys high margins, strong cash flow and has the option to break-up if trading deteriorates further. Other new

additions to the long book included Associated British Foods (ABF) and Smiths Group. ABF has a strong balance sheet and an impressive management team focused on long-term value creation. Engineering firm Smiths Group is trading at a significant discount relative to its peer group.

We profitably closed our positions in Burberry and Rotork. The former has performed well over the last few quarters, in part due to the boost from sterling's weakness to its overseas earnings. We also exited TP ICAP as trading volumes remain subdued given the flattening of the US yield curve.

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

Despite uncertainties about the UK's political and economic prospects, and the global shift towards quantitative tightening, we still feel that there are pockets of value in the UK market. A strong cohort of UK-listed companies, including some overseas earners, remain undervalued relative to globally-listed peers, which should enable UK firms to continue to attract takeover bids. These have gathered pace this year as corporates have sought to capitalise on the value arbitrage opportunity.

We also believe that there is value in defensives, where we feel that there are opportunities in companies whose underlying fundamentals have stabilised but are trading at low valuations relative to cyclicals.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(9,019)	2,294
Revenue	2,486	2,271
Expenses	(565)	(556)
Interest payable and similar charges	(360)	(323)
Net revenue before taxation	1,561	1,392
Taxation	–	–
Net revenue after taxation	1,561	1,392
<b>Total return before equalisation</b>	<b>(7,458)</b>	<b>3,686</b>
Equalisation	29	(111)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(7,429)</b>	<b>3,575</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	2018 £000	April 2018 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments	121,099	125,902	
<b>Current assets:</b>			
Debtors	571	1,830	
Cash and bank balances	3,945	12,008	
Total assets	125,615	139,740	
<b>Liabilities:</b>			
<b>Investment liabilities</b>	(618)	–	
<b>Creditors:</b>			
Other creditors	(168)	(12,119)	
Total liabilities	(786)	(12,119)	
<b>Net assets attributable to shareholders</b>	<b>124,829</b>	<b>127,621</b>	

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>127,621</b>	<b>125,527</b>
Amounts receivable on the issue of shares	13,324	8,891
Amounts payable on the cancellation of shares	(8,687)	(17,372)
	4,637	(8,481)
Dilution adjustment	–	13
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(7,429)	3,575
<b>Closing net assets attributable to shareholders</b>	<b>124,829</b>	<b>120,634</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle UK Extended Alpha Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	473.27	449.80	385.34	510.38	482.36	410.94
Return before operating charges (p)	(24.92)	29.90	70.34	(26.94)	32.17	75.19
Operating charges (p)	(3.30)	(6.43)	(5.88)	(2.13)	(4.15)	(3.77)
Return after operating charges (p)*	(28.22)	23.47	64.46	(29.07)	28.02	71.42
Distributions (p)	–	(8.15)	(7.64)	–	(11.53)	(10.68)
Retained distributions on accumulation shares (p)	–	8.15	7.64	–	11.53	10.68
Closing net asset value per share (p)	445.05	473.27	449.80	481.31	510.38	482.36
*after direct transaction costs of (p)	0.55	1.68	1.59	0.59	1.81	1.69
<b>Performance</b>						
Return after charges (%)	(5.96)	5.22	16.73	(5.70)	5.81	17.38
<b>Other information</b>						
Closing net asset value (£000)	5,309	5,551	5,743	119,513	122,063	119,778
Closing number of shares	1,192,918	1,172,837	1,276,758	24,831,096	23,916,107	24,831,469
Operating charges (%)**	1.39 <sup>†</sup>	1.40	1.40	0.83 <sup>†</sup>	0.84	0.84
Direct transaction costs (%)***	0.23	0.37	0.38	0.23	0.37	0.38
<b>Prices</b>						
Highest share price (p)	489.46	480.95	452.41	528.02	517.83	485.03
Lowest share price (p)	434.28	439.96	367.13	469.63	474.18	391.86

	Class X – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	233.73	219.21	185.33
Return before operating charges (p)	(12.39)	14.68	34.02
Operating charges (p)	(0.07)	(0.16)	(0.14)
Return after operating charges (p)*	(12.46)	14.52	33.88
Distributions (p)	–	(6.99)	(6.38)
Retained distributions on accumulation shares (p)	–	6.99	6.38
Closing net asset value per share (p)	221.27	233.73	219.21
*after direct transaction costs of (p)	0.27	0.83	0.76
<b>Performance</b>			
Return after charges (%)	(5.33)	6.62	18.28
<b>Other information</b>			
Closing net asset value (£000)	7	7	6
Closing number of shares	3,000	3,000	3,000
Operating charges (%)**	0.06 <sup>†</sup>	0.07	0.07
Direct transaction costs (%)***	0.23	0.37	0.38
<b>Prices</b>			
Highest share price (p)	241.97	236.61	220.33
Lowest share price (p)	215.88	216.98	176.93

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

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

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

## Threadneedle UK Extended Alpha Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	1,172,837
Shares issued	105,746
Shares redeemed	(85,665)
Net conversions	–
Closing shares	<u>1,192,918</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	23,916,107
Shares issued	2,525,173
Shares redeemed	(1,610,184)
Net conversions	–
Closing shares	<u>24,831,096</u>
<b>Class X – Accumulation shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

## Threadneedle UK Equity Alpha Income Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Income shares in the Threadneedle UK Equity Alpha Income Fund has fallen from 67.19p to 65.72p.

For comparison, using noon prices, the performance of the Class 1 share class was -0.08% and +0.21% for the Class 2 share class compared to a return of -4.94% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was -3.52%.

#### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Factors that soured sentiment included ongoing uncertainties around Brexit and fears over the resulting implications on domestic politics and economics. Having thrashed out a new Brexit strategy with her cabinet in July, Prime Minister Theresa May was surprised

to see her foreign secretary and Brexit secretary both resign in protest. These developments increased fears of a Conservative leadership challenge, in turn raising the prospect of an early general election and potentially a new Labour government.

UK equities were also hurt by jitters around geopolitics, global trade, the approaching end of the "easy money" era, emerging-market volatility and the Italian government's free-spending budget proposals. More encouragingly, UK equities benefited from increased takeover activity and robust corporate earnings, and, in the case of exporters and overseas earners, sterling's weakness.

Brexit-related uncertainties reinforced already-muted expectations around the pace of UK interest-rate rises. The Bank of England hiked rates by 25 basis points in August, as inflation continued to exceed its target, while improving economic indicators convinced policymakers that the soft patch earlier this year had indeed been due to the unseasonable cold spell. Encouragingly for consumers, pay rises continued to outstrip inflation. In October's Budget, the chancellor announced increased spending, to be funded by higher-than-expected tax receipts. He also outlined measures to lower costs for retailers and plans for a digital services tax: both factors are expected to be positive for the high street, which has been hurt by tight margins and the rise in online shopping.

Over the review period, we focused on adding to our existing holdings, chiefly Phoenix Group, Restaurant Group and Castings. We participated in the right issue of Phoenix Group, which helped finance the company's acquisition of Standard Life Aberdeen's UK and European insurance businesses. Restaurant Group is seeing improved earnings from its pubs and concessions business, while management's efforts to stabilise the restaurant brands are starting to bear fruit. Though Castings has been impacted by issues within its machining division, the company retains its strong, largely debt-free

balance sheet while cashflows should improve as its recent course of capital expenditure rolls off.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

With the return of volatility in recent months, we have seen market leadership broaden out as last year's global cyclicals trade has been somewhat reappraised. A further escalation in trade tensions combined with the growing shift towards quantitative tightening could see these nascent moves develop into a more sustained market rotation into defensives.

At a stock level, we still see numerous pockets of value. Several of the less economically sensitive areas in the UK market still appear very out of favour. There is also a strong cohort of UK-listed firms – even some with truly global operations – which remain at significant discounts to their international counterparts. These favourable valuations should help ensure that UK firms remain popular candidates for takeover bids. This year, we have seen overall deal volumes accelerate and activists take stakes in UK firms; this is largely because of depressed valuations and sterling's weakness.

In a broader context, we are cautious about the gradual withdrawal of global liquidity, and the risks this could pose for equities. We are also mindful that the increased influence of passive investments could amplify any synchronised market downturn, just as it has supported earlier gains.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(9,746)	3,241
Revenue	18,769	18,689
Expenses	(4,168)	(4,501)
Interest payable and similar charges	(1)	–
Net revenue before taxation	14,600	14,188
Taxation	–	–
Net revenue after taxation	14,600	14,188
<b>Total return before distributions</b>	<b>4,854</b>	<b>17,429</b>
Distributions	(16,490)	(16,428)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(11,636)</b>	<b>1,001</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	700,879	774,148
<b>Current assets:</b>		
Debtors	2,124	7,898
Cash and bank balances	4,384	13,656
Total assets	707,387	795,702
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(15,373)	(17,145)
Other creditors	(929)	(1,359)
Total liabilities	(16,302)	(18,504)
<b>Net assets attributable to shareholders</b>	<b>691,085</b>	<b>777,198</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>777,198</b>	<b>827,170</b>
Amounts receivable on the issue of shares	11,066	18,957
Amounts payable on the cancellation of shares	(85,543)	(37,988)
	(74,477)	(19,031)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(11,636)	1,001
<b>Closing net assets attributable to shareholders</b>	<b>691,085</b>	<b>809,140</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/10/18	1.4367	–	1.4367	1.3683
<b>Group 2</b>				
01/05/18 to 31/10/18	0.5209	0.9158	1.4367	1.3683
<b>Total distributions in the period</b>			<b>1.4367</b>	<b>1.3683</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/10/18	1.5330	–	1.5330	1.4600
<b>Group 2</b>				
01/05/18 to 31/10/18	0.6954	0.8376	1.5330	1.4600
<b>Total distributions in the period</b>			<b>1.5330</b>	<b>1.4600</b>

## Threadneedle UK Equity Alpha Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	2.3121	–	2.3121	2.2020
<b>Group 2</b> 01/05/18 to 31/10/18	2.3121	–	2.3121	2.2020
<b>Total distributions in the period</b>			<b>2.3121</b>	<b>2.2020</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	2.9799	–	2.9799	2.8380
<b>Group 2</b> 01/05/18 to 31/10/18	1.3647	1.6152	2.9799	2.8380
<b>Total distributions in the period</b>			<b>2.9799</b>	<b>2.8380</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Equity Alpha Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	65.70	68.31	61.29	69.83	72.24	64.48
Return before operating charges (p)	0.52	1.28	11.01	0.54	1.36	11.64
Operating charges (p)	(0.56)	(1.10)	(1.07)	(0.39)	(0.76)	(0.74)
Return after operating charges (p)*	(0.04)	0.18	9.94	0.15	0.60	10.90
Distributions (p)	(1.44)	(2.79)	(2.92)	(1.53)	(3.01)	(3.14)
Closing net asset value per share (p)	64.22	65.70	68.31	68.45	69.83	72.24
*after direct transaction costs of (p)	0.02	0.06	0.08	0.02	0.06	0.08
<b>Performance</b>						
Return after charges (%)	(0.06)	0.26	16.22	0.21	0.83	16.90
<b>Other information</b>						
Closing net asset value (£000)	77,013	83,269	101,101	436,392	483,456	480,324
Closing number of shares	119,926,025	126,739,101	147,998,197	637,557,492	692,353,946	664,928,344
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.05	0.08	0.12	0.05	0.08	0.12
<b>Prices</b>						
Highest share price (p)	70.41	72.20	70.38	74.95	76.39	74.43
Lowest share price (p)	64.21	61.52	58.59	68.42	65.39	61.70

	Class X – Income shares			Class Z – Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	107.65	110.25	97.43	139.15	143.58	127.85
Return before operating charges (p)	0.80	2.06	17.62	1.06	2.70	23.06
Operating charges (p)	(0.01)	(0.02)	(0.02)	(0.64)	(1.25)	(1.21)
Return after operating charges (p)*	0.79	2.04	17.60	0.42	1.45	21.85
Distributions (p)	(2.31)	(4.64)	(4.78)	(2.98)	(5.88)	(6.12)
Closing net asset value per share (p)	106.13	107.65	110.25	136.59	139.15	143.58
*after direct transaction costs of (p)	0.03	0.09	0.12	0.04	0.12	0.16
<b>Performance</b>						
Return after charges (%)	0.73	1.85	18.06	0.30	1.01	17.09
<b>Other information</b>						
Closing net asset value (£000)	3	3	3	177,677	210,470	245,742
Closing number of shares	3,000	3,000	3,000	130,076,573	151,257,373	171,147,904
Operating charges (%)**	0.02 <sup>†</sup>	0.02	0.02	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.05	0.08	0.12	0.05	0.08	0.12
<b>Prices</b>						
Highest share price (p)	115.88	116.69	113.59	149.43	151.86	147.89
Lowest share price (p)	105.98	100.74	93.39	136.45	130.23	122.37

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

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

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



# Threadneedle UK Equity Alpha Income Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	<b>2018</b>
<b>Class 1 – Income shares</b>	
Opening shares	126,739,101
Shares issued	985,605
Shares redeemed	(7,262,642)
Net conversions	(536,039)
Closing shares	<u>119,926,025</u>
<b>Class 2 – Income shares</b>	
Opening shares	692,353,946
Shares issued	2,116,364
Shares redeemed	(56,912,818)
Net conversions	–
Closing shares	<u>637,557,492</u>
<b>Class X – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class Z – Income shares</b>	
Opening shares	151,257,373
Shares issued	6,200,577
Shares redeemed	(27,633,903)
Net conversions	252,526
Closing shares	<u>130,076,573</u>

## Threadneedle UK Absolute Alpha Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Absolute Alpha Fund has fallen from 134.31p to 129.30p.

For comparison, using noon prices, the performance of the Class 1 share class was -3.73% and -3.46% for the Class 2 share class compared to a return of -1.85% for the Morningstar UK Unit Trusts/OEICS – (IA) UK Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the UK LIBOR 3 Month returned +0.36%.

### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Factors that soured sentiment included ongoing uncertainties around Brexit, and fears over the resulting implications on the UK's economy and political leadership.

The UK stockmarket was also hurt by jitters around geopolitics, global trade, the approaching end of the "easy money" era, emerging-market volatility and the Italian government's free-spending budget proposals. More encouragingly, UK equities benefited from increased takeover activity and robust corporate earnings, and, in the case of exporters and overseas earners, sterling's weakness.

Brexit-related uncertainties reinforced already-muted expectations around the pace of UK interest-rate rises. The Bank of England hiked rates by 25 basis points in August, as inflation continued to exceed its target, while improving economic indicators convinced policymakers that the soft patch earlier this year had indeed been due to the unseasonable cold spell. Encouragingly for consumers, pay rises continued to outstrip inflation. In October's Budget, the chancellor announced increased spending, to be funded by higher-than-expected tax receipts. He also outlined measures to lower costs for retailers and plans for a digital services tax: both factors are expected to be positive for the high street, which has been hurt by tight margins and the rise in online shopping.

We undertook several trades over the period, especially in October, when we reviewed the fund's positioning and the portfolio's risk. We concluded that the long book was overly economically sensitive, while the short book was inadequately diversified. In response, we sold out of or reduced exposure to several cyclical names in the long book, while in the short book, we initiated positions in areas such as capital equipment rental, consumables for the steel industry, recruitment and advertising. We also increased shorts in richly valued areas such as technology and online retail; we feel these stocks are vulnerable to rising interest rates.

The fund ended the review period with several new additions to both the long and the short book. The former cohort included GlaxoSmithKline, BT, Reckitt Benckiser, Imperial Brands and Micro Focus.

For GlaxoSmithKline, we are positive about: the move towards a more focused research & development approach; recent vaccine launches; the transformation of the pharma pipeline; the increasing earnings

momentum; better cost management; supply chain optimisation; and the potential for synergies from consumer integration following the Novartis buy-in.

Though BT is still facing some challenges, satisfactory resolution in some of the areas of market concern – such as its pension deficit, uncertainties around the rollout of fibre and the separation of Openreach – should allow the company to focus on execution.

Reckitt Benckiser is trading at a favourable valuation, relative to overseas peers, despite being a globally diversified business. We also feel the separation of health and hygiene/home segments is likely to create value.

In our view, Imperial Brands has a competitive core offering while its measured approach to building its non-combustible proposition appears promising.

We believe Micro Focus is underrated by the market, its shares offer an attractive yield and the company enjoys strong margins and cashflows, and has the option to break-up if trading deteriorates further.

Despite uncertainties about the UK's political and economic prospects, and the global shift towards quantitative tightening, we still feel that there are pockets of value in the UK market. A strong cohort of UK-listed companies, including some overseas earners, remain undervalued relative to globally-listed peers, which should enable UK firms to continue to attract takeover bids. These have gathered pace this year as corporates have sought to capitalise on the value arbitrage opportunity.

We also believe that there is value in defensives, where we feel that there are opportunities in companies whose underlying fundamentals have stabilised but are trading at low valuations relative to cyclicals.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(19,363)	9,756
Revenue	6,484	5,134
Expenses	(2,624)	(3,291)
Interest payable and similar charges	(3,135)	(4,146)
Net revenue/(expense) before taxation	725	(2,303)
Taxation	–	–
Net revenue/(expense) after taxation	725	(2,303)
<b>Total return before equalisation</b>	<b>(18,638)</b>	<b>7,453</b>
Equalisation	(57)	6
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(18,695)</b>	<b>7,459</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	414,914	525,083
<b>Current assets:</b>		
Debtors	6,037	3,627
Cash and bank balances	71,340	74,336
Cash equivalents**	50,219	50,076
Total assets	542,510	653,122
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1)	(7,544)
<b>Creditors:</b>		
Other creditors	(1,555)	(9,216)
Total liabilities	(1,556)	(16,760)
<b>Net assets attributable to shareholders</b>	<b>540,954</b>	<b>636,362</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>636,362</b>	<b>686,529</b>
Amounts receivable on the issue of shares	30,101	113,943
Amounts payable on the cancellation of shares	(106,829)	(103,674)
	(76,728)	10,269
Dilution adjustment	15	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(18,695)	7,459
<b>Closing net assets attributable to shareholders</b>	<b>540,954</b>	<b>704,257</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

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

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	134.21	135.67	135.54	135.77		
Return before operating charges (p)	(3.92)	0.74	2.29	(5.75)		
Operating charges (p)	(1.09)	(2.20)	(2.16)	(0.82)		
Return after operating charges (p)*	(5.01)	(1.46)	0.13	(6.57)		
Distributions (p)	–	–	–	–		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	129.20	134.21	135.67	129.20		
*after direct transaction costs of (p)	0.14	0.31	0.39	0.14		
<b>Performance</b>						
Return after charges (%)	(3.73)	(1.08)	0.10	(4.84)		
<b>Other information</b>						
Closing net asset value (£000)	8,277	14,547	20,954	3,494		
Closing number of shares	6,406,277	10,839,143	15,444,784	2,704,341		
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.63 <sup>†</sup>		
Performance fee (%)	–	–	–	–		
Direct transaction costs (%)***	0.21	0.23	0.29	0.21		
<b>Prices</b>						
Highest share price (p)	136.25	137.03	137.31	135.01		
Lowest share price (p)	129.22	131.56	129.09	129.22		
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.88	119.37	110.91	106.02	106.56	105.87
Return before operating charges (p)	(3.34)	4.53	10.34	(3.10)	0.56	1.77
Operating charges (p)	(1.00)	(2.02)	(1.88)	(0.55)	(1.10)	(1.08)
Return after operating charges (p)*	(4.34)	2.51	8.46	(3.65)	(0.54)	0.69
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	117.54	121.88	119.37	102.37	106.02	106.56
*after direct transaction costs of (p)	0.13	0.28	0.34	0.11	0.24	0.30
<b>Performance</b>						
Return after charges (%)	(3.56)	2.10	7.63	(3.44)	(0.51)	0.65
<b>Other information</b>						
Closing net asset value (£000)	9,391	11,433	16,262	3	3	3
Closing number of shares	7,989,850	9,380,087	13,623,761	3,000	3,000	3,000
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.62	1.03 <sup>†</sup>	1.03	1.05
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.21	0.23	0.29	0.21	0.23	0.29
<b>Prices</b>						
Highest share price (p)	125.54	129.93	125.12	107.67	107.69	107.28
Lowest share price (p)	116.27	118.33	108.49	102.38	103.89	101.15

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	138.80	139.50	138.57	140.51		
Return before operating charges (p)	(4.05)	0.78	2.37	(5.95)		
Operating charges (p)	(0.74)	(1.48)	(1.44)	(0.55)		
Return after operating charges (p)*	(4.79)	(0.70)	0.93	(6.50)		
Distributions (p)	–	–	–	–		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	134.01	138.80	139.50	134.01		
*after direct transaction costs of (p)	0.15	0.32	0.40	0.15		
<b>Performance</b>						
Return after charges (%)	(3.45)	(0.50)	0.67	(4.63)		
<b>Other information</b>						
Closing net asset value (£000)	91,085	94,473	95,196	3,943		
Closing number of shares	67,967,981	68,065,164	68,240,443	2,942,378		
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	1.06 <sup>†</sup>		
Performance fee (%)	–	–	–	–		
Direct transaction costs (%)***	0.21	0.23	0.29	0.21		
<b>Prices</b>						
Highest share price (p)	140.96	140.97	140.44	139.78		
Lowest share price (p)	134.02	136.00	132.41	134.02		
	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	133.58	130.09	120.15	101.83	101.50	100.03
Return before operating charges (p)	(3.68)	4.92	11.28	(2.99)	0.39	1.53
Operating charges (p)	(0.71)	(1.43)	(1.34)	(0.03)	(0.06)	(0.06)
Return after operating charges (p)*	(4.39)	3.49	9.94	(3.02)	0.33	1.47
Distributions (p)	–	–	–	–	(0.66)	(0.75)
Retained distributions on accumulation shares (p)	–	–	–	–	0.66	0.75
Closing net asset value per share (p)	129.19	133.58	130.09	98.81	101.83	101.50
*after direct transaction costs of (p)	0.14	0.31	0.37	0.11	0.23	0.29
<b>Performance</b>						
Return after charges (%)	(3.29)	2.68	8.27	(2.97)	0.33	1.47
<b>Other information</b>						
Closing net asset value (£000)	41,194	48,999	135,089	48,047	52,573	49,162
Closing number of shares	31,886,906	36,682,370	103,842,844	48,626,848	51,630,949	48,436,200
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	0.06 <sup>†</sup>	0.06	0.06
Performance fee (%)	–	–	–	–	0.18	–
Direct transaction costs (%)***	0.21	0.23	0.29	0.21	0.23	0.29
<b>Prices</b>						
Highest share price (p)	137.84	141.86	135.88	103.37	102.89	101.59
Lowest share price (p)	127.77	129.66	117.62	98.81	99.70	96.08

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	105.63	105.98	105.09	123.81	124.22	123.18
Return before operating charges (p)	(3.08)	0.58	1.80	(3.62)	0.68	2.10
Operating charges (p)	(0.47)	(0.93)	(0.91)	(0.55)	(1.09)	(1.06)
Return after operating charges (p)*	(3.55)	(0.35)	0.89	(4.17)	(0.41)	1.04
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	102.08	105.63	105.98	119.64	123.81	124.22
*after direct transaction costs of (p)	0.11	0.24	0.30	0.13	0.28	0.35
<b>Performance</b>						
Return after charges (%)	(3.36)	(0.33)	0.85	(3.37)	(0.33)	0.84
<b>Other information</b>						
Closing net asset value (£000)	61,555	70,650	57,997	232,741	266,720	296,436
Closing number of shares	60,302,128	66,882,172	54,723,180	194,529,235	215,425,163	238,637,618
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>	0.88	0.88
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.21	0.23	0.29	0.21	0.23	0.29
<b>Prices</b>						
Highest share price (p)	107.29	107.12	106.52	125.75	125.55	124.85
Lowest share price (p)	102.09	103.49	100.51	119.65	121.30	117.81
<b>Class Z CHF Hedged – Accumulation shares</b>						
	31/10/2018	30/04/2018	30/04/2017	<b>Class Z EUR Hedged – Accumulation shares</b>		
				31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.93	115.41	105.81	118.83	115.49	106.45
Return before operating charges (p)	1.93	(7.47)	10.87	(3.29)	4.40	10.03
Operating charges (p)	(0.49)	(1.01)	(1.27)	(0.52)	(1.06)	(0.99)
Return after operating charges (p)*	1.44	(8.48)	9.60	(3.81)	3.34	9.04
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	108.37	106.93	115.41	115.02	118.83	115.49
*after direct transaction costs of (p)	0.12	0.26	0.42	0.13	0.27	0.33
<b>Performance</b>						
Return after charges (%)	1.35	(7.35)	9.07	(3.21)	2.89	8.49
<b>Other information</b>						
Closing net asset value (£000)	144	185	396	40,962	76,578	12,585
Closing number of shares	132,638	172,625	342,397	35,613,598	64,442,114	10,896,822
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.87	0.88 <sup>†</sup>	0.88	0.88
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.21	0.23	0.29	0.21	0.23	0.29
<b>Prices</b>						
Highest share price (p)	115.79	121.03	119.74	122.68	126.04	120.50
Lowest share price (p)	106.67	104.42	102.82	113.74	115.13	104.24

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	114.92	120.87	105.20
Return before operating charges (p)	5.76	(4.91)	16.70
Operating charges (p)	(0.53)	(1.04)	(1.03)
Return after operating charges (p)*	5.23	(5.95)	15.67
Distributions (p)	–	–	–
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	120.15	114.92	120.87
*after direct transaction costs of (p)	0.13	0.27	0.34
<b>Performance</b>			
Return after charges (%)	4.55	(4.92)	14.90
<b>Other information</b>			
Closing net asset value (£000)	118	201	2,449
Closing number of shares	97,959	174,518	2,026,405
Operating charges (%)**	0.88 <sup>1</sup>	0.88	0.88
Performance fee (%)	–	0.05	–
Direct transaction costs (%)***	0.21	0.23	0.29
<b>Prices</b>			
Highest share price (p)	124.77	124.67	127.30
Lowest share price (p)	115.36	108.84	103.42

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

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

<sup>1</sup>Commenced 15 June 2018.

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

# Threadneedle UK Absolute Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	10,839,143
Shares issued	29,351
Shares redeemed	(4,462,217)
Net conversions	–
Closing shares	<u>6,406,277</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	2,979,379
Shares redeemed	(275,038)
Net conversions	–
Closing shares	<u>2,704,341</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	9,380,087
Shares issued	460,357
Shares redeemed	(1,850,594)
Net conversions	–
Closing shares	<u>7,989,850</u>
<b>Class 2 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	68,065,164
Shares issued	3,691,178
Shares redeemed	(3,788,361)
Net conversions	–
Closing shares	<u>67,967,981</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	3,363,579
Shares redeemed	(421,201)
Net conversions	–
Closing shares	<u>2,942,378</u>
<b>Class 2 EUR Hedged – Accumulation shares</b>	
Opening shares	36,682,370
Shares issued	1,274,081
Shares redeemed	(6,069,545)
Net conversions	–
Closing shares	<u>31,886,906</u>

	2018
<b>Class X – Accumulation shares</b>	
Opening shares	51,630,949
Shares issued	2,463,995
Shares redeemed	(5,468,096)
Net conversions	–
Closing shares	<u>48,626,848</u>
<b>Class Z – Income shares</b>	
Opening shares	66,882,172
Shares issued	3,069,456
Shares redeemed	(9,688,789)
Net conversions	39,289
Closing shares	<u>60,302,128</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	215,425,163
Shares issued	5,946,540
Shares redeemed	(26,808,947)
Net conversions	(33,521)
Closing shares	<u>194,529,235</u>
<b>Class Z CHF Hedged – Accumulation shares</b>	
Opening shares	172,625
Shares issued	13
Shares redeemed	(40,000)
Net conversions	–
Closing shares	<u>132,638</u>
<b>Class Z EUR Hedged – Accumulation shares</b>	
Opening shares	64,442,114
Shares issued	694,528
Shares redeemed	(29,523,044)
Net conversions	–
Closing shares	<u>35,613,598</u>
<b>Class Z USD Hedged – Accumulation shares</b>	
Opening shares	174,518
Shares issued	49,870
Shares redeemed	(126,429)
Net conversions	–
Closing shares	<u>97,959</u>

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

## Threadneedle Absolute Return Bond Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle Absolute Return Bond Fund has fallen from 56.04p to 54.98p.

Using noon prices, the performance of the Class 1 share class was -1.89% and -1.68% for the Class 2 share class compared to a return of -1.85% for the Morningstar UK Unit Trusts/OEICS – (IA) Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the UK LIBOR 3 Month Deposit Rate returned +0.37%.

#### Market Overview and Portfolio Activity

After a weak start to the year, growth has stabilised or rebounded in many countries, especially in the US, though euro area activity has been slower to pick up. The eurozone political landscape was

also unfavourable. In Italy, the formation of a populist coalition saw fears mount about a rapid expansion of government spending and a collision course with Brussels: developments which hurt peripheral eurozone sovereigns as well as European investment-grade bonds.

Both fixed-income and equity markets were also periodically unsettled by jitters over global trade, and contagion from Turkey's currency crisis, though optimism over the booming US economy and strong corporate earnings buoyed sentiment somewhat.

US Treasuries underperformed German bunds due to relatively lower interest rate expectations in the eurozone. The European Central Bank (ECB) reiterated that it would end quantitative easing this year but also signalled rate hikes would not be forthcoming until autumn 2019. Meanwhile, the Federal Reserve remained confident in its hiking cycle, which led to rising US bond yields and a flattened yield curve, as long-run inflation and growth expectations remained muted.

The dollar had a strong half-year, benefiting from safe-haven demand and speculation that the Fed would tighten its "easy money" tap faster than its developed world peers.

Emerging markets underperformed considerably due to trade war concerns, slowing growth, a stronger dollar and higher US bond yields. Idiosyncratic issues, notably in Turkey and Argentina, exacerbated the sell-off.

Within rates, we started the period with a long duration bias as we viewed the long-term drivers of lower yields as remaining broadly intact. We had a flattening bias across curves. On a tactical basis, we shifted to an outright short on German bunds towards the end of the quarter given the excessive underpricing of the ECB's intentions. We broadly favoured US Treasuries relative to German bunds given the attractive spreads and our expectations of relative monetary policy movements as well as curve flattening positions. We closed our exposure to Russian and South African sovereign debt over the

period given the negative thematic for emerging markets. Given the seemingly excessive pricing of default risk in Italian government bonds, we traded the Italian-German government bond spread tactically over the second half of the period, looking for compression.

Within currency strategies, we held a negative bias to the US dollar, expressed against a combination of Canadian dollars and Norwegian krone at the start of the period. However, we removed all dollar shorts soon after the extent of the outperformance of the US economy became more apparent. We subsequently viewed the dollar to be stuck between competing structural and cyclical forces, and held tactical modest shorts at times. We continued to view the Norwegian krone as undervalued relative to the euro vis-à-vis the imminent tightening cycle from the Norges Bank.

The Fed's lack of confidence in the potential for productivity to rise, and its inability to see this until it has actually occurred, should prevent the bank's long-term estimates of trend growth and neutral rates rising. In turn, this should keep real yields subdued and the curve on a flattening trajectory as the Fed sticks to its hiking path. We have positioned for a continuing flattening of the US curve. We are also positioned for a higher repricing of ECB rate expectations, as concerns over the economic slowdown and Italian politics subside, and will look for opportunities to trade Italian bonds from the long side.

The US dollar is still benefiting from strong US growth, although we feel GDP figures flatter the underlying growth trajectory, particularly given Trump's protectionist stance. We retain a negative long-term view on the dollar as the fiscal forces that have promoted a near-term strengthening will ultimately undermine it through wider federal and current account deficits. Historically, greater deficits have presaged dollar weakness and curve flattening. However, global growth data must stabilise before we are enthused to re-position the fund for a weaker dollar.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital losses	(464)	(531)
Revenue	136	431
Expenses	(117)	(168)
Interest payable and similar charges	(19)	–
Net revenue before taxation	–	263
Taxation	–	–
Net revenue after taxation	–	263
<b>Total return before equalisation</b>	<b>(464)</b>	<b>(268)</b>
Equalisation	(1)	(29)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(465)</b>	<b>(297)</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	22,031	26,954
<b>Current assets:</b>		
Debtors	315	216
Cash and bank balances	3,149	1,798
<b>Total assets</b>	<b>25,495</b>	<b>28,968</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	<b>(448)</b>	<b>(512)</b>
<b>Creditors:</b>		
Bank overdrafts	(430)	(443)
Other creditors	(184)	(170)
<b>Total liabilities</b>	<b>(1,062)</b>	<b>(1,125)</b>
<b>Net assets attributable to shareholders</b>	<b>24,433</b>	<b>27,843</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>27,843</b>	<b>43,898</b>
Amounts receivable on the issue of shares	556	606
Amounts payable on the cancellation of shares	(3,501)	(9,966)
	(2,945)	(9,360)
Dilution adjustment	–	1
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(465)	(297)
<b>Closing net assets attributable to shareholders</b>	<b>24,433</b>	<b>34,242</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).



## Threadneedle Absolute Return Bond Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares	
	31/10/2018	30/04/2018	30/04/2017	21/11/2017 <sup>1</sup>	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	56.02	57.04	60.43	99.80	98.58
Return before operating charges (p)	(0.75)	(0.41)	(2.61)	4.03	2.57
Operating charges (p)	(0.30)	(0.61)	(0.78)	(0.61)	(1.35)
Return after operating charges (p)*	(1.05)	(1.02)	(3.39)	3.42	1.22
Distributions (p)	–	(0.73)	–	–	–
Retained distributions on accumulation shares (p)	–	0.73	–	–	–
Closing net asset value per share (p)	54.97	56.02	57.04	103.22	99.80
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(1.87)	(1.79)	(5.61)	3.43	1.24
<b>Other information</b>					
Closing net asset value (£000)	11,068	12,383	19,887	–	10
Closing number of shares	20,135,811	22,104,303	34,866,304	–	10,000
Operating charges (%)**	1.09 <sup>†</sup>	1.07	1.33	–	1.31
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	56.01	57.21	60.99	109.31	110.37
Lowest share price (p)	54.89	55.97	56.86	98.99	93.82
	Class 1 – Gross accumulation shares <sup>§</sup>			Class 1 EUR Hedged – Gross accumulation shares <sup>§</sup>	
	31/10/2018	30/04/2018	30/04/2017	21/11/2017 <sup>1</sup>	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	57.39	58.44	61.92	99.80	98.58
Return before operating charges (p)	(0.76)	(0.43)	(2.64)	4.03	2.57
Operating charges (p)	(0.31)	(0.62)	(0.84)	(0.61)	(1.35)
Return after operating charges (p)*	(1.07)	(1.05)	(3.48)	3.42	1.22
Distributions (p)	–	(0.75)	–	–	–
Retained distributions on accumulation shares (p)	–	0.75	–	–	–
Closing net asset value per share (p)	56.32	57.39	58.44	103.22	99.80
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(1.86)	(1.80)	(5.62)	3.43	1.24
<b>Other information</b>					
Closing net asset value (£000)	1,652	1,745	2,002	–	10
Closing number of shares	2,934,046	3,040,164	3,425,285	–	10,000
Operating charges (%)**	1.09 <sup>†</sup>	1.07	1.38	–	1.31
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	57.38	58.61	62.48	109.31	110.37
Lowest share price (p)	56.24	57.35	58.25	98.99	93.82

## Threadneedle Absolute Return Bond Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Gross accumulation shares <sup>3</sup>		Class 2 – Accumulation shares		
	21/11/2017 <sup>1</sup>	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	101.70	95.00	60.19	61.03	64.25
Return before operating charges (p)	(1.86)	8.06	(0.80)	(0.44)	(2.78)
Operating charges (p)	(0.59)	(1.36)	(0.20)	(0.40)	(0.44)
Return after operating charges (p)*	(2.45)	6.70	(1.00)	(0.84)	(3.22)
Distributions (p)	–	–	–	(1.05)	(0.37)
Retained distributions on accumulation shares (p)	–	–	–	1.05	0.37
Closing net asset value per share (p)	99.25	101.70	59.19	60.19	61.03
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(2.41)	7.05	(1.66)	(1.38)	(5.01)
<b>Other information</b>					
Closing net asset value (£000)	–	10	11,135	13,016	17,932
Closing number of shares	–	10,000	18,813,549	21,625,148	29,384,069
Operating charges (%)**	–	1.31	0.67 <sup>†</sup>	0.65	0.71
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	103.77	111.14	60.18	61.29	64.85
Lowest share price (p)	97.16	90.52	59.09	60.14	60.82
<b>Class 2 – Gross accumulation shares<sup>5</sup></b>					
	31/10/2018	30/04/2018	30/04/2017	<b>Class 2 EUR Hedged – Gross accumulation shares<sup>5</sup></b>	
				21/11/2017 <sup>1</sup>	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	62.29	63.15	66.50	100.53	98.67
Return before operating charges (p)	(0.83)	(0.45)	(2.89)	4.06	2.58
Operating charges (p)	(0.21)	(0.41)	(0.46)	(0.37)	(0.72)
Return after operating charges (p)*	(1.04)	(0.86)	(3.35)	3.69	1.86
Distributions (p)	–	(1.08)	(0.38)	–	(0.61)
Retained distributions on accumulation shares (p)	–	1.08	0.38	–	0.61
Closing net asset value per share (p)	61.25	62.29	63.15	104.22	100.53
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(1.67)	(1.36)	(5.04)	3.67	1.89
<b>Other information</b>					
Closing net asset value (£000)	575	696	4,034	–	10
Closing number of shares	937,814	1,117,939	6,387,577	–	10,000
Operating charges (%)**	0.67 <sup>†</sup>	0.65	0.71	–	0.70
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	62.28	63.43	67.12	110.26	110.84
Lowest share price (p)	61.15	62.23	62.95	99.72	94.06

## Threadneedle Absolute Return Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>		
	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	97.74	98.53	103.07
Return before operating charges (p)	(1.31)	(0.71)	(4.50)
Operating charges (p)	(0.07)	(0.08)	(0.04)
Return after operating charges (p)*	(1.38)	(0.79)	(4.54)
Distributions (p)	–	(2.25)	(1.24)
Retained distributions on accumulation shares (p)	–	2.25	1.24
Closing net asset value per share (p)	96.36	97.74	98.53
*after direct transaction costs of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	(1.41)	(0.80)	(4.40)
<b>Other information</b>			
Closing net asset value (£000)	3	3	3
Closing number of shares	3,001	3,001	3,001
Operating charges (%)**	0.15 <sup>†</sup>	0.08	0.04
Performance fee (%)	–	–	–
Direct transaction costs (%)***	–	–	–
<b>Prices</b>			
Highest share price (p)	97.74	99.27	104.05
Lowest share price (p)	96.17	97.65	98.20

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

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

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

<sup>†</sup>Commenced 24 February 2016 and closed 21 November 2017.

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

# Threadneedle Absolute Return Bond Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	22,104,303
Shares issued	35,163
Shares redeemed	(1,970,877)
Net conversions	(32,778)
Closing shares	<u>20,135,811</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	3,040,164
Shares issued	486,530
Shares redeemed	(592,648)
Net conversions	–
Closing shares	<u>2,934,046</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	21,625,148
Shares issued	405,396
Shares redeemed	(3,247,473)
Net conversions	30,478
Closing shares	<u>18,813,549</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	1,117,939
Shares issued	26,572
Shares redeemed	(206,697)
Net conversions	–
Closing shares	<u>937,814</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

#### Performance of Class 2 – Gross income shares\*

Over the six months to 31 October 2018, the published share price of Class 2 – Gross Income shares in the Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund has fallen from 131.26p to 129.52p.

For comparison, using noon prices, the performance of the Class 2 share class was -0.07% compared to a return of -0.06% for the Morningstar UK Unit Trusts/OEICs – (IA) Sterling Corporate Bond Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the iBoxx GBP Non-Gilt (5+Y) was -0.10%.

#### Market Overview and Portfolio Activity

Sterling investment-grade (IG) credit achieved broadly flat returns over the six months in review. UK government bond yields finished roughly where they started, but credit spreads – the yield premium offered by corporate bonds over “risk-free” government bonds of the same maturity, widened over the period.

Globally, the macroeconomic backdrop remained reasonable, with strong growth in the US offsetting slower-than-expected expansion elsewhere, notably in the eurozone and China. Other international factors affecting UK bond markets included tightening US monetary policy, rising political uncertainty in Europe, ongoing fears about the potential for a global trade war, and a worldwide equity sell-off in October. In the UK, the growing possibility of a disorderly Brexit also dampened appetite for risk.

On the economic front, UK GDP growth picked up in the second quarter and aided by unusually hot weather this time, continued to accelerate in the three-month period to the end of August. Inflation remained above target but significantly lower than the 3% seen at the start of the year. Having fallen to 2.4% in April, annual growth in consumer prices stalled at that level until July and August, when it rose to 2.5% and then 2.7%, before dropping back to 2.4% in September. Encouragingly for consumers, pay rises continued to outstrip inflation. Growth in basic pay over the three months to end August rose to 3.1% year on year, its strongest in almost a decade.

In terms of monetary policy, there was further divergence between the US and the UK, a move that was reflected in a significantly weaker pound against the dollar. The Federal Reserve raised interest rates twice, as expected, but also broached the possibility of increasing the pace of future hikes. In the UK, disappointing economic data from the first quarter helped to dissuade the Monetary Policy Committee (MPC) from raising rates in May. Although the MPC voted unanimously for a hike in August, the market appeared sceptical about the prospect of further such action in the near term.

It was an eventful period in the political arena, with events at home and abroad exerting an influence on UK markets. In the latter camp, the formation of a euro-sceptic coalition government in Italy clouded the outlook for political harmony in the eurozone. In the US, President Trump did much to unsettle markets, pulling out of the Iran nuclear deal, for example, and stepping up his protectionist agenda with a series of new import tariffs against US adversaries and allies alike.

Closer to home, fears of a “no-deal” Brexit increased over the period. In July, high-profile government ministers resigned in protest at the Brexit plan that the cabinet had thrashed out at Chequers. This increased fears of a Conservative leadership challenge, in turn raising the prospect of an early general election. In September, Prime Minister Theresa May was embarrassed as EU leaders took turns to reject her Chequers proposals at a summit in Salzburg. At the time of writing, the two sides have yet to agree on a deal, with the Irish border still the main stumbling block. Mrs May continues to hold onto power, but is facing increasing dissent from both “remainers” and “hard Brexiters” in her party as the deadline for the UK’s exit from the EU approaches.

In this environment, the 10-year gilt yield edged marginally higher, from 1.42% to 1.44% over the period, while sterling IG credit spreads widened by about 17 basis points (bps) to finish around 127 bps.

As regards portfolio activity, we took part in a number of new issuances. The largest of these in terms of additions to the portfolio included deals from Becton, Dickinson and Company; Goldman Sachs; BP; Connect Plus (M25); and Experian. We were also active in the secondary market, initiating positions in GlaxoSmithKline and RSA Insurance among others, and increasing exposure to a variety of issuers including DS Smith, Broadgate and Lloyds Bank. On the disposal side, we reduced exposure to some issuers, including HSBC and Annington, while exiting others completely, such as Wm Morrison Supermarkets, Pacific National and Aspire Defence.

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

The corporate credit cycle is fairly mature and though earnings have been strong, the benefits are largely accruing to shareholders, particularly within investment grade. That said, demand for income will remain a powerful and positive force. From a valuation perspective, bond yields are low and credit spreads are close to their long-term average. Consequently, market returns are expected to be muted in the coming months. Hence, we do not consider this to be a period to be aggressive with overall credit risk.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital losses	(2,951)	(537)
Revenue	3,376	3,297
Expenses	(85)	(518)
Interest payable and similar charges	(2)	(22)
Net revenue before taxation	3,289	2,757
Taxation	–	–
Net revenue after taxation	3,289	2,757
<b>Total return before distributions</b>	<b>338</b>	<b>2,220</b>
Distributions	(3,289)	(2,757)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(2,951)</b>	<b>(537)</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	214,286	217,791
<b>Current assets:</b>		
Debtors	3,518	3,609
Cash and bank balances	6,079	5,158
Total assets	223,883	226,558
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(108)	(217)
<b>Creditors:</b>		
Bank overdrafts	(269)	(219)
Distribution payable	(16)	(16)
Other creditors	(1,867)	(1,590)
Total liabilities	(2,260)	(2,042)
<b>Net assets attributable to shareholders</b>	<b>221,623</b>	<b>224,516</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>224,516</b>	<b>224,371</b>
Amounts receivable on the issue of shares	4,033	11,294
Amounts payable on the cancellation of shares	(7,165)	(15,639)
	(3,132)	(4,345)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(2,951)	(537)
Retained distribution on accumulation shares	3,190	–
<b>Closing net assets attributable to shareholders</b>	<b>221,623</b>	<b>219,489</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Interest distribution in pence per share				
Class 2 – Gross income shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.2753	–	0.2753	0.2760
01/06/18 to 30/06/18	0.2746	–	0.2746	0.2698
01/07/18 to 31/07/18	0.2763	–	0.2763	0.2818
01/08/18 to 31/08/18	0.2785	–	0.2785	0.2776
01/09/18 to 30/09/18	0.2717	–	0.2717	0.2711
01/10/18 to 31/10/18	0.2761	–	0.2761	0.2813
<b>Group 2</b>				
01/05/18 to 31/05/18	0.1243	0.1510	0.2753	0.2760
01/06/18 to 30/06/18	0.1270	0.1476	0.2746	0.2698
01/07/18 to 31/07/18	0.1641	0.1122	0.2763	0.2818
01/08/18 to 31/08/18	0.1216	0.1569	0.2785	0.2776
01/09/18 to 30/09/18	0.1513	0.1204	0.2717	0.2711
01/10/18 to 31/10/18	0.1272	0.1489	0.2761	0.2813
<b>Total distributions in the period</b>			<b>1.6525</b>	<b>1.6576</b>

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

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

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018
<b>Group 1</b>			
01/05/18 to 31/05/18	0.2395	–	0.2395
01/06/18 to 30/06/18	0.2384	–	0.2384
01/07/18 to 31/07/18	0.2415	–	0.2415
01/08/18 to 31/08/18	0.2437	–	0.2437
01/09/18 to 30/09/18	0.2378	–	0.2378
01/10/18 to 31/10/18	0.2424	–	0.2424
<b>Group 2</b>			
01/05/18 to 31/05/18	0.1066	0.1329	0.2395
01/06/18 to 30/06/18	0.0322	0.2062	0.2384
01/07/18 to 31/07/18	0.2415	–	0.2415
01/08/18 to 31/08/18	0.1616	0.0821	0.2437
01/09/18 to 30/09/18	0.2378	–	0.2378
01/10/18 to 31/10/18	0.0757	0.1667	0.2424
<b>Total distributions in the period</b>			<b>1.4433</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Comparative Table Disclosure

	Class 2 – Gross income shares <sup>§</sup>			Class X – Gross accumulation shares <sup>§</sup>	
	31/10/2018	30/04/2018	30/04/2017 <sup>†</sup>	31/10/2018	30/04/2018 <sup>‡</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	130.46	132.51	127.13	97.72	100.00
Return before operating charges (p)	0.24	1.87	6.90	0.17	(2.27)
Operating charges (p)	(0.31)	(0.63)	(0.23)	(0.03)	(0.01)
Return after operating charges (p)*	(0.07)	1.24	6.67	0.14	(2.28)
Distributions (p)	(1.65)	(3.29)	(1.29)	(1.44)	(0.86)
Retained distributions on accumulation shares (p)	–	–	–	1.44	0.86
Closing net asset value per share (p)	128.74	130.46	132.51	97.86	97.72
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(0.05)	0.94	5.25	0.14	(2.28)
<b>Other information</b>					
Closing net asset value (£000)	7,526	7,700	224,371	214,097	216,816
Closing number of shares	5,845,902	5,902,305	169,329,161	218,785,880	221,883,949
Operating charges (%)**	0.47 <sup>†</sup>	0.47	0.46 <sup>†</sup>	0.07 <sup>†</sup>	0.07 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	131.88	136.34	133.76	99.52	100.00
Lowest share price (p)	127.01	129.21	126.53	96.31	96.11

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

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

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

<sup>†</sup>Commenced 9 December 2016.

<sup>‡</sup>Commenced 9 January 2018.

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

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 2 – Gross income shares</b>	
Opening shares	5,902,305
Shares issued	261,445
Shares redeemed	(317,848)
Net conversions	–
Closing shares	<u>5,845,902</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	221,883,949
Shares issued	3,780,475
Shares redeemed	(6,878,544)
Net conversions	–
Closing shares	<u>218,785,880</u>



## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

#### Performance of Class 2 – Income Shares\*

Over the six months to 31 October 2018, the published share price of Class 2, Income shares in the Threadneedle Sterling Short-Dated Corporate Bond Fund has fallen from 106.45p to 105.91p.

For comparison, using noon prices, the performance of the Class 2 share class was +0.42% compared to a return of -0.06% for the Morningstar UK Unit Trusts/OEICs – (IA) Sterling Corporate Bond Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the iBoxx GBP Non-Gilt (1-5 Y) was +0.43%.

#### Market Overview and Portfolio Activity

Sterling short-dated investment-grade (IG) credit achieved a small positive return over the six months in review. Yields on short-dated gilts edged downwards, but credit spreads – the yield premium offered by corporate bonds over “risk-free” government bonds of the same maturity – widened over the period.

Globally, the macroeconomic backdrop remained reasonable, with strong growth in the US offsetting slower-than-expected expansion

elsewhere, notably in the eurozone and China. Other international factors affecting UK bond markets included tightening US monetary policy, rising political uncertainty in Europe, ongoing fears about the potential for a global trade war, and a worldwide equity sell-off in October. In the UK, the growing possibility of a disorderly Brexit also dampened appetite for risk.

On the economic front, UK GDP growth picked up in the second quarter and, aided by unusually hot weather this time, continued to accelerate in the three-month period to the end of August. Inflation remained above target but significantly lower than the 3% seen at the start of the year. Having fallen to 2.4% in April, annual growth in consumer prices stalled at that level until July and August, when it rose to 2.5% and then 2.7%, before dropping back to 2.4% in September. Encouragingly for consumers, pay rises continued to outstrip inflation. Growth in basic pay over the three months to end August rose to 3.1% year on year, its strongest in almost a decade.

In terms of monetary policy, there was further divergence between the US and the UK, a move that was reflected in a weaker pound against the dollar. The Federal Reserve raised interest rates twice, as expected, but also broached the possibility of increasing the pace of future hikes. In the UK, disappointing economic data from the first quarter helped to dissuade the Monetary Policy Committee (MPC) from raising rates in May. Although the MPC voted unanimously for a hike in August, the market appeared sceptical about the prospect of further such action in the near term.

It was an eventful period in the political arena, with events at home and abroad exerting an influence on UK markets. In the latter camp, the formation of a euro-sceptic coalition government in Italy clouded the outlook for political harmony in the eurozone. In the US, President Trump did much to unsettle markets, pulling out of the Iran nuclear deal, for example, and stepping up his protectionist agenda with a series of new import tariffs against US adversaries and allies alike.

Closer to home, fears of a “no-deal” Brexit increased over the period. In July, high-profile government ministers resigned in protest at the Brexit plan that the cabinet had thrashed out at Chequers. This

increased fears of a Conservative leadership challenge, in turn raising the prospect of an early general election. In September, Prime Minister Theresa May was embarrassed as EU leaders took turns to reject her Chequers proposals at a summit in Salzburg. At the time of writing, the two sides have yet to agree on a deal, with the Irish border still the main stumbling block. Mrs May continues to hold onto power, but is facing increasing dissent from both “remainers” and “hard Brexiters” in her party as the deadline for the UK’s exit from the EU approaches.

In this environment, the five-year and three-year gilt yields fell 9 basis points (bps) and 6 bps, respectively, over the period, while sterling short-dated IG credit spreads widened by around 16 bps.

As regards portfolio activity, we took part in a wide range of new issues. The largest of these in terms of additions to the portfolio included deals from Bayer, AstraZeneca, Svenska Handelsbanken, HSBC and Charter Communications. We were also active in the secondary market, initiating positions in Scottish Widows and Synlab, among others, and increasing exposure to a variety of issuers including Bacardi, Imperial Brands, and Digital Realty. On the sales side, we reduced exposure to some issuers, including Cenovus Energy, Southern Gas Networks and Kinder Morgan, while exiting others completely, such as Rabobank, Molson Coors, ING Bank, Broadcom and DNB Bank.

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

The corporate credit cycle is fairly mature and though earnings have been strong, the benefits are largely accruing to shareholders – particularly within investment grade. That said, demand for income will remain a powerful and positive force. From a valuation perspective, bond yields are low and credit spreads are close to their long-term average. Consequently, market returns are expected to be muted in the coming months. Hence, we do not consider this to be a period to be aggressive with overall credit risk.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital losses	(6,796)	(1,792)
Revenue	14,640	9,659
Expenses	(1,082)	(1,535)
Interest payable and similar charges	(181)	(63)
Net revenue before taxation	13,377	8,061
Taxation	–	–
Net revenue after taxation	13,377	8,061
<b>Total return before distributions</b>	<b>6,581</b>	<b>6,269</b>
Distributions	(13,376)	(8,061)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(6,795)</b>	<b>(1,792)</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,283,102	1,124,429
<b>Current assets:</b>		
Debtors	34,409	34,852
Cash and bank balances	7,089	9,546
<b>Total assets</b>	<b>1,324,600</b>	<b>1,168,827</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	<b>(3,118)</b>	<b>(3,791)</b>
<b>Creditors:</b>		
Bank overdrafts	(698)	(85)
Distribution payable	(1,269)	(1,037)
Other creditors	(1,844)	(21,180)
<b>Total liabilities</b>	<b>(6,929)</b>	<b>(26,093)</b>
<b>Net assets attributable to shareholders</b>	<b>1,317,671</b>	<b>1,142,734</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,142,734</b>	<b>845,343</b>
Amounts receivable on the issue of shares	224,317	150,833
Amounts payable on the cancellation of shares	(48,755)	(36,546)
	175,562	114,287
Dilution adjustment	44	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(6,795)	(1,792)
Retained distribution on accumulation shares	6,126	515
<b>Closing net assets attributable to shareholders</b>	<b>1,317,671</b>	<b>958,353</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Interest distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1474	–	0.1474	0.1000
01/06/18 to 30/06/18	0.1507	–	0.1507	0.1088
01/07/18 to 31/07/18	0.1477	–	0.1477	0.1335
01/08/18 to 31/08/18	0.1576	–	0.1576	0.1037
01/09/18 to 30/09/18	0.1517	–	0.1517	0.0993
01/10/18 to 31/10/18	0.1443	–	0.1443	0.1061
<b>Group 2</b>				
01/05/18 to 31/05/18	0.0078	0.1396	0.1474	0.1000
01/06/18 to 30/06/18	0.1000	0.0507	0.1507	0.1088
01/07/18 to 31/07/18	0.0877	0.0600	0.1477	0.1335
01/08/18 to 31/08/18	0.0455	0.1121	0.1576	0.1037
01/09/18 to 30/09/18	0.1001	0.0516	0.1517	0.0993
01/10/18 to 31/10/18	0.0648	0.0795	0.1443	0.1061
<b>Total distributions in the period</b>			<b>0.8994</b>	<b>0.6514</b>

# Threadneedle Sterling Short-Dated Corporate Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1506	–	0.1506	0.1021
01/06/18 to 30/06/18	0.1538	–	0.1538	0.1112
01/07/18 to 31/07/18	0.1510	–	0.1510	0.1363
01/08/18 to 31/08/18	0.1610	–	0.1610	0.1061
01/09/18 to 30/09/18	0.1550	–	0.1550	0.1015
01/10/18 to 31/10/18	0.1474	–	0.1474	0.1084
<b>Group 2</b>				
01/05/18 to 31/05/18	0.1506	–	0.1506	0.1021
01/06/18 to 30/06/18	0.0738	0.0800	0.1538	0.1112
01/07/18 to 31/07/18	0.0010	0.1500	0.1510	0.1363
01/08/18 to 31/08/18	0.1410	0.0200	0.1610	0.1061
01/09/18 to 30/09/18	0.1550	–	0.1550	0.1015
01/10/18 to 31/10/18	0.1054	0.0420	0.1474	0.1084
<b>Total distributions in the period</b>			<b>0.9188</b>	<b>0.6656</b>

### Class 1 EUR Hedged – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1434	–	0.1434	
01/06/18 to 30/06/18	0.1464	–	0.1464	0.0528
01/07/18 to 31/07/18	0.1459	–	0.1459	0.1320
01/08/18 to 31/08/18	0.1559	–	0.1559	0.1063
01/09/18 to 30/09/18	0.1498	–	0.1498	0.0997
01/10/18 to 31/10/18	0.1405	–	0.1405	0.1054
<b>Group 2</b>				
01/05/18 to 31/05/18	0.1434	–	0.1434	
01/06/18 to 30/06/18	0.1464	–	0.1464	0.0528
01/07/18 to 31/07/18	0.1459	–	0.1459	0.1320
01/08/18 to 31/08/18	0.1559	–	0.1559	0.1063
01/09/18 to 30/09/18	0.1498	–	0.1498	0.0997
01/10/18 to 31/10/18	0.1405	–	0.1405	0.1054
<b>Total distributions in the period</b>			<b>0.8819</b>	<b>0.4962</b>

### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1633	–	0.1633	0.1433
01/06/18 to 30/06/18	0.1660	–	0.1660	0.1513
01/07/18 to 31/07/18	0.1632	–	0.1632	0.1780
01/08/18 to 31/08/18	0.1731	–	0.1731	0.1470
01/09/18 to 30/09/18	0.1664	–	0.1664	0.1408
01/10/18 to 31/10/18	0.1590	–	0.1590	0.1490
<b>Group 2</b>				
01/05/18 to 31/05/18	0.0739	0.0894	0.1633	0.1433
01/06/18 to 30/06/18	0.0936	0.0724	0.1660	0.1513
01/07/18 to 31/07/18	0.0781	0.0851	0.1632	0.1780
01/08/18 to 31/08/18	0.0675	0.1056	0.1731	0.1470
01/09/18 to 30/09/18	0.0926	0.0738	0.1664	0.1408
01/10/18 to 31/10/18	0.0906	0.0684	0.1590	0.1490
<b>Total distributions in the period</b>			<b>0.9910</b>	<b>0.9094</b>

### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1639	–	0.1639	0.1438
01/06/18 to 30/06/18	0.1666	–	0.1666	0.1518
01/07/18 to 31/07/18	0.1637	–	0.1637	0.1786
01/08/18 to 31/08/18	0.1736	–	0.1736	0.1475
01/09/18 to 30/09/18	0.1670	–	0.1670	0.1413
01/10/18 to 31/10/18	0.1595	–	0.1595	0.1495
<b>Group 2</b>				
01/05/18 to 31/05/18	0.0861	0.0778	0.1639	0.1438
01/06/18 to 30/06/18	0.0826	0.0840	0.1666	0.1518
01/07/18 to 31/07/18	0.0256	0.1381	0.1637	0.1786
01/08/18 to 31/08/18	0.0672	0.1064	0.1736	0.1475
01/09/18 to 30/09/18	0.1047	0.0623	0.1670	0.1413
01/10/18 to 31/10/18	0.0562	0.1033	0.1595	0.1495
<b>Total distributions in the period</b>			<b>0.9943</b>	<b>0.9125</b>

### Class 2 – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1545	–	0.1545	0.0676
01/06/18 to 30/06/18	0.1574	–	0.1574	0.1426
01/07/18 to 31/07/18	0.1549	–	0.1549	0.1661
01/08/18 to 31/08/18	0.1646	–	0.1646	0.1373
01/09/18 to 30/09/18	0.1585	–	0.1585	0.1320
01/10/18 to 31/10/18	0.1516	–	0.1516	0.1396
<b>Group 2</b>				
01/05/18 to 31/05/18	0.1009	0.0536	0.1545	0.0676
01/06/18 to 30/06/18	0.0454	0.1120	0.1574	0.1426
01/07/18 to 31/07/18	0.0937	0.0612	0.1549	0.1661
01/08/18 to 31/08/18	0.1036	0.0610	0.1646	0.1373
01/09/18 to 30/09/18	0.0957	0.0628	0.1585	0.1320
01/10/18 to 31/10/18	0.0950	0.0566	0.1516	0.1396
<b>Total distributions in the period</b>			<b>0.9415</b>	<b>0.7852</b>

### Class 2 EUR Hedged – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1582	–	0.1582	0.0659
01/06/18 to 30/06/18	0.1607	–	0.1607	0.1455
01/07/18 to 31/07/18	0.1602	–	0.1602	0.1726
01/08/18 to 31/08/18	0.1712	–	0.1712	0.1457
01/09/18 to 30/09/18	0.1633	–	0.1633	0.1377
01/10/18 to 31/10/18	0.1540	–	0.1540	0.1464
<b>Group 2</b>				
01/05/18 to 31/05/18	0.1582	–	0.1582	0.0659
01/06/18 to 30/06/18	0.1607	–	0.1607	0.1455
01/07/18 to 31/07/18	0.1602	–	0.1602	0.1726
01/08/18 to 31/08/18	0.0312	0.1400	0.1712	0.1457
01/09/18 to 30/09/18	0.0733	0.0900	0.1633	0.1377
01/10/18 to 31/10/18	0.1540	–	0.1540	0.1464
<b>Total distributions in the period</b>			<b>0.9676</b>	<b>0.8138</b>

### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1896	–	0.1896	0.1709
01/06/18 to 30/06/18	0.1910	–	0.1910	0.1775
01/07/18 to 31/07/18	0.1894	–	0.1894	0.2039
01/08/18 to 31/08/18	0.1988	–	0.1988	0.1744
01/09/18 to 30/09/18	0.1914	–	0.1914	0.1674
01/10/18 to 31/10/18	0.1853	–	0.1853	0.1760
<b>Group 2</b>				
01/05/18 to 31/05/18	0.0295	0.1601	0.1896	0.1709
01/06/18 to 30/06/18	0.0876	0.1034	0.1910	0.1775
01/07/18 to 31/07/18	0.0371	0.1523	0.1894	0.2039
01/08/18 to 31/08/18	0.0969	0.1019	0.1988	0.1744
01/09/18 to 30/09/18	0.1486	0.0428	0.1914	0.1674
01/10/18 to 31/10/18	–	0.1853	0.1853	0.1760
<b>Total distributions in the period</b>			<b>1.1455</b>	<b>1.0701</b>

### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.2001	–	0.2001	0.1766
01/06/18 to 30/06/18	0.2019	–	0.2019	0.1836
01/07/18 to 31/07/18	0.2007	–	0.2007	0.2114
01/08/18 to 31/08/18	0.2110	–	0.2110	0.1812
01/09/18 to 30/09/18	0.2035	–	0.2035	0.1742
01/10/18 to 31/10/18	0.1974	–	0.1974	0.1836
<b>Group 2</b>				
01/05/18 to 31/05/18	0.0950	0.1051	0.2001	0.1766
01/06/18 to 30/06/18	0.0513	0.1506	0.2019	0.1836
01/07/18 to 31/07/18	0.0505	0.1502	0.2007	0.2114
01/08/18 to 31/08/18	0.0750	0.1360	0.2110	0.1812
01/09/18 to 30/09/18	0.1568	0.0467	0.2035	0.1742
01/10/18 to 31/10/18	0.0331	0.1643	0.1974	0.1836
<b>Total distributions in the period</b>			<b>1.2146</b>	<b>1.1106</b>

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Y – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.1649	–	0.1649	0.1510
01/06/18 to 30/06/18	0.1676	–	0.1676	0.1600
01/07/18 to 31/07/18	0.1651	–	0.1651	0.1820
01/08/18 to 31/08/18	0.1745	–	0.1745	0.1546
01/09/18 to 30/09/18	0.1678	–	0.1678	0.1490
01/10/18 to 31/10/18	0.1612	–	0.1612	0.1553
<b>Group 2</b>				
01/05/18 to 31/05/18	0.0477	0.1172	0.1649	0.1510
01/06/18 to 30/06/18	0.0596	0.1080	0.1676	0.1600
01/07/18 to 31/07/18	0.0957	0.0694	0.1651	0.1820
01/08/18 to 31/08/18	0.0827	0.0918	0.1745	0.1546
01/09/18 to 30/09/18	0.0962	0.0716	0.1678	0.1490
01/10/18 to 31/10/18	0.0943	0.0669	0.1612	0.1553
<b>Total distributions in the period</b>			<b>1.0011</b>	<b>0.9519</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	102.91	102.45	101.29	105.15	104.68	103.43
Return before operating charges (p)	0.67	1.28	1.57	0.68	1.31	1.60
Operating charges (p)	(0.30)	(0.82)	(0.35)	(0.31)	(0.84)	(0.35)
Return after operating charges (p)*	0.37	0.46	1.22	0.37	0.47	1.25
Distributions (p)	(0.90)	(1.41)	(0.50)	(0.92)	(1.44)	(0.51)
Retained distributions on accumulation shares (p)**	0.90	1.41	0.44	0.92	1.44	0.51
Closing net asset value per share (p)	103.28	102.91	102.45	105.52	105.15	104.68
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.36	0.45	1.20	0.35	0.45	1.21
<b>Other information</b>						
Closing net asset value (£000)	8,301	5,247	4,390	300	197	144
Closing number of shares	8,037,448	5,098,206	4,285,227	284,031	187,903	137,694
Operating charges (%)**	0.58 <sup>†</sup>	0.80	0.88 <sup>†</sup>	0.58 <sup>†</sup>	0.80	0.87 <sup>†</sup>
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	103.54	103.48	102.58	105.79	105.72	104.81
Lowest share price (p)	102.89	102.49	101.21	105.12	104.72	103.36
	Class 1 EUR Hedged – Gross accumulation shares <sup>5</sup>			Class 2 – Income shares		
	31/10/2018	30/04/2018 <sup>2</sup>		31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.77	100.00		106.13	107.11	106.35
Return before operating charges (p)	0.83	0.38		0.68	1.35	1.65
Operating charges (p)	(0.29)	(0.61)		(0.24)	(0.49)	(0.19)
Return after operating charges (p)*	0.54	(0.23)		0.44	0.86	1.46
Distributions (p)	(0.88)	(1.24)		(0.99)	(1.84)	(0.70)
Retained distributions on accumulation shares (p)**	0.88	1.24		–	–	–
Closing net asset value per share (p)	100.31	99.77		105.58	106.13	107.11
*after direct transaction costs of (p)	–	–		–	–	–
<b>Performance</b>						
Return after charges (%)	0.54	(0.23)		0.41	0.80	1.37
<b>Other information</b>						
Closing net asset value (£000)	10	10		230,460	208,705	154,712
Closing number of shares	10,001	10,001		218,280,366	196,649,685	144,439,030
Operating charges (%)**	0.57 <sup>†</sup>	0.79 <sup>†</sup>		0.46 <sup>†</sup>	0.46	0.46 <sup>†</sup>
Direct transaction costs (%)**	–	–		–	–	–
<b>Prices</b>						
Highest share price (p)	102.91	106.43		106.47	107.75	107.39
Lowest share price (p)	98.64	97.57		105.58	106.00	106.28

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>5</sup>			Class 2 – Gross accumulation shares <sup>5</sup>		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018 <sup>3</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.49	107.47	106.71	100.43	100.00	
Return before operating charges (p)	0.68	1.36	1.65	0.64	0.86	
Operating charges (p)	(0.25)	(0.49)	(0.19)	(0.23)	(0.43)	
Return after operating charges (p)*	0.43	0.87	1.46	0.41	0.43	
Distributions (p)	(0.99)	(1.85)	(0.70)	(0.94)	(1.66)	
Retained distributions on accumulation shares (p)**	–	–	–	0.94	1.66	
Closing net asset value per share (p)	105.93	106.49	107.47	100.84	100.43	
*after direct transaction costs of (p)	–	–	–	–	–	
<b>Performance</b>						
Return after charges (%)	0.40	0.81	1.37	0.41	0.43	
<b>Other information</b>						
Closing net asset value (£000)	117,462	122,717	443,539	5,660	8,123	
Closing number of shares	110,882,741	115,241,314	412,697,442	5,613,162	8,088,402	
Operating charges (%)**	0.46 <sup>†</sup>	0.46	0.46 <sup>†</sup>	0.46 <sup>†</sup>	0.47 <sup>†</sup>	
Direct transaction costs (%)**	–	–	–	–	–	
<b>Prices</b>						
Highest share price (p)	106.83	108.11	107.76	101.08	100.92	
Lowest share price (p)	105.94	106.36	106.64	100.41	99.87	
	Class 2 EUR Hedged – Gross accumulation shares <sup>5</sup>			Class X – Gross income shares <sup>5</sup>		
	31/10/2018	30/04/2018 <sup>3</sup>		31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	102.39	100.00		100.88	101.81	101.09
Return before operating charges (p)	0.88	2.83		0.65	1.29	1.56
Operating charges (p)	(0.24)	(0.44)		(0.03)	(0.06)	(0.02)
Return after operating charges (p)*	0.64	2.39		0.62	1.23	1.54
Distributions (p)	(0.97)	(1.72)		(1.15)	(2.16)	(0.82)
Retained distributions on accumulation shares (p)**	0.97	1.72		–	–	–
Closing net asset value per share (p)	103.03	102.39		100.35	100.88	101.81
*after direct transaction costs of (p)	–	–		–	–	–
<b>Performance</b>						
Return after charges (%)	0.63	2.39		0.61	1.21	1.52
<b>Other information</b>						
Closing net asset value (£000)	83	10		386,908	311,778	196,037
Closing number of shares	80,256	10,000		385,541,058	309,062,267	192,551,783
Operating charges (%)**	0.46 <sup>†</sup>	0.46 <sup>†</sup>		0.06 <sup>†</sup>	0.06	0.06 <sup>†</sup>
Direct transaction costs (%)**	–	–		–	–	–
<b>Prices</b>						
Highest share price (p)	105.68	109.00		101.22	102.45	102.11
Lowest share price (p)	101.32	99.83		100.37	100.78	101.03

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>			Class Y – Gross income shares <sup>§</sup>		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>4</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.46	105.18	103.59	99.20	100.12	100.00
Return before operating charges (p)	0.68	1.34	1.61	0.63	1.31	0.28
Operating charges (p)	(0.03)	(0.06)	(0.02)	(0.15)	(0.32)	–
Return after operating charges (p)*	0.65	1.28	1.59	0.48	0.99	0.28
Distributions (p)	(1.21)	(2.25)	(0.85)	(1.00)	(1.91)	(0.16)
Retained distributions on accumulation shares (p)**	1.21	2.25	0.85	–	–	–
Closing net asset value per share (p)	107.11	106.46	105.18	98.68	99.20	100.12
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.61	1.22	1.53	0.48	0.99	0.28
<b>Other information</b>						
Closing net asset value (£000)	549,570	483,878	46,518	18,917	2,069	3
Closing number of shares	513,080,711	454,536,245	44,225,469	19,169,588	2,085,832	3,000
Operating charges (%)***	0.06 <sup>†</sup>	0.06	0.06 <sup>†</sup>	0.31 <sup>†</sup>	0.32	0.27 <sup>†</sup>
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	107.35	106.85	105.31	99.52	100.73	100.39
Lowest share price (p)	106.46	105.38	103.54	98.69	99.09	100.00

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

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

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

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

<sup>1</sup>Commenced 9 December 2016.

<sup>2</sup>Commenced 15 June 2017.

<sup>3</sup>Commenced 17 May 2017.

<sup>4</sup>Commenced 29 March 2017.

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

# Threadneedle Sterling Short-Dated Corporate Bond Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	5,098,206
Shares issued	3,153,272
Shares redeemed	(214,030)
Net conversions	–
Closing shares	<u>8,037,448</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	187,903
Shares issued	96,128
Shares redeemed	–
Net conversions	–
Closing shares	<u>284,031</u>
<b>Class 1 EUR Hedged – Gross accumulation shares</b>	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
<b>Class 2 – Income shares</b>	
Opening shares	196,649,685
Shares issued	27,811,069
Shares redeemed	(7,610,301)
Net conversions	1,429,913
Closing shares	<u>218,280,366</u>
<b>Class 2 – Gross income shares</b>	
Opening shares	115,241,314
Shares issued	14,107,803
Shares redeemed	(15,375,605)
Net conversions	(3,090,771)
Closing shares	<u>110,882,741</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	8,088,402
Shares issued	14,746,504
Shares redeemed	(17,221,744)
Net conversions	–
Closing shares	<u>5,613,162</u>
<b>Class 2 EUR Hedged – Gross accumulation shares</b>	
Opening shares	10,000
Shares issued	70,256
Shares redeemed	–
Net conversions	–
Closing shares	<u>80,256</u>
<b>Class X – Gross income shares</b>	
Opening shares	309,062,267
Shares issued	76,479,180
Shares redeemed	(389)
Net conversions	–
Closing shares	<u>385,541,058</u>

#### Class X – Gross accumulation shares

Opening shares	454,536,245
Shares issued	64,824,637
Shares redeemed	(6,280,171)
Net conversions	–
Closing shares	<u>513,080,711</u>

#### Class Y – Gross income shares

Opening shares	2,085,832
Shares issued	15,305,917
Shares redeemed	(10,083)
Net conversions	1,787,922
Closing shares	<u>19,169,588</u>

## Threadneedle UK Fixed Interest Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2018, the published share price of Class Z – Accumulation shares in the Threadneedle UK Fixed Interest Fund has risen from 168.06p to 169.25p.

For comparison, using noon prices, the performance of the Class Z share class was +0.71% compared to a return of +0.45% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Gilt Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE UK Gilts Government (All stocks) was +0.35%.

#### Market Overview and Portfolio Activity

UK government bonds (gilts) made modest positive returns over the six months in review. While gilts were caught up in a sell-off in US Treasuries amid ongoing optimism over the US economy and expectations of a stronger policy response from the Federal Reserve, they gained from bouts of safe-haven demand induced

by concerns over Brexit, the eurozone's stability, volatility in emerging markets, and global trade.

Gilts periodically benefited from uncertainties over Brexit and not-unrelated fears that Prime Minister Theresa May could be ousted in a leadership coup. The possibility of a hard-left victory in any resulting snap election also helped gilts. Contentious exchanges between UK and EU officials and the lack of resolution to the Irish border issue fuelled fears of a "no-deal Brexit".

The impact of poor weather on the UK's GDP growth in the first quarter and a sharper-than-expected fall in inflation dissuaded the Bank of England (BoE) from a previously near-certain interest-rate hike in May. Aided by the unusually hot summer, economic activity rebounded in the second quarter, and investors correctly anticipated a quarter-point hike in August. With inflationary pressures easing and key Brexit negotiations looming, the BoE left rates unchanged in September.

Chancellor Philip Hammond announced plans to increase spending in October's budget, which is to be funded by higher-than-expected tax receipts rather than government borrowing. Debt issuance is set to fall by £8.5bn in the current financial year, a move that should support gilts.

The portfolio started the review period with a relative duration of around 0.5 years long of the index.

The portfolio was underweight at the front-end of the yield curve ahead of the BoE's May meeting, but we later added some duration here. Towards month-end, as the Italian crisis took hold, we reduced duration in the 7–15 years to flat. On 1 June, we halved the long position in 25–35s, and a week after added duration in 10-years. Later, we increased duration in ultra-longs after they cheapened. In mid-June, we closed the underweight in 15–25s and took 25–35s to flat. Before the BoE's meeting, we took the portfolio to flat across all maturities, which was how the fund ended June.

Over the third quarter, we undertook various trades, which increased duration, especially in ultra-longs. We also carried out some relative value trades.

In October we added some duration in 25-35s. In mid-October, we reduced relative duration in 7-15s and added duration in the 15-25s. As yields approached the bottom end of the trading range, we reduced overall relative duration to end the period 0.25 years long.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improved investment, though the degree of global synchronisation appears to have slowed from the turn of the year. The recent escalation of US-China trade tensions may have impacted world trade; a generalised rise in protectionism could cause further damage.

Though the first half of 2018 was disappointing, we remain optimistic about the eurozone's growth and see scope for a material recovery in inflation. At current levels, core European government bond yields are not yet adequately reflecting these improved prospects. Despite the uncertainty caused by recent events in Italy, we think the risk of a break-up of the eurozone is low.

While the US economy appears to be in good shape currently, it is not clear whether its long-term growth potential has been increased. A key uncertainty is whether the US tax cuts can meaningfully boost investment and productivity. Our base case is that while growth will be supported through early 2019, the path of growth further out will be hindered by the increased debt burden of the fiscal package and the limited scope for fiscal easing in response to future downturns; this should limit the rise in yields. Structural issues and mounting debt levels should cap the upside in inflation over the medium term.

In the UK, we see little chance of further rate hikes in the foreseeable future, with Brexit set to kick in next March.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	1,183	(8,461)
Revenue	3,336	2,733
Expenses	(927)	(822)
Net revenue before taxation	2,409	1,911
Taxation	–	–
Net revenue after taxation	2,409	1,911
<b>Total return before distributions</b>	<b>3,592</b>	<b>(6,550)</b>
Distributions	(2,409)	(1,910)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,183</b>	<b>(8,460)</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	472,668	469,506
<b>Current assets:</b>		
Debtors	24,047	2,406
Cash and bank balances	13,762	8,141
<b>Total assets</b>	<b>510,477</b>	<b>480,053</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(28)	(26)
Other creditors	(316)	(292)
<b>Total liabilities</b>	<b>(344)</b>	<b>(318)</b>
<b>Net assets attributable to shareholders</b>	<b>510,133</b>	<b>479,735</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>479,735</b>	<b>468,928</b>
Amounts receivable on the issue of shares	50,513	35,661
Amounts payable on the cancellation of shares	(23,796)	(37,339)
	26,717	(1,678)
Dilution adjustment	–	1
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,183	(8,460)
Retained distribution on accumulation shares	2,498	84
<b>Closing net assets attributable to shareholders</b>	<b>510,133</b>	<b>458,875</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.5659	–	0.5659	0.4476
<b>Group 2</b> 01/05/18 to 31/10/18	0.3687	0.1972	0.5659	0.4476
<b>Total distributions in the period</b>			<b>0.5659</b>	<b>0.4476</b>

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.6955	–	0.6955	0.5455
<b>Group 2</b> 01/05/18 to 31/10/18	0.6955	–	0.6955	0.5455
<b>Total distributions in the period</b>			<b>0.6955</b>	<b>0.5455</b>



## Threadneedle UK Fixed Interest Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.5300	–	0.5300	0.4423
<b>Group 2</b> 01/05/18 to 31/10/18	0.2533	0.2767	0.5300	0.4423
<b>Total distributions in the period</b>			<b>0.5300</b>	<b>0.4423</b>

#### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.6705	–	0.6705	0.5554
<b>Group 2</b> 01/05/18 to 31/10/18	0.4083	0.2622	0.6705	0.5554
<b>Total distributions in the period</b>			<b>0.6705</b>	<b>0.5554</b>

#### Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.8373	–	0.8373	0.6837
<b>Group 2</b> 01/05/18 to 31/10/18	0.2654	0.5719	0.8373	0.6837
<b>Total distributions in the period</b>			<b>0.8373</b>	<b>0.6837</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Fixed Interest Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	134.07	136.45	131.87	164.62	166.35	160.32
Return before operating charges (p)	1.17	(0.69)	5.24	1.44	(0.85)	6.36
Operating charges (p)	(0.36)	(0.72)	(0.28)	(0.44)	(0.88)	(0.33)
Return after operating charges (p)*	0.81	(1.41)	4.96	1.00	(1.73)	6.03
Distributions (p)	(0.57)	(0.97)	(0.38)	(0.70)	(1.19)	(0.46)
Retained distributions on accumulation shares (p)	–	–	–	0.70	1.19	0.46
Closing net asset value per share (p)	134.31	134.07	136.45	165.62	164.62	166.35
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.60	(1.03)	3.76	0.61	(1.04)	3.76
<b>Other information</b>						
Closing net asset value (£000)	539	572	648	59	73	561
Closing number of shares	400,948	426,890	474,812	35,909	44,225	336,991
Operating charges (%)**	0.53 <sup>†</sup>	0.53	0.53 <sup>†</sup>	0.53 <sup>†</sup>	0.53	0.52 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	137.13	138.69	138.20	168.38	169.07	168.01
Lowest share price (p)	130.99	130.97	131.00	160.84	160.20	159.26
	Class 2 – Income shares			Class 2 – Gross income shares <sup>5</sup>		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	103.84	105.69	102.13	131.21	133.53	129.05
Return before operating charges (p)	0.90	(0.54)	4.07	1.15	(0.69)	5.12
Operating charges (p)	(0.18)	(0.37)	(0.15)	(0.24)	(0.45)	(0.18)
Return after operating charges (p)*	0.72	(0.91)	3.92	0.91	(1.14)	4.94
Distributions (p)	(0.53)	(0.94)	(0.36)	(0.67)	(1.18)	(0.46)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	104.03	103.84	105.69	131.45	131.21	133.53
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.69	(0.86)	3.84	0.69	(0.85)	3.83
<b>Other information</b>						
Closing net asset value (£000)	23	23	29	5,022	4,927	443,227
Closing number of shares	22,107	21,832	27,798	3,820,510	3,755,314	331,920,395
Operating charges (%)**	0.35 <sup>†</sup>	0.35	0.36 <sup>†</sup>	0.36 <sup>†</sup>	0.34	0.36 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	106.25	107.49	107.10	134.25	135.81	135.32
Lowest share price (p)	101.53	101.49	101.46	128.29	128.24	128.20

## Threadneedle UK Fixed Interest Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	168.00	169.50	163.26
Return before operating charges (p)	1.46	(0.85)	6.49
Operating charges (p)	(0.32)	(0.65)	(0.25)
Return after operating charges (p)*	1.14	(1.50)	6.24
Distributions (p)	(0.84)	(1.47)	(0.56)
Retained distributions on accumulation shares (p)	0.84	1.47	0.56
Closing net asset value per share (p)	169.14	168.00	169.50
*after direct transaction costs of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	0.68	(0.88)	3.82
<b>Other information</b>			
Closing net asset value (£000)	504,490	474,140	24,463
Closing number of shares	298,268,595	282,234,163	14,432,487
Operating charges (%)**	0.38 <sup>†</sup>	0.39	0.38 <sup>†</sup>
Direct transaction costs (%)***	–	–	–
<b>Prices</b>			
Highest share price (p)	171.89	172.37	171.19
Lowest share price (p)	164.25	163.43	162.19

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

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

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

<sup>†</sup>Commenced 9 December 2016.

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

## Threadneedle UK Fixed Interest Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	426,890
Shares issued	4,754
Shares redeemed	(30,696)
Net conversions	–
Closing shares	<u>400,948</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	44,225
Shares issued	–
Shares redeemed	(8,316)
Net conversions	–
Closing shares	<u>35,909</u>
<b>Class 2 – Income shares</b>	
Opening shares	21,832
Shares issued	275
Shares redeemed	–
Net conversions	–
Closing shares	<u>22,107</u>
<b>Class 2 – Gross income shares</b>	
Opening shares	3,755,314
Shares issued	84,152
Shares redeemed	(18,956)
Net conversions	–
Closing shares	<u>3,820,510</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	282,234,163
Shares issued	30,003,515
Shares redeemed	(13,969,083)
Net conversions	–
Closing shares	<u>298,268,595</u>

## Threadneedle UK Index Linked Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

#### Performance of Class 2 – Accumulation shares\*

Over the six months to 31 October 2018, the published share price of Class 2 – Accumulation shares in the Threadneedle UK Index Linked Fund has risen from 197.46p to 207.18p.

For comparison, using noon prices, the performance of the Class 2 share class was +4.92% compared to a return of +4.46% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Index Linked Gilts Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE UK Gilts Index Linked Government (All stocks) was +3.24%.

#### Market Overview and Portfolio Activity

Index-linked UK government bonds (gilts) posted a positive return over the review period, outperforming conventional gilts. While gilts were caught up in a sell-off in US Treasuries amid expectations of faster US interest-rate hikes, they gained from bouts of safe-haven demand induced by concerns over Brexit, the UK's political

leadership the eurozone's stability, emerging-market volatility, and global trade.

The impact of poor weather on the UK's GDP growth in the first quarter and a sharper-than-expected fall in inflation dissuaded the Bank of England (BoE) from a previously near-certain interest-rate hike in May. Aided by better weather, economic activity rebounded in the second quarter, and investors correctly anticipated a quarter-point hike in August. With inflationary pressures easing and key Brexit negotiations looming, the BoE held rates in September.

In October's budget, the chancellor announced increased spending, which is to be funded by higher-than-expected tax receipts rather than government borrowing. Debt issuance is set to fall in the current financial year, which should support gilts.

The portfolio started the review period with a relative duration of around 0.5 years long of the index.

In May, we brought duration in 15-25s to flat, and moved to a slight underweight in 25-35s. We increased duration in the ultra-long space to 0.3 years long. On 1 June, we reduced this to 0.25 years long, and on 20 June, we brought overall duration to flat ahead of the BoE's Monetary Policy Committee (MPC) meeting, feeling the market had priced the MPC action's too far out. In late June, we rebalanced various maturity buckets to flat positions.

In mid-July, we brought relative duration in the ultra-long segment to 0.2 years long, the 7-15 year segment to -0.25 years short, and the 15-25 year segment to 0.15 years long via butterfly trades. We also undertook various relative value switches within maturity buckets. In August, we increased overall duration by 0.1 years.

In late September, we slightly increased duration, ending the month at 0.40 years long. In mid-October, as inflation expectations

looked extended, we sold index linked securities into conventional 2071s, adding 0.3 years duration, looking for the conventional to outperform. We also brought duration in 15-25s to flat. Following October's budget, we switched half of our holdings in 2071 conventionals back into 2065 index-linked bonds. The portfolio ended the review period with a relative duration 0.3 years long.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improved investment, though the degree of global synchronisation appears to have slowed from the turn of the year. The recent escalation of US-China trade tensions may have impacted world trade; a generalised rise in protectionism could cause further damage.

Though the first half of 2018 was disappointing, we remain optimistic about the eurozone's growth and see scope for a material recovery in inflation. At current levels, core European government bond yields are not yet adequately reflecting these improved prospects. Despite the uncertainty caused by recent events in Italy, we think the risk of a break-up of the eurozone is low.

While the US economy appears to be in good shape currently, it is not clear whether its long-term growth potential has been increased. A key uncertainty is whether the US tax cuts can meaningfully boost investment and productivity. Our base case is that while growth will be supported through early 2019, the path of growth further out will be hindered by the increased debt burden of the fiscal package and the limited scope for fiscal easing in response to future downturns; this should limit the rise in yields. Structural issues and mounting debt levels should cap the upside in inflation over the medium term.

In the UK, we see little chance of further rate hikes in the foreseeable future, with Brexit set to kick in next March.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	2,938	(3,252)
Revenue	411	357
Expenses	(55)	(138)
Net revenue before taxation	356	219
Taxation	–	–
Net revenue after taxation	356	219
<b>Total return before distributions</b>	<b>3,294</b>	<b>(3,033)</b>
Distributions	(356)	(219)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,938</b>	<b>(3,252)</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	67,490	64,121
<b>Current assets:</b>		
Debtors	143	121
Cash and bank balances	529	1,022
<b>Total assets</b>	<b>68,162</b>	<b>65,264</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(2)	–
Other creditors	(41)	(94)
<b>Total liabilities</b>	<b>(43)</b>	<b>(94)</b>
<b>Net assets attributable to shareholders</b>	<b>68,119</b>	<b>65,170</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>65,170</b>	<b>95,998</b>
Amounts receivable on the issue of shares	1,037	4,567
Amounts payable on the cancellation of shares	(1,380)	(30,564)
	(343)	(25,997)
Dilution adjustment	–	10
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,938	(3,252)
Retained distribution on accumulation shares	354	112
<b>Closing net assets attributable to shareholders</b>	<b>68,119</b>	<b>66,871</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Interest distribution in pence per share

Distribution Period	Class 1 – Income shares		Distribution Paid/Payable 2018	Distribution Paid 2017
	Gross Revenue	Equalisation		
<b>Group 1</b> 01/05/18 to 31/10/18	0.5402	–	0.5402	0.0144
<b>Group 2</b> 01/05/18 to 31/10/18	0.2349	0.3053	0.5402	0.0144
<b>Total distributions in the period</b>			<b>0.5402</b>	<b>0.0144</b>
Distribution Period	Class 1 – Gross accumulation shares			
	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.3719	–	0.3719	0.0097
<b>Group 2</b> 01/05/18 to 31/10/18	0.0619	0.3100	0.3719	0.0097
<b>Total distributions in the period</b>			<b>0.3719</b>	<b>0.0097</b>

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle UK Index Linked Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.4669	–	0.4669	0.2910
<b>Group 2</b> 01/05/18 to 31/10/18	0.2944	0.1725	0.4669	0.2910
<b>Total distributions in the period</b>			<b>0.4669</b>	<b>0.2910</b>

#### Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.8069	–	0.8069	0.5011
<b>Group 2</b> 01/05/18 to 31/10/18	0.4315	0.3754	0.8069	0.5011
<b>Total distributions in the period</b>			<b>0.8069</b>	<b>0.5011</b>

#### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.6206	–	0.6206	0.3867
<b>Group 2</b> 01/05/18 to 31/10/18	0.3770	0.2436	0.6206	0.3867
<b>Total distributions in the period</b>			<b>0.6206</b>	<b>0.3867</b>

#### Class D – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.6052	–	0.6052	0.3153
<b>Group 2</b> 01/05/18 to 31/10/18	0.6052	–	0.6052	0.3153
<b>Total distributions in the period</b>			<b>0.6052</b>	<b>0.3153</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	0.5953	–	0.5953	0.4377
<b>Group 2</b> 01/05/18 to 31/10/18	0.4987	0.0966	0.5953	0.4377
<b>Total distributions in the period</b>			<b>0.5953</b>	<b>0.4377</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Index Linked Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	169.55	178.36	169.80	116.87	122.94	117.00
Return before operating charges (p)	8.73	(7.34)	9.21	6.02	(5.08)	6.41
Operating charges (p)	(0.53)	(1.46)	(0.65)	(0.36)	(0.99)	(0.47)
Return after operating charges (p)*	8.20	(8.80)	8.56	5.66	(6.07)	5.94
Distributions (p)	(0.54)	(0.01)	–	(0.37)	(0.01)	–
Retained distributions on accumulation shares (p)	–	–	–	0.37	0.01	–
Closing net asset value per share (p)	177.21	169.55	178.36	122.53	116.87	122.94
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	4.84	(4.93)	5.04	4.84	(4.94)	5.08
<b>Other information</b>						
Closing net asset value (£000)	423	421	448	71	74	60
Closing number of shares	238,570	248,111	251,173	57,859	63,224	48,433
Operating charges (%)**	0.61 <sup>†</sup>	0.84	0.89 <sup>†</sup>	0.61 <sup>†</sup>	0.83	0.97 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	177.80	181.66	185.69	122.56	125.21	127.98
Lowest share price (p)	168.27	166.20	165.59	115.99	114.57	114.13
	Class 2 – Income shares			Class 2 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	114.12	120.04	114.20	197.38	206.80	196.50
Return before operating charges (p)	5.89	(4.95)	6.17	10.18	(8.53)	10.65
Operating charges (p)	(0.26)	(0.51)	(0.21)	(0.44)	(0.89)	(0.35)
Return after operating charges (p)*	5.63	(5.46)	5.96	9.74	(9.42)	10.30
Distributions (p)	(0.47)	(0.46)	(0.12)	(0.81)	(0.80)	(0.21)
Retained distributions on accumulation shares (p)	–	–	–	0.81	0.80	0.21
Closing net asset value per share (p)	119.28	114.12	120.04	207.12	197.38	206.80
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	4.93	(4.55)	5.22	4.93	(4.56)	5.24
<b>Other information</b>						
Closing net asset value (£000)	72	71	68	14,071	13,734	17,007
Closing number of shares	60,381	62,043	57,028	6,793,793	6,957,792	8,223,803
Operating charges (%)**	0.44 <sup>†</sup>	0.44	0.42 <sup>†</sup>	0.44 <sup>†</sup>	0.44	0.42 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	119.78	122.47	125.07	207.18	210.99	215.24
Lowest share price (p)	113.27	112.00	111.36	195.92	193.07	191.65

## Threadneedle UK Index Linked Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>5</sup>			Class D – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	151.72	159.56	151.70	192.40	201.93	192.00
Return before operating charges (p)	7.82	(6.60)	8.29	9.91	(8.34)	10.41
Operating charges (p)	(0.34)	(0.64)	(0.27)	(0.61)	(1.19)	(0.48)
Return after operating charges (p)*	7.48	(7.24)	8.02	9.30	(9.53)	9.93
Distributions (p)	(0.62)	(0.60)	(0.16)	(0.61)	(0.43)	(0.05)
Retained distributions on accumulation shares (p)	–	–	–	0.61	0.43	0.05
Closing net asset value per share (p)	158.58	151.72	159.56	201.70	192.40	201.93
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	4.93	(4.54)	5.29	4.83	(4.72)	5.17
<b>Other information</b>						
Closing net asset value (£000)	162	151	64,216	17	36	478
Closing number of shares	102,025	99,637	40,246,041	8,636	18,957	236,471
Operating charges (%)**	0.44 <sup>†</sup>	0.41	0.42 <sup>†</sup>	0.62 <sup>†</sup>	0.60	0.59 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	159.25	162.81	166.24	201.76	205.89	210.20
Lowest share price (p)	150.59	148.89	148.02	190.95	188.45	187.26
<b>Class X – Gross accumulation shares<sup>5</sup></b>						
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	101.01	105.46	100.00			
Return before operating charges (p)	5.22	(4.36)	5.49			
Operating charges (p)	(0.05)	(0.09)	(0.03)			
Return after operating charges (p)*	5.17	(4.45)	5.46			
Distributions (p)	(0.60)	(0.77)	(0.27)			
Retained distributions on accumulation shares (p)	0.60	0.77	0.27			
Closing net asset value per share (p)	106.18	101.01	105.46			
*after direct transaction costs of (p)	–	–	–			
<b>Performance</b>						
Return after charges (%)	5.12	(4.22)	5.46			
<b>Other information</b>						
Closing net asset value (£000)	53,303	50,683	13,721			
Closing number of shares	50,201,115	50,175,770	13,011,638			
Operating charges (%)**	0.09 <sup>†</sup>	0.09	0.07 <sup>†</sup>			
Direct transaction costs (%)***	–	–	–			
<b>Prices</b>						
Highest share price (p)	106.21	107.73	109.74			
Lowest share price (p)	100.28	98.53	97.60			

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

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

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

<sup>†</sup>Commenced 25 November 2016.

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



## Threadneedle UK Index Linked Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	248,111
Shares issued	303
Shares redeemed	(9,844)
Net conversions	–
Closing shares	<u>238,570</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	63,224
Shares issued	7,415
Shares redeemed	(12,780)
Net conversions	–
Closing shares	<u>57,859</u>
<b>Class 2 – Income shares</b>	
Opening shares	62,043
Shares issued	86
Shares redeemed	(1,748)
Net conversions	–
Closing shares	<u>60,381</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	6,957,792
Shares issued	483,437
Shares redeemed	(647,436)
Net conversions	–
Closing shares	<u>6,793,793</u>
<b>Class 2 – Gross income shares</b>	
Opening shares	99,637
Shares issued	3,403
Shares redeemed	(1,015)
Net conversions	–
Closing shares	<u>102,025</u>
<b>Class D – Accumulation shares</b>	
Opening shares	18,957
Shares issued	–
Shares redeemed	(10,321)
Net conversions	–
Closing shares	<u>8,636</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	50,175,770
Shares issued	52,486
Shares redeemed	(27,141)
Net conversions	–
Closing shares	<u>50,201,115</u>

## Threadneedle Pan European Focus Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle Pan European Focus Fund has fallen from 253.81p to 248.61p in sterling terms and from 2.8800 to 2.7991 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was -2.05% and -1.77% for the Class 2 share class compared to a return of -4.22% for the Morningstar UK Unit Trusts/OEICs – (IA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was -3.29%.

#### Market Overview and Portfolio Activity

The eurozone's economic backdrop continued to be supportive and the composite purchasing managers' index (PMI) remained firmly in expansionary territory. Initial estimates for the third quarter indicated that annual eurozone GDP growth was slightly lower than expected at 1.7%, partly due to economic stagnation in Italy. Monetary policy in the region remained accommodative and the ECB's stimulus programme is to be wound up at the year-end, if inflationary conditions permit. In the UK, interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there were concerns that the UK may leave the EU without securing a deal.

Markets were unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs, President Trump's rhetoric hardened once more. Merger and acquisition activity gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

Italy's new populist government unnerved investors by targeting a larger-than-expected budget deficit for 2019, against the wishes of the European Commission. Investors were also unsettled by news that Angela Merkel, Germany's long-serving chancellor, intends to retire in 2021. Spanish politics were eventful too; Prime Minister Rajoy lost a vote of confidence, and was succeeded by Pedro Sanchez, leader of the socialist PSOE party. In Sweden, a general election saw gains for the anti-immigration party Sweden Democrats, mirroring the rise of populist parties in other countries. However, these gains were less than many had feared, and did not provide a major disruption to the Swedish political landscape. In Turkey, interest rates were raised sharply to 24% in an attempt to control inflation and prevent a further collapse in the lira.

October was a turbulent month for markets; equities were hit by a PE (price to earnings) contraction, as more expensive stocks de-rated.

There were concerns that growth in China may be softening, evidenced by some recent corporate results. Interest rates in the US have also been creeping higher and this may lead to a cooling of growth in one of the main engines of the global economy.

We opened a new position in Brenntag, a chemicals distributor which benefits from scale and buying power with suppliers – its business is well diversified by client and geographically. Other new holdings included paint business Akzo Nobel; the company has a strong balance sheet (prompting a generous dividend policy) and a good business model. It operates in a concentrated market, which has led to rational pricing. We inherited a position in Epiroc, which was spun out of Atlas Copco; it is one of the more attractive parts of the Atlas conglomerate and there are good possibilities for reducing costs and increasing margins.

Sales included Prysmian and Ryanair. Prysmian announced reduced profits guidance and a write-off due to the Western Link HVDC cable order – this disappointment reduces the potential upside for the shares, and we believe we can find better opportunities elsewhere. Ryanair is facing Brexit-related risks as well as labour disputes, which threaten its low-cost competitive advantage.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

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

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(1,144)	7,600
Revenue	645	850
Expenses	(448)	(455)
Net revenue before taxation	197	395
Taxation	(23)	(35)
Net revenue after taxation	174	360
<b>Total return before equalisation</b>	<b>(970)</b>	<b>7,960</b>
Equalisation	(14)	(8)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(984)</b>	<b>7,952</b>

#### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	68,484	72,890
<b>Current assets:</b>		
Debtors	145	741
Cash and bank balances	33	1,053
<b>Total assets</b>	<b>68,662</b>	<b>74,684</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(86)	(538)
<b>Total liabilities</b>	<b>(86)</b>	<b>(538)</b>
<b>Net assets attributable to shareholders</b>	<b>68,576</b>	<b>74,146</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>74,146</b>	<b>71,377</b>
Amounts receivable on the issue of shares	518	2,686
Amounts payable on the cancellation of shares	(5,106)	(3,798)
	(4,588)	(1,112)
Dilution adjustment	2	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(984)	7,952
<b>Closing net assets attributable to shareholders</b>	<b>68,576</b>	<b>78,217</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle Pan European Focus Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	117.03	110.55	101.67	253.74	238.14	217.96
Return before operating charges (p)	(1.40)	9.20	11.18	(3.00)	19.84	23.93
Operating charges (p)	(0.99)	(1.92)	(1.72)	(2.21)	(4.24)	(3.75)
Return after operating charges (p)*	(2.39)	7.28	9.46	(5.21)	15.60	20.18
Distributions (p)	–	(0.80)	(0.58)	–	(1.66)	(1.16)
Retained distributions on accumulation shares (p)	–	–	–	–	1.66	1.16
Closing net asset value per share (p)	114.64	117.03	110.55	248.53	253.74	238.14
*after direct transaction costs of (p)	0.17	0.35	0.50	0.37	0.76	1.06
<b>Performance</b>						
Return after charges (%)	(2.04)	6.59	9.30	(2.05)	6.55	9.26
<b>Other information</b>						
Closing net asset value (£000)	4	3	3	18,836	22,035	21,665
Closing number of shares	3,000	3,000	3,000	7,578,881	8,683,917	9,097,364
Operating charges (%)**	1.62 <sup>†</sup>	1.62	1.65	1.66 <sup>†</sup>	1.66	1.68
Direct transaction costs (%)***	0.28	0.30	0.48	0.28	0.30	0.48
<b>Prices</b>						
Highest share price (p)	129.08	124.14	111.42	279.86	267.37	238.78
Lowest share price (p)	111.64	110.93	96.15	242.04	238.98	206.12
	Class 2 – Accumulation shares			Class X – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	272.24	254.04	231.18	119.42	110.32	99.37
Return before operating charges (p)	(3.25)	21.18	25.49	(1.46)	9.21	11.05
Operating charges (p)	(1.56)	(2.98)	(2.63)	(0.06)	(0.11)	(0.10)
Return after operating charges (p)*	(4.81)	18.20	22.86	(1.52)	9.10	10.95
Distributions (p)	–	(3.33)	(2.61)	–	(2.65)	(2.19)
Retained distributions on accumulation shares (p)	–	3.33	2.61	–	2.65	2.19
Closing net asset value per share (p)	267.43	272.24	254.04	117.90	119.42	110.32
*after direct transaction costs of (p)	0.40	0.82	1.13	0.18	0.36	0.51
<b>Performance</b>						
Return after charges (%)	(1.77)	7.16	9.89	(1.27)	8.25	11.02
<b>Other information</b>						
Closing net asset value (£000)	43,025	44,514	41,807	4,986	5,604	5,178
Closing number of shares	16,088,651	16,350,734	16,456,859	4,229,068	4,693,111	4,693,111
Operating charges (%)**	1.09 <sup>†</sup>	1.09	1.11	0.09 <sup>†</sup>	0.09	0.09
Direct transaction costs (%)***	0.28	0.30	0.48	0.28	0.30	0.48
<b>Prices</b>						
Highest share price (p)	300.83	286.06	254.70	132.39	125.10	110.60
Lowest share price (p)	260.42	254.94	218.82	114.79	110.72	94.21

## Threadneedle Pan European Focus Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	184.54	171.91	156.16
Return before operating charges (p)	(2.22)	14.31	17.24
Operating charges (p)	(0.88)	(1.68)	(1.49)
Return after operating charges (p)*	(3.10)	12.63	15.75
Distributions (p)	–	(2.58)	(2.05)
Retained distributions on accumulation shares (p)	–	2.58	2.05
Closing net asset value per share (p)	181.44	184.54	171.91
*after direct transaction costs of (p)	0.27	0.55	0.76
<b>Performance</b>			
Return after charges (%)	(1.68)	7.35	10.09
<b>Other information</b>			
Closing net asset value (£000)	1,725	1,990	2,724
Closing number of shares	950,913	1,078,174	1,584,429
Operating charges (%)**	0.91 <sup>†</sup>	0.91	0.93
Direct transaction costs (%)***	0.28	0.30	0.48
<b>Prices</b>			
Highest share price (p)	204.04	193.75	172.35
Lowest share price (p)	176.68	172.52	147.86

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

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

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

# Threadneedle Pan European Focus Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	8,683,917
Shares issued	27,914
Shares redeemed	(1,132,950)
Net conversions	–
Closing shares	<u>7,578,881</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	16,350,734
Shares issued	151,065
Shares redeemed	(413,148)
Net conversions	–
Closing shares	<u>16,088,651</u>
<b>Class X – Accumulation shares</b>	
Opening shares	4,693,111
Shares issued	–
Shares redeemed	(464,043)
Net conversions	–
Closing shares	<u>4,229,068</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	1,078,174
Shares issued	5,818
Shares redeemed	(133,079)
Net conversions	–
Closing shares	<u>950,913</u>

## Threadneedle Pan European Equity Dividend Fund\*

### Investment Report

#### Investment Objective

The investment objective of the Pan European Equity Dividend Fund is to achieve a growing income combined with prospects for capital growth from a portfolio of Pan European equities.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of companies domiciled in Continental Europe and the UK or with significant Continental European and UK activities.

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

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities, money market securities, cash and near cash).

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

Over the six months to 6 October 2018 when the fund closed, the published share price of Class 1 – Income shares in the Threadneedle Pan European Equity Dividend Fund has fallen from 92.04p to 89.14p in sterling terms and from 1.0444 to 1.0127 Euros.

For comparison, using noon prices, the performance of the Class 1 share class was +2.91% and +3.21% for the Class 2 share class compared to a return of +4.23% for the Morningstar UK Unit Trusts/ OEICS – (IA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was +4.49%.

#### Market Overview and Portfolio Activity

The eurozone's economic backdrop continued to be supportive and the composite purchasing managers' index (PMI) remained firmly in

expansionary territory. Initial estimates for the third quarter indicated that annual eurozone GDP growth was slightly lower than expected at 1.7%, partly due to economic stagnation in Italy. Monetary policy in the region remained accommodative and the ECB's stimulus programme is to be wound up at the year-end, if inflationary conditions permit. In the UK, interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there were concerns that the UK may leave the EU without securing a deal.

Markets were unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs, President Trump's rhetoric hardened once more. Merger and acquisition activity gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

Italy's new populist government unnered investors by targeting a larger-than-expected budget deficit for 2019, against the wishes of the European Commission. Investors were also unsettled by news that Angela Merkel, Germany's long-serving chancellor, intends to retire in 2021. Spanish politics were eventful too; Prime Minister Rajoy lost a vote of confidence, and was succeeded by Pedro Sanchez, leader of the socialist PSOE party. In Sweden, a general election saw gains for the anti-immigration party Sweden Democrats, mirroring the rise of populist parties in other countries. However, these gains were less than many had feared, and did not provide a major disruption to the Swedish political landscape. In Turkey, interest rates were raised sharply to 24% in an attempt to control inflation and prevent a further collapse in the lira.

October was a turbulent month for markets; equities were hit by a PE (price to earnings) contraction, as more expensive stocks de-rated. There were concerns that growth in China may be softening, evidenced by some recent corporate results. Interest rates in the

US have also been creeping higher and this may lead to a cooling of growth in one of the main engines of the global economy.

New positions included adidas and Axel Springer. Sportswear firm adidas is under new management, is gaining market share, and has a strong position in China. Its sales strategy has hit a sweet spot, with products such as retro shoes. German publisher Axel Springer is gradually moving away from print towards digital, both organically and through M&A; the yield is attractive. We also inherited a position in Epiroc, which was spun out of Atlas Copco; it is one of the more attractive parts of the Atlas conglomerate and there are good possibilities for reducing costs and increasing margins.

We sold Belgian postal services firm bpost; results revealed continuing problems with costs, with the Radial acquisition, and a faster than expected decline in postal volumes. Other sales included food and flavours firm Givaudan, following a period of good returns.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

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

On 6 October, the fund was merged into its SICAV equivalent.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(1,117)	5,323
Revenue	958	1,377
Expenses	(369)	(588)
Interest payable and similar charges	(1)	(4)
Net revenue before taxation	588	785
Taxation	(50)	(76)
Net revenue after taxation	538	709
<b>Total return before distributions</b>	<b>(579)</b>	<b>6,032</b>
Distributions	(869)	(1,233)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(1,448)</b>	<b>4,799</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	–	63,450
<b>Current assets:</b>		
Debtors	–	967
Cash and bank balances	524	326
<b>Total assets</b>	<b>524</b>	<b>64,743</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(507)	(932)
Other creditors	(17)	(171)
<b>Total liabilities</b>	<b>(524)</b>	<b>(1,103)</b>
<b>Net assets attributable to shareholders</b>	<b>–</b>	<b>63,640</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>63,640</b>	<b>85,347</b>
Amounts receivable on the issue of shares	1,479	17,261
Amounts payable on the cancellation of shares	(63,937)	(11,611)
	(62,458)	5,650
Dilution adjustment	–	18
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,448)	4,799
Retained distribution on accumulation shares	266	380
<b>Closing net assets attributable to shareholders</b>	<b>–</b>	<b>96,194</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*The fund was closed on 5 October 2018.

\*\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 05/10/18	1.2669	–	1.2669	1.2684
<b>Group 2</b> 01/05/18 to 05/10/18	0.4878	0.7791	1.2669	1.2684
<b>Total distributions in the period</b>	<b>1.2669</b>	<b>0.7791</b>	<b>1.2669</b>	<b>1.2684</b>

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 05/10/18	2.0472	–	2.0472	1.9752
<b>Group 2</b> 01/05/18 to 05/10/18	1.0911	0.9561	2.0472	1.9752
<b>Total distributions in the period</b>	<b>2.0472</b>	<b>0.9561</b>	<b>2.0472</b>	<b>1.9752</b>

## Threadneedle Pan European Equity Dividend Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 05/10/18	1.3809	–	1.3809	1.3818
<b>Group 2</b> 01/05/18 to 05/10/18	0.4791	0.9018	1.3809	1.3818
<b>Total distributions in the period</b>			<b>1.3809</b>	<b>1.3818</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 05/10/18	2.2699	–	2.2699	2.1872
<b>Group 2</b> 01/05/18 to 05/10/18	1.0029	1.2670	2.2699	2.1872
<b>Total distributions in the period</b>			<b>2.2699</b>	<b>2.1872</b>

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 05/10/18	1.7627	–	1.7627	1.7463
<b>Group 2</b> 01/05/18 to 05/10/18	0.8428	0.9199	1.7627	1.7463
<b>Total distributions in the period</b>			<b>1.7627</b>	<b>1.7463</b>

#### Class X – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 1 October 2018, as expenses exceed revenue (2017: 1.9243).

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 05/10/18	2.0067	–	2.0067	1.9942
<b>Group 2</b> 01/05/18 to 05/10/18	0.7692	1.2375	2.0067	1.9942
<b>Total distributions in the period</b>			<b>2.0067</b>	<b>1.9942</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 05/10/18	1.9308	–	1.9308	1.8488
<b>Group 2</b> 01/05/18 to 05/10/18	0.8909	1.0399	1.9308	1.8488
<b>Total distributions in the period</b>			<b>1.9308</b>	<b>1.8488</b>

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

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

Group 2: shares purchased during a distribution period.

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

## Threadneedle Pan European Equity Dividend Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	89.87	89.57	80.20	145.22	139.49	120.68
Return before operating charges (p)	2.06	5.27	13.91	1.26	8.16	21.01
Operating charges (p)	(1.52)	(1.55)	(1.45)	(2.45)	(2.43)	(2.20)
Return after operating charges (p)*	0.54	3.72	12.46	(1.19)	5.73	18.81
Distributions (p)	(1.27)	(3.42)	(3.09)	(2.05)	(5.36)	(4.69)
Retained distributions on accumulation shares (p)	–	–	–	2.05	5.36	4.69
Closing net asset value per share (p)	89.14	89.87	89.57	144.03	145.22	139.49
*after direct transaction costs of (p)	0.02	0.11	0.15	0.03	0.17	0.23
<b>Performance</b>						
Return after charges (%)	0.60	4.15	15.54	(0.82)	4.11	15.59
<b>Other information</b>						
Closing net asset value (£000)	–	28,202	29,403	–	12,388	16,550
Closing number of shares	–	31,380,504	32,826,121	–	8,530,450	11,864,580
Operating charges (%)**	1.66 <sup>†</sup>	1.66	1.67	1.66 <sup>†</sup>	1.66	1.67
Direct transaction costs (%)***	0.04	0.12	0.17	0.04	0.12	0.17
<b>Prices</b>						
Highest share price (p)	94.76	97.35	93.39	153.12	151.60	141.06
Lowest share price (p)	88.82	86.80	77.64	143.54	136.98	116.82
	Class 2 – Income shares			Class 2 – Accumulation shares		
	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	95.63	94.83	84.48	157.18	150.11	129.13
Return before operating charges (p)	1.89	5.58	14.70	0.84	8.78	22.53
Operating charges (p)	(1.06)	(1.08)	(1.01)	(1.74)	(1.71)	(1.55)
Return after operating charges (p)*	0.83	4.50	13.69	(0.90)	7.07	20.98
Distributions (p)	(1.38)	(3.70)	(3.34)	(2.27)	(5.91)	(5.14)
Retained distributions on accumulation shares (p)	–	–	–	2.27	5.91	5.14
Closing net asset value per share (p)	95.08	95.63	94.83	156.28	157.18	150.11
*after direct transaction costs of (p)	0.02	0.12	0.16	0.03	0.19	0.24
<b>Performance</b>						
Return after charges (%)	0.87	4.75	16.21	(0.57)	4.71	16.25
<b>Other information</b>						
Closing net asset value (£000)	–	3,696	4,197	–	11,953	11,833
Closing number of shares	–	3,865,544	4,426,377	–	7,604,545	7,882,950
Operating charges (%)**	1.09 <sup>†</sup>	1.09	1.10	1.09 <sup>†</sup>	1.09	1.10
Direct transaction costs (%)***	0.04	0.12	0.17	0.04	0.12	0.17
<b>Prices</b>						
Highest share price (p)	101.02	103.34	98.62	166.04	163.57	151.69
Lowest share price (p)	94.59	92.33	81.80	155.49	148.17	125.02



## Threadneedle Pan European Equity Dividend Fund

### Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017	01/10/2018 <sup>2</sup>	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.89	119.67	105.54	136.89	129.35	110.10
Return before operating charges (p)	1.70	7.03	18.44	3.68	7.61	19.30
Operating charges (p)	(0.11)	(0.11)	(0.12)	(0.06)	(0.07)	(0.05)
Return after operating charges (p)*	1.59	6.92	18.32	3.62	7.54	19.25
Distributions (p)	(1.76)	(4.70)	(4.19)	–	(5.20)	(4.48)
Retained distributions on accumulation shares (p)	–	–	–	–	5.20	4.48
Closing net asset value per share (p)	121.72	121.89	119.67	140.51	136.89	129.35
*after direct transaction costs of (p)	0.02	0.15	0.20	0.03	0.16	0.21
<b>Performance</b>						
Return after charges (%)	1.30	5.78	17.36	2.64	5.83	17.48
<b>Other information</b>						
Closing net asset value (£000)	–	3,635	2,831	–	4	4
Closing number of shares	–	2,982,236	2,365,594	–	3,000	3,000
Operating charges (%)**	0.09 <sup>†</sup>	0.09	0.10	0.04 <sup>†</sup>	0.05	0.04
Direct transaction costs (%)***	0.04	0.12	0.17	0.04	0.12	0.17
<b>Prices</b>						
Highest share price (p)	129.19	130.99	123.76	145.11	141.63	130.55
Lowest share price (p)	120.67	117.56	102.24	135.54	128.90	106.66
	Class Z – Income shares			Class Z – Accumulation shares		
	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017	05/10/2018 <sup>1</sup>	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	142.21	140.68	125.01	136.81	130.43	112.01
Return before operating charges (p)	2.62	8.27	21.77	0.60	7.64	19.55
Operating charges (p)	(1.32)	(1.35)	(1.26)	(1.27)	(1.26)	(1.13)
Return after operating charges (p)*	1.30	6.92	20.51	(0.67)	6.38	18.42
Distributions (p)	(2.01)	(5.39)	(4.84)	(1.93)	(5.04)	(4.37)
Retained distributions on accumulation shares (p)	–	–	–	1.93	5.04	4.37
Closing net asset value per share (p)	141.50	142.21	140.68	136.14	136.81	130.43
*after direct transaction costs of (p)	0.03	0.18	0.24	0.03	0.16	0.21
<b>Performance</b>						
Return after charges (%)	0.91	4.92	16.41	(0.49)	4.89	16.44
<b>Other information</b>						
Closing net asset value (£000)	–	3,388	20,242	–	374	287
Closing number of shares	–	2,382,348	14,388,985	–	273,164	220,227
Operating charges (%)**	0.91 <sup>†</sup>	0.91	0.92	0.91 <sup>†</sup>	0.92	0.92
Direct transaction costs (%)***	0.04	0.12	0.17	0.04	0.12	0.17
<b>Prices</b>						
Highest share price (p)	150.31	153.41	146.05	144.61	142.24	131.78
Lowest share price (p)	140.69	137.23	121.06	135.36	128.95	108.46

## Threadneedle Pan European Equity Dividend Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross accumulation shares <sup>3</sup>
	01/10/2018 <sup>3</sup>
<b>Change in net assets per share</b>	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	3.13
Operating charges (p)	(0.79)
Return after operating charges (p)*	2.34
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	102.34
*after direct transaction costs of (p)	0.02
<b>Performance</b>	
Return after charges (%)	2.34
<b>Other information</b>	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	0.78 <sup>1</sup>
Direct transaction costs (%)***	0.04
<b>Prices</b>	
Highest share price (p)	105.69
Lowest share price (p)	98.01

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

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

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

<sup>1</sup>Closed 5 October 2018.

<sup>2</sup>Closed 1 October 2018.

<sup>3</sup>Commenced 5 June 2018 and closed 1 October 2018.

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

## Threadneedle Pan European Equity Dividend Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

Following the merger, which took place on 6<sup>th</sup> October 2018, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the fund's financial statements to reduce assets to their realisable values or to provide for liabilities arising from the termination. The comparative financial information was prepared on a going concern basis.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	31,380,504
Shares issued	216,333
Shares redeemed	(31,596,837)
Net conversions	–
Closing shares	–
<b>Class 1 – Accumulation shares</b>	
Opening shares	8,530,450
Shares issued	483,491
Shares redeemed	(9,013,941)
Net conversions	–
Closing shares	–
<b>Class 2 – Income shares</b>	
Opening shares	3,865,544
Shares issued	11,331
Shares redeemed	(3,876,875)
Net conversions	–
Closing shares	–
<b>Class 2 – Accumulation shares</b>	
Opening shares	7,604,545
Shares issued	15,366
Shares redeemed	(7,619,911)
Net conversions	–
Closing shares	–
<b>Class X – Income shares</b>	
Opening shares	2,982,236
Shares issued	392,311
Shares redeemed	(3,374,547)
Net conversions	–
Closing shares	–
<b>Class X – Accumulation shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	(3,000)
Net conversions	–
Closing shares	–
<b>Class Z – Income shares</b>	
Opening shares	2,382,348
Shares issued	37,348
Shares redeemed	(2,424,200)
Net conversions	4,504
Closing shares	–

	2018
<b>Class Z – Accumulation shares</b>	
Opening shares	273,164
Shares issued	6,351
Shares redeemed	(274,833)
Net conversions	(4,682)
Closing shares	–
<b>Class Z CHF Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	(1,000)
Net conversions	–
Closing shares	–

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

## Threadneedle American Extended Alpha Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

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

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle American Extended Alpha Fund has risen from 366.56p to 389.19p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +6.17% and +6.93% for the Class 2 share class compared to a return of +8.10% for the Morningstar UK Unit Trusts/OEICs – (IA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +11.46%.

#### Market Overview and Portfolio Activity

The S&P 500 rose over the review period. Equities were periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation.

More positively, data released during the period painted a picture of a US economy in rude health. Perhaps the most eye-catching number was US second-quarter (Q2) GDP growth, which came in at 4.2% (annualised). Later in the review period, the tight labour market finally seemed to be feeding into wage growth, which hit a nine-year high in August. Job creation remained strong and weekly jobless figures fell to three successive 49-year lows in September. Against this robust backdrop, the Federal Reserve hiked rates in June and late September, while increasing its projections for the pace of future rate hikes as well as its US growth forecasts for this year and next.

With the Fed turning more hawkish, concerns about the approaching end of the "easy money" era contributed to sharp falls in the Turkish and Argentine currencies in August, as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

Towards the end of the review period, the combination of a booming US economy, higher Treasury yields and trade-war fears sparked a dramatic sell-off in equities, including in the US.

New long-book positions over the period included Facebook, where we took advantage of a material setback in the share price following disappointing results towards the end of July. Other new additions included Biogen (biotechnology), Red Hat (software), Electronic Arts (video games) and Mondelez (confectionary).

Strong Q2 results, tumbling beats on organic growth and margins, show that Mondelez's turnaround is on track. The company is exposed to relatively fast-growing markets and is trading at historically cheap levels.

Over the review period, we topped up some existing holdings, such as Lam Research (semiconductors), eBay (e-commerce), Celgene (biotechnology) and DowDuPont (chemicals).

We exited positions including Apple, Cigna (healthcare), PagSeguro (e-payments), and Tesaro (pharmaceuticals).

Looking ahead, the backdrop remains very supportive for US equities. We expect the US economy to continue to grow above trend in 2019 with robust corporate profit growth.

In our view, the recent correction is technical rather than fundamental in nature. We think US markets are now attractively valued, on 15x forward earnings.

While the outlook has been clouded by the bilateral US-China trade war and tariffs, we believe a lot of the potential negative impact on profits has been discounted by the market at this point. We would also note that any negative profit impact is very likely to be transitory in nature, as the tariffs could easily be reversed should the two parties reach agreement.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital gains	9,351	16,824
Revenue	1,079	1,308
Expenses	(797)	(1,135)
Interest payable and similar charges	(328)	(342)
Net expense before taxation	(46)	(169)
Taxation	(128)	(174)
Net expense after taxation	(174)	(343)
<b>Total return before equalisation</b>	<b>9,177</b>	<b>16,481</b>
Equalisation	1	(9)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>9,178</b>	<b>16,472</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	163,636	155,790
<b>Current assets:</b>		
Debtors	9,184	2,029
Cash and bank balances	9,568	11,583
Cash equivalents**	1,641	5,118
<b>Total assets</b>	<b>184,029</b>	<b>174,520</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(16)	(1,306)
<b>Creditors:</b>		
Bank overdrafts	(248)	–
Other creditors	(5,172)	(3,384)
<b>Total liabilities</b>	<b>(5,436)</b>	<b>(4,690)</b>
<b>Net assets attributable to shareholders</b>	<b>178,593</b>	<b>169,830</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>169,830</b>	<b>178,835</b>
Amounts receivable on the issue of shares	142,571	25,593
Amounts payable on the cancellation of shares	(142,991)	(44,767)
	(420)	(19,174)
Dilution adjustment	5	39
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,178	16,472
<b>Closing net assets attributable to shareholders</b>	<b>178,593</b>	<b>176,172</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

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

## Threadneedle American Extended Alpha Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	366.49	329.82	242.77	393.81		
Return before operating charges (p)	23.24	42.44	91.91	(4.77)		
Operating charges (p)	(3.19)	(5.77)	(4.86)	(2.52)		
Return after operating charges (p)*	20.05	36.67	87.05	(7.29)		
Distributions (p)	–	–	–	–		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	386.54	366.49	329.82	386.52		
*after direct transaction costs of (p)	0.11	0.22	0.50	0.11		
<b>Performance</b>						
Return after charges (%)	5.47	11.12	35.86	(1.85)		
<b>Other information</b>						
Closing net asset value (£000)	6,450	73,981	86,608	28,095		
Closing number of shares	1,668,527	20,186,206	26,258,801	7,268,590		
Operating charges (%)**	1.64 <sup>†</sup>	1.64	1.64	1.64 <sup>†</sup>		
Direct transaction costs (%)***	0.06	0.06	0.16	0.06		
<b>Prices</b>						
Highest share price (p)	427.87	380.52	347.99	427.87		
Lowest share price (p)	363.99	325.03	238.42	381.95		
	Class 1 USD – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	31/10/2018 <sup>1</sup>			31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	393.81			318.33	266.31	207.27
Return before operating charges (p)	(4.75)			(5.16)	57.07	63.01
Operating charges (p)	(2.52)			(2.74)	(5.05)	(3.97)
Return after operating charges (p)*	(7.27)			(7.90)	52.02	59.04
Distributions (p)	–			–	–	–
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	386.54			310.43	318.33	266.31
*after direct transaction costs of (p)	0.11			0.09	0.19	0.40
<b>Performance</b>						
Return after charges (%)	(1.85)			(2.48)	19.53	28.48
<b>Other information</b>						
Closing net asset value (£000)	43,170			4,439	2,352	2,007
Closing number of shares	11,168,396			1,429,973	739,017	753,580
Operating charges (%)**	1.64 <sup>†</sup>			1.64 <sup>†</sup>	1.64	1.64
Direct transaction costs (%)***	0.06			0.06	0.06	0.16
<b>Prices</b>						
Highest share price (p)	427.87			352.69	338.25	273.65
Lowest share price (p)	381.95			307.33	266.56	201.79

## Threadneedle American Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	394.75	353.41	258.00	424.83
Return before operating charges (p)	26.31	44.44	97.98	(5.51)
Operating charges (p)	(1.77)	(3.10)	(2.57)	(1.37)
Return after operating charges (p)*	24.54	41.34	95.41	(6.88)
Distributions (p)	–	–	(0.96)	–
Retained distributions on accumulation shares (p)	–	–	0.96	–
Closing net asset value per share (p)	419.29	394.75	353.41	417.95
*after direct transaction costs of (p)	0.12	0.23	0.52	0.12
<b>Performance</b>				
Return after charges (%)	6.22	11.70	36.98	(1.62)
<b>Other information</b>				
Closing net asset value (£000)	55,397	86,589	88,084	4,887
Closing number of shares	13,212,017	21,934,983	24,923,929	1,169,264
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.82	0.82 <sup>†</sup>
Direct transaction costs (%)***	0.06	0.06	0.16	0.06
<b>Prices</b>				
Highest share price (p)	461.03	408.46	372.48	461.24
Lowest share price (p)	392.26	348.42	253.67	412.84
	Class 2 USD – Accumulation shares		Class 2 EUR Hedged – Gross income shares <sup>5</sup>	
	31/10/2018 <sup>1</sup>		31/10/2018 <sup>2</sup>	
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	424.83		100.00	
Return before operating charges (p)	(4.30)		(4.24)	
Operating charges (p)	(1.36)		(0.31)	
Return after operating charges (p)*	(5.66)		(4.55)	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	419.17		95.45	
*after direct transaction costs of (p)	0.12		0.03	
<b>Performance</b>				
Return after charges (%)	(1.33)		(4.55)	
<b>Other information</b>				
Closing net asset value (£000)	33,507		1	
Closing number of shares	7,993,658		1,017	
Operating charges (%)**	0.82 <sup>†</sup>		0.75 <sup>†</sup>	
Direct transaction costs (%)***	0.06		0.06	
<b>Prices</b>				
Highest share price (p)	460.99		108.28	
Lowest share price (p)	414.14		94.52	

## Threadneedle American Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	201.13	180.24	131.68	218.01
Return before operating charges (p)	15.84	22.61	50.03	(2.22)
Operating charges (p)	(0.98)	(1.72)	(1.47)	(0.78)
Return after operating charges (p)*	14.86	20.89	48.56	(3.00)
Distributions (p)	–	–	(0.37)	–
Retained distributions on accumulation shares (p)	–	–	0.37	–
Closing net asset value per share (p)	215.99	201.13	180.24	215.01
*after direct transaction costs of (p)	0.06	0.12	0.28	0.06
<b>Performance</b>				
Return after charges (%)	7.39	11.59	36.88	(1.38)
<b>Other information</b>				
Closing net asset value (£000)	2,635	6,908	2,136	10
Closing number of shares	1,219,762	3,434,576	1,185,323	4,807
Operating charges (%)**	0.89 <sup>†</sup>	0.89	0.89	0.95 <sup>†</sup>
Direct transaction costs (%)***	0.06	0.06	0.16	0.06
<b>Prices</b>				
Highest share price (p)	236.72	208.24	189.99	236.64
Lowest share price (p)	199.84	177.69	129.46	212.43
	Class Z EUR Hedged – Gross accumulation shares <sup>§</sup>			Class Z CHF Hedged - Gross accumulation shares <sup>§</sup>
	31/10/2018 <sup>2</sup>			31/10/2018 <sup>2</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	100.00			100.00
Return before operating charges (p)	(4.23)			(3.64)
Operating charges (p)	(0.32)			(0.32)
Return after operating charges (p)*	(4.55)			(3.96)
Distributions (p)	–			–
Retained distributions on accumulation shares (p)	–			–
Closing net asset value per share (p)	95.45			96.04
*after direct transaction costs of (p)	0.03			0.03
<b>Performance</b>				
Return after charges (%)	(4.55)			(3.96)
<b>Other information</b>				
Closing net asset value (£000)	1			1
Closing number of shares	1,017			1,015
Operating charges (%)**	0.77 <sup>†</sup>			0.77 <sup>†</sup>
Direct transaction costs (%)***	0.06			0.06
<b>Prices</b>				
Highest share price (p)	108.27			110.34
Lowest share price (p)	94.51			95.31

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

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>2</sup>Commenced 5 June 2018.

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

# Threadneedle American Extended Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	20,186,206
Shares issued	401,117
Shares redeemed	(18,912,214)
Net conversions	(6,582)
Closing shares	<u>1,668,527</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	8,231,673
Shares redeemed	(963,705)
Net conversions	622
Closing shares	<u>7,268,590</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	11,729,479
Shares redeemed	(561,083)
Net conversions	–
Closing shares	<u>11,168,396</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	739,017
Shares issued	3,014,733
Shares redeemed	(2,323,031)
Net conversions	(746)
Closing shares	<u>1,429,973</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	21,934,983
Shares issued	1,915,238
Shares redeemed	(10,644,333)
Net conversions	6,129
Closing shares	<u>13,212,017</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	1,525,579
Shares redeemed	(356,315)
Net conversions	–
Closing shares	<u>1,169,264</u>
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	8,602,597
Shares redeemed	(608,939)
Net conversions	–
Closing shares	<u>7,993,658</u>
<b>Class 2 EUR Hedged – Gross income shares*</b>	
Opening shares	–
Shares issued	1,017
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,017</u>

	2018
<b>Class Z – Accumulation shares</b>	
Opening shares	3,434,576
Shares issued	203,055
Shares redeemed	(2,417,869)
Net conversions	–
Closing shares	<u>1,219,762</u>
<b>Class Z USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	79,057
Shares redeemed	(74,250)
Net conversions	–
Closing shares	<u>4,807</u>
<b>Class Z EUR Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,017
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,017</u>
<b>Class Z CHF Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,015
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,015</u>

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



## Threadneedle US Equity Income Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Income shares in the Threadneedle US Equity Income Fund has risen from 127.47p to 137.39p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +9.15% and +9.48% for the Class 2 share class compared to a return of +8.10% for the Morningstar UK Unit Trusts/OEICs – (IA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +11.46%.

#### Market Overview and Portfolio Activity

The S&P 500 rose during the period. Equities were periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on

China and other key US trading partners, and these countries' subsequent retaliation.

More positively, data released during the period painted a picture of a US economy in rude health. Perhaps the most eye-catching number was US second-quarter (Q2) GDP growth, which came in at 4.2% (annualised). Later in the review period, the tight labour market finally seemed to be feeding into wage growth, which hit a nine-year high in August. Job creation remained strong and weekly jobless figures fell to three successive 49-year lows in September. Against this robust backdrop, the Federal Reserve hiked rates in June and late September, while increasing its projections for the pace of future rate hikes as well as its US growth forecasts for this year and next.

With the Fed turning more hawkish, concerns about the approaching end of the "easy money" era contributed to sharp falls in the Turkish and Argentine currencies in August, as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis. Towards the end of the review period, the combination of a booming US economy, higher Treasury yields and trade-war fears sparked a dramatic sell-off in equities, including in the US.

New additions to the portfolio during the review period included American Tower, Comcast and KLA-Tencor. Real estate investment trust (REIT) American Tower is focused on owning telecommunications infrastructure, especially wireless towers. American Tower has the attractive tenets of the tower business including annual price increases, high incremental margins, low capex, and high barriers to entry. We expect that 5G will be a driver of revenues for wireless towers, along with new business opportunities like the internet of things, autonomous driving and edge computing. Today, all four domestic carriers are spending on their networks at the same time, driven by increased data usage, which should help sustain organic revenue growth.

A high-quality player with a leading position in an oligopolistic industry, Comcast generates a strong return on invested capital and is well-placed to increase its profitability and earnings. In a market increasingly driven by on-demand content, the company trades at a steep discount on fears of the threat from Netflix and Amazon, a threat we feel the market has overstated. Concerns over the level of finance Comcast would need to acquire Fox had also placed downward pressure on the stock price. With Comcast now out of the running, the company and its valuation look set for solid growth.

KLA-Tencor offers a highly compelling valuation, which has been kept in check by a widespread perception that semiconductors remain a cyclical industry. In our view, semiconductors have become a much more consistent, sustainable business, thanks to growing demand from newer industries such as artificial intelligence, self-driving cars and the internet of things. Further, KLA-Tencor is a quality name with a big market share, higher margins than its peers, and the ability to grow its dividends.

We exited positions including Exxon Mobil, McDonald's and REIT CyrusOne.

Looking ahead, the backdrop remains very supportive for US equities. We expect the US economy to continue to grow above trend in 2019 with robust corporate profit growth.

In our view, the recent correction is technical rather than fundamental in nature. We think US markets are now attractively valued, on 15x forward earnings.

While the outlook has been clouded by the bilateral US-China trade war and tariffs, we believe a lot of the potential negative impact on profits has been discounted by the market at this point. We would also note that any negative profit impact is very likely to be transitory in nature, as the tariffs could easily be reversed should the two parties reach agreement.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital gains	5,816	3,441
Revenue	1,105	1,848
Expenses	(313)	(160)
Net revenue before taxation	792	1,688
Taxation	(148)	(241)
Net revenue after taxation	644	1,447
<b>Total return before distributions</b>	<b>6,460</b>	<b>4,888</b>
Distributions	(957)	(1,599)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,503</b>	<b>3,289</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	71,991	87,515
<b>Current assets:</b>		
Debtors	205	111
Cash and bank balances	954	852
<b>Total assets</b>	<b>73,150</b>	<b>88,478</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>		(1)
<b>Creditors:</b>		
Distribution payable	(184)	(290)
Other creditors	(110)	(66)
<b>Total liabilities</b>	<b>(294)</b>	<b>(357)</b>
<b>Net assets attributable to shareholders</b>	<b>72,856</b>	<b>88,121</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>88,121</b>	<b>118,746</b>
Amounts receivable on the issue of shares	6,448	17,217
Amounts payable on the cancellation of shares	(27,810)	(34,591)
	(21,362)	(17,374)
Dilution adjustment	15	40
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,503	3,289
Retained distribution on accumulation shares	579	1
<b>Closing net assets attributable to shareholders</b>	<b>72,856</b>	<b>104,702</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.8789	–	0.8789	0.8895
01/08/18 to 31/10/18	0.8817	–	0.8817	0.8329
<b>Group 2</b>				
01/05/18 to 31/07/18	0.8122	0.0667	0.8789	0.8895
01/08/18 to 31/10/18	0.6018	0.2799	0.8817	0.8329
<b>Total distributions in the period</b>			<b>1.7606</b>	<b>1.7224</b>

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.7830	–	0.7830	0.7656
01/08/18 to 31/10/18	0.7892	–	0.7892	0.7250
<b>Group 2</b>				
01/05/18 to 31/07/18	0.0130	0.7700	0.7830	0.7656
01/08/18 to 31/10/18	0.7892	–	0.7892	0.7250
<b>Total distributions in the period</b>			<b>1.5722</b>	<b>1.4906</b>

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle US Equity Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.7940	–	0.7940	0.7631
01/08/18 to 31/10/18	0.7842	–	0.7842	0.7577
<b>Group 2</b>				
01/05/18 to 31/07/18	0.7940	–	0.7940	0.7631
01/08/18 to 31/10/18	0.7842	–	0.7842	0.7577
<b>Total distributions in the period</b>			<b>1.5782</b>	<b>1.5208</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.8866	–	0.8866	0.8893
01/08/18 to 31/10/18	0.8886	–	0.8886	0.8383
<b>Group 2</b>				
01/05/18 to 31/07/18	0.8866	–	0.8866	0.8893
01/08/18 to 31/10/18	0.8886	–	0.8886	0.8383
<b>Total distributions in the period</b>			<b>1.7752</b>	<b>1.7276</b>

#### Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.8946	–	0.8946	0.8760
01/08/18 to 31/10/18	0.8786	–	0.8786	0.8685
<b>Group 2</b>				
01/05/18 to 31/07/18	0.8946	–	0.8946	0.8760
01/08/18 to 31/10/18	0.8786	–	0.8786	0.8685
<b>Total distributions in the period</b>			<b>1.7732</b>	<b>1.7445</b>

#### Class 2 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.8007	–	0.8007	0.7652
01/08/18 to 31/10/18	0.7921	–	0.7921	0.7608
<b>Group 2</b>				
01/05/18 to 31/07/18	0.8007	–	0.8007	0.7652
01/08/18 to 31/10/18	0.7921	–	0.7921	0.7608
<b>Total distributions in the period</b>			<b>1.5928</b>	<b>1.5260</b>

#### Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.4611	–	1.4611	1.4640
01/08/18 to 31/10/18	1.4680	–	1.4680	1.3731
<b>Group 2</b>				
01/05/18 to 31/07/18	0.2289	1.2322	1.4611	1.4640
01/08/18 to 31/10/18	0.4428	1.0252	1.4680	1.3731
<b>Total distributions in the period</b>			<b>2.9291</b>	<b>2.8371</b>

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.5188	–	1.5188	1.5055
01/08/18 to 31/10/18	1.5268	–	1.5268	1.4175
<b>Group 2</b>				
01/05/18 to 31/07/18	1.3257	0.1931	1.5188	1.5055
01/08/18 to 31/10/18	0.8851	0.6417	1.5268	1.4175
<b>Total distributions in the period</b>			<b>3.0456</b>	<b>2.9230</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.8907	–	0.8907	0.9283
01/08/18 to 31/10/18	0.8947	–	0.8947	0.8391
<b>Group 2</b>				
01/05/18 to 31/07/18	0.7651	0.1256	0.8907	0.9283
01/08/18 to 31/10/18	0.2937	0.6010	0.8947	0.8391
<b>Total distributions in the period</b>			<b>1.7854</b>	<b>1.7674</b>

#### Class Z CHF Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.7166	–	0.7166	0.7546
01/08/18 to 31/10/18	0.7234	–	0.7234	0.7106
<b>Group 2</b>				
01/05/18 to 31/07/18	0.7166	–	0.7166	0.7546
01/08/18 to 31/10/18	0.7234	–	0.7234	0.7106
<b>Total distributions in the period</b>			<b>1.4400</b>	<b>1.4652</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.7907	–	0.7907	0.7700
01/08/18 to 31/10/18	0.7995	–	0.7995	0.7283
<b>Group 2</b>				
01/05/18 to 31/07/18	0.0007	0.7900	0.7907	0.7700
01/08/18 to 31/10/18	0.0295	0.7700	0.7995	0.7283
<b>Total distributions in the period</b>			<b>1.5902</b>	<b>1.4983</b>

#### Class Z CHF Hedged – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.6606	–	0.6606	0.2302
01/08/18 to 31/10/18	0.6710	–	0.6710	0.6420
<b>Group 2</b>				
01/05/18 to 31/07/18	0.6606	–	0.6606	0.2302
01/08/18 to 31/10/18	0.6710	–	0.6710	0.6420
<b>Total distributions in the period</b>			<b>1.3316</b>	<b>0.8722</b>

#### Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	0.8030	–	0.8030	0.7661
01/08/18 to 31/10/18	0.7948	–	0.7948	0.7618
<b>Group 2</b>				
01/05/18 to 31/07/18	0.8030	–	0.8030	0.7661
01/08/18 to 31/10/18	0.7948	–	0.7948	0.7618
<b>Total distributions in the period</b>			<b>1.5978</b>	<b>1.5279</b>

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

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

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	126.66	126.67	100.00	112.65	109.71	100.00
Return before operating charges (p)	11.70	5.48	31.64	10.41	4.77	10.32
Operating charges (p)	(1.15)	(2.12)	(1.98)	(1.03)	(1.83)	(0.61)
Return after operating charges (p)*	10.55	3.36	29.66	9.38	2.94	9.71
Distributions (p)	(1.76)	(3.37)	(2.99)	(1.57)	(2.93)	(1.55)
Retained distributions on accumulation shares (p)	–	–	–	1.57	2.93	1.55
Closing net asset value per share (p)	135.45	126.66	126.67	122.03	112.65	109.71
*after direct transaction costs of (p)	0.02	0.07	0.06	0.02	0.06	0.03
<b>Performance</b>						
Return after charges (%)	8.33	2.65	29.66	8.33	2.68	9.71
<b>Other information</b>						
Closing net asset value (£000)	281	268	288	17	8	3
Closing number of shares	207,203	211,486	227,050	13,683	6,781	3,000
Operating charges (%)**	1.66 <sup>1</sup>	1.65	1.67 <sup>1</sup>	1.65 <sup>1</sup>	1.63	1.63 <sup>1</sup>
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
<b>Prices</b>						
Highest share price (p)	145.77	134.72	136.28	130.49	118.27	117.23
Lowest share price (p)	126.00	120.77	98.94	112.06	106.74	99.54
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Income shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	118.09	106.64	100.00	128.04	127.27	100.00
Return before operating charges (p)	1.02	13.35	7.23	11.82	5.47	31.44
Operating charges (p)	(1.02)	(1.90)	(0.59)	(0.72)	(1.32)	(1.17)
Return after operating charges (p)*	–	11.45	6.64	11.10	4.15	30.27
Distributions (p)	(1.58)	(3.05)	(1.48)	(1.78)	(3.38)	(3.00)
Retained distributions on accumulation shares (p)	1.58	3.05	1.48	–	–	–
Closing net asset value per share (p)	118.09	118.09	106.64	137.36	128.04	127.27
*after direct transaction costs of (p)	0.02	0.06	0.03	0.02	0.07	0.06
<b>Performance</b>						
Return after charges (%)	–	10.74	6.64	8.67	3.26	30.27
<b>Other information</b>						
Closing net asset value (£000)	12	12	11	4	4	4
Closing number of shares	10,000	10,000	10,000	3,000	3,000	3,000
Operating charges (%)**	1.66 <sup>1</sup>	1.63	1.65 <sup>1</sup>	1.03 <sup>1</sup>	1.02	1.03 <sup>1</sup>
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
<b>Prices</b>						
Highest share price (p)	130.07	127.21	110.91	147.68	135.91	136.82
Lowest share price (p)	116.37	105.48	98.76	127.37	122.01	98.95

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Income shares			Class 2 EUR Hedged – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	133.00	122.53	100.00	119.06	106.92	100.00
Return before operating charges (p)	1.13	15.35	26.61	1.03	13.37	7.31
Operating charges (p)	(0.75)	(1.40)	(1.18)	(0.67)	(1.23)	(0.39)
Return after operating charges (p)*	0.38	13.95	25.43	0.36	12.14	6.92
Distributions (p)	(1.77)	(3.48)	(2.90)	(1.59)	(3.07)	(1.48)
Retained distributions on accumulation shares (p)	–	–	–	1.59	3.07	1.48
Closing net asset value per share (p)	131.61	133.00	122.53	119.42	119.06	106.92
*after direct transaction costs of (p)	0.02	0.07	0.06	0.02	0.06	0.03
<b>Performance</b>						
Return after charges (%)	0.29	11.38	25.43	0.30	11.35	6.92
<b>Other information</b>						
Closing net asset value (£000)	13	13	12	12	12	11
Closing number of shares	10,000	10,000	10,000	10,000	10,000	10,000
Operating charges (%)**	1.08 <sup>†</sup>	1.05	1.07 <sup>†</sup>	1.07 <sup>†</sup>	1.05	1.08 <sup>†</sup>
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
<b>Prices</b>						
Highest share price (p)	145.77	144.89	128.18	131.39	128.07	111.15
Lowest share price (p)	130.67	121.20	98.75	117.34	105.77	98.80
	Class L – Income shares			Class X – Income shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	210.24	208.26	163.20	218.62	215.49	168.05
Return before operating charges (p)	19.42	8.98	51.25	20.12	9.31	52.61
Operating charges (p)	(0.79)	(1.44)	(1.28)	(0.11)	(0.13)	(0.15)
Return after operating charges (p)*	18.63	7.54	49.97	20.01	9.18	52.46
Distributions (p)	(2.93)	(5.56)	(4.91)	(3.05)	(6.05)	(5.02)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	225.94	210.24	208.26	235.58	218.62	215.49
*after direct transaction costs of (p)	0.03	0.11	0.10	0.04	0.11	0.10
<b>Performance</b>						
Return after charges (%)	8.86	3.62	30.62	9.15	4.26	31.22
<b>Other information</b>						
Closing net asset value (£000)	16,781	39,302	32,363	3,177	331	86,005
Closing number of shares	7,427,325	18,693,598	15,540,116	1,348,578	151,486	39,910,418
Operating charges (%)**	0.69 <sup>†</sup>	0.68	0.68 <sup>†</sup>	0.09 <sup>†</sup>	0.06	0.08 <sup>†</sup>
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
<b>Prices</b>						
Highest share price (p)	242.76	222.93	223.81	252.90	231.61	231.46
Lowest share price (p)	209.15	200.27	161.48	217.41	208.05	166.28

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z CHF Hedged – Income shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>1</sup>	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	128.28	127.38	100.00	104.13	106.29	100.00
Return before operating charges (p)	11.85	5.50	31.44	5.78	1.66	8.12
Operating charges (p)	(0.64)	(1.17)	(1.05)	(0.51)	(0.96)	(0.33)
Return after operating charges (p)*	11.21	4.33	30.39	5.27	0.70	7.79
Distributions (p)	(1.79)	(3.43)	(3.01)	(1.44)	(2.86)	(1.50)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	137.70	128.28	127.38	107.96	104.13	106.29
*after direct transaction costs of (p)	0.02	0.07	0.06	0.02	0.06	0.03
<b>Performance</b>						
Return after charges (%)	8.74	3.40	30.39	5.06	0.66	7.79
<b>Other information</b>						
Closing net asset value (£000)	8,110	6,329	24	11	10	11
Closing number of shares	5,890,028	4,933,721	19,166	10,000	10,000	10,000
Operating charges (%)**	0.91 <sup>1</sup>	0.90	0.89 <sup>1</sup>	0.90 <sup>1</sup>	0.88	0.90 <sup>1</sup>
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
<b>Prices</b>						
Highest share price (p)	148.02	136.11	136.99	120.74	117.11	112.61
Lowest share price (p)	127.61	122.22	98.95	102.72	102.35	99.98
	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>	31/10/2018	30/04/2018 <sup>3</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	113.87	110.08	100.00	95.99	100.00	
Return before operating charges (p)	10.51	4.86	10.41	5.31	(3.38)	
Operating charges (p)	(0.57)	(1.07)	(0.33)	(0.46)	(0.63)	
Return after operating charges (p)*	9.94	3.79	10.08	4.85	(4.01)	
Distributions (p)	(1.59)	(2.95)	(1.55)	(1.33)	(2.15)	
Retained distributions on accumulation shares (p)	1.59	2.95	1.55	1.33	2.15	
Closing net asset value per share (p)	123.81	113.87	110.08	100.84	95.99	
*after direct transaction costs of (p)	0.02	0.06	0.03	0.02	0.04	
<b>Performance</b>						
Return after charges (%)	8.73	3.44	10.08	5.05	(4.01)	
<b>Other information</b>						
Closing net asset value (£000)	44,416	41,810	3	10	10	
Closing number of shares	35,875,372	36,717,781	3,000	10,001	10,001	
Operating charges (%)**	0.91 <sup>1</sup>	0.94	0.88 <sup>1</sup>	0.88 <sup>1</sup>	0.87 <sup>1</sup>	
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	
<b>Prices</b>						
Highest share price (p)	132.23	119.28	117.55	112.02	106.58	
Lowest share price (p)	113.27	107.45	99.60	94.69	93.73	

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017 <sup>2</sup>
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	119.36	107.01	100.00
Return before operating charges (p)	1.02	13.38	7.33
Operating charges (p)	(0.56)	(1.03)	(0.32)
Return after operating charges (p)*	0.46	12.35	7.01
Distributions (p)	(1.60)	(3.07)	(1.48)
Retained distributions on accumulation shares (p)	1.60	3.07	1.48
Closing net asset value per share (p)	119.82	119.36	107.01
*after direct transaction costs of (p)	0.02	0.06	0.03
<b>Performance</b>			
Return after charges (%)	0.39	11.54	7.01
<b>Other information</b>			
Closing net asset value (£000)	12	12	11
Closing number of shares	10,000	10,000	10,000
Operating charges (%)**	0.90 <sup>1</sup>	0.88	0.90 <sup>1</sup>
Direct transaction costs (%)***	0.03	0.05	0.05
<b>Prices</b>			
Highest share price (p)	131.79	128.34	111.23
Lowest share price (p)	117.63	105.86	98.81

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

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

<sup>1</sup>Commenced 23 May 2016.

<sup>2</sup>Commenced 4 October 2016.

<sup>3</sup>Commenced 22 June 2017.

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

## Threadneedle US Equity Income Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	211,486
Shares issued	7,953
Shares redeemed	(12,236)
Net conversions	–
Closing shares	<u>207,203</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	6,781
Shares issued	6,902
Shares redeemed	–
Net conversions	–
Closing shares	<u>13,683</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class 2 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class 2 EUR Hedged – Income shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class 2 EUR Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class L – Income shares</b>	
Opening shares	18,693,598
Shares issued	885,796
Shares redeemed	(12,152,069)
Net conversions	–
Closing shares	<u>7,427,325</u>
<b>Class X – Income shares</b>	
Opening shares	151,486
Shares issued	1,197,092
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,348,578</u>

	2018
<b>Class Z – Income shares</b>	
Opening shares	4,933,721
Shares issued	1,160,324
Shares redeemed	(204,017)
Net conversions	–
Closing shares	<u>5,890,028</u>
<b>Class Z CHF Hedged – Income shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	36,717,781
Shares issued	135,262
Shares redeemed	(977,671)
Net conversions	–
Closing shares	<u>35,875,372</u>
<b>Class Z CHF Hedged – Accumulation shares</b>	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
<b>Class Z EUR Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>

## Threadneedle China Opportunities Fund

### Investment Report

#### Investment Objective

The investment objective of the China Opportunities Fund is to achieve long-term capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities and equity related securities of Chinese companies. These are defined as companies domiciled in and/or whose significant activities are in the People's Republic of China. The Fund may invest up to 70% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme.

If the ACD considers it desirable, it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities, other equities, money market securities and cash).

In exceptional circumstances and on a temporary basis, the ACD may hold a substantial proportion of the Fund in cash and/or money market instruments.

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle China Opportunities Fund has fallen from 366.97p to 306.32p.

For comparison, using noon prices, the performance of the Class 1 share class was -16.53% and -16.28% for the Class 2 share class compared to a return of -15.44% for the Morningstar UK Unit Trusts/OEICs – (IA) China – Greater China Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI China Index was -13.78%.

#### Market Overview and Portfolio Activity

The six months under review proved a volatile period for Chinese equities. Initially they performed well in the run-up to the inclusion

of China A-shares in the MSCI Emerging Markets index, which was an important further step in opening up China's financial markets to overseas capital. Investors subsequently became more risk-averse on the back of escalating trade tensions between the US and China, and October proved an especially challenging month for the equity market.

Following the earlier imposition of tariffs of 25% on \$50bn of Chinese imports, the US administration pressed ahead with levies of 10% on a further \$200bn of imports from China from late September. The Chinese government retaliated by imposing tariffs on \$60bn of US imports.

Softer domestic economic data and a weaker currency also dampened sentiment towards Chinese equities. In response to these headwinds, the Chinese authorities have been adopting a more accommodative monetary and fiscal stance. As an example, the Chinese government has been reducing income tax to support domestic consumption.

In terms of portfolio activity, the fund adopted a more defensive stance, an example being the move from underweight to overweight in telecoms. Within the sector, the fund purchased a new position in China Unicom where the risk/reward opportunity looks attractive as the company starts to reap the benefits of mixed ownership reform and partnerships with internet players in 5G-enabled solutions. We also added to the existing position in China Mobile, as we felt the company's undemanding valuation, solid balance sheet, and potential for a positive catalyst from the allocation of 5G spectrum offered a safe haven.

In the consumer discretionary space, we initiated a new position in Shenzhen International, a key supplier for global sportswear brands that is ramping up capacity in Vietnam. Another new purchase was TAL Education, which has developed a strong position in the online after-school tutoring business. Conversely, we sold out of Midea, Minth, Huazhu and Yum China. Midea is a leading household appliance manufacturer but its earnings and

market valuation looked vulnerable. Within the healthcare sector, the fund participated in the Hong Kong initial public offering of BeiGene, a clinical biopharmaceutical company focused on drugs for treating cancer. However, this position was later reduced, along with Sino Biopharmaceutical, given the regulatory risks regarding future drug prices. In financials, we exited Bank of China, Chongqing Rural Commercial Bank and Hong Kong Exchanges & Clearing, but increased the overweight position in Ping An Insurance following the release of better-than-expected Q2 results. In technology, the fund sold out of AAC Technologies and Weibo.

The fund also added to several positions in other sectors, including China Petroleum & Chemical (Sinopec), which gained from the rise in the oil price over the past year and an increase in residential gas prices. Conversely, the holdings in Inner Mongolia Yili, China Overseas Land & Investment, Sinopec Kantons and China Vanke were sold. The earnings outlook for these companies was deemed to be relatively less visible or less resilient than that of other holdings in the portfolio.

Within China, financial deleveraging activity in the first half of 2018, combined with the impact of the trade sanctions, is expected to temper the rate of real GDP growth. However, we expect the economic deceleration to be mild as growth stability remains a policy priority for the Chinese authorities, who have a number of levers at their disposal to support growth. After a sharp fall from the March peak for the MSCI China index, current stock market valuations offer investors an attractive entry point into solid businesses supported by structural growth trends.

At the corporate level, we should continue to see the implementation of capital expenditure discipline, leading to cashflow improvement and balance sheet deleveraging. The fund currently favours domestically-oriented stocks in China, particularly those in the services and consumption spaces that can tap into the structural growth of China's middle class, and those that stand to benefit from demand and supply rebalancing.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(22,427)	18,454
Revenue	2,420	2,081
Expenses	(722)	(599)
Net revenue before taxation	1,698	1,482
Taxation	(177)	(160)
Net revenue after taxation	1,521	1,322
<b>Total return before equalisation</b>	<b>(20,906)</b>	<b>19,776</b>
Equalisation	(219)	43
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(21,125)</b>	<b>19,819</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	90,043	115,712
<b>Current assets:</b>		
Debtors	4,912	2,247
Cash and bank balances	4,478	3,789
<b>Total assets</b>	<b>99,433</b>	<b>121,748</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(4)	–
<b>Creditors:</b>		
Other creditors	(7,515)	(2,103)
<b>Total liabilities</b>	<b>(7,519)</b>	<b>(2,103)</b>
<b>Net assets attributable to shareholders</b>	<b>91,914</b>	<b>119,645</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>119,645</b>	<b>84,747</b>
Amounts receivable on the issue of shares	51,290	44,099
Amounts payable on the cancellation of shares	(57,980)	(39,219)
	(6,690)	4,880
Dilution adjustment	84	87
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(21,125)	19,819
<b>Closing net assets attributable to shareholders</b>	<b>91,914</b>	<b>109,533</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).



## Threadneedle China Opportunities Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	366.75	287.12	213.82	390.45	303.92	225.02
Return before operating charges (p)	(57.27)	85.40	77.60	(61.05)	90.53	81.91
Operating charges (p)	(2.98)	(5.77)	(4.30)	(2.10)	(4.00)	(3.01)
Return after operating charges (p)*	(60.25)	79.63	73.30	(63.15)	86.53	78.90
Distributions (p)	–	(0.98)	(0.78)	–	(3.14)	(2.40)
Retained distributions on accumulation shares (p)	–	0.98	0.78	–	3.14	2.40
Closing net asset value per share (p)	306.50	366.75	287.12	327.30	390.45	303.92
*after direct transaction costs of (p)	0.34	0.65	0.48	0.36	0.69	0.51
<b>Performance</b>						
Return after charges (%)	(16.43)	27.73	34.28	(16.17)	28.47	35.06
<b>Other information</b>						
Closing net asset value (£000)	29,697	29,655	21,531	28,146	51,050	45,160
Closing number of shares	9,688,965	8,085,987	7,498,733	8,599,402	13,074,890	14,859,167
Operating charges (%)**	1.66 <sup>†</sup>	1.66	1.65	1.09 <sup>†</sup>	1.09	1.09
Direct transaction costs (%)***	0.19	0.18	0.18	0.19	0.18	0.18
<b>Prices</b>						
Highest share price (p)	399.92	391.25	297.31	426.05	415.88	314.49
Lowest share price (p)	301.49	282.93	200.65	321.90	299.50	211.23
<b>Class Z – Accumulation shares</b>						
	31/10/2018	30/04/2018	30/04/2017			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	250.28	194.47	143.75			
Return before operating charges (p)	(39.20)	57.99	52.28			
Operating charges (p)	(1.12)	(2.18)	(1.56)			
Return after operating charges (p)*	(40.32)	55.81	50.72			
Distributions (p)	–	(2.42)	(1.84)			
Retained distributions on accumulation shares (p)	–	2.42	1.84			
Closing net asset value per share (p)	209.96	250.28	194.47			
*after direct transaction costs of (p)	0.23	0.45	0.32			
<b>Performance</b>						
Return after charges (%)	(16.11)	28.70	35.28			
<b>Other information</b>						
Closing net asset value (£000)	34,071	38,940	18,056			
Closing number of shares	16,227,293	15,558,132	9,284,713			
Operating charges (%)**	0.91 <sup>†</sup>	0.91	0.91			
Direct transaction costs (%)***	0.19	0.18	0.18			
<b>Prices</b>						
Highest share price (p)	273.16	266.46	201.21			
Lowest share price (p)	206.52	191.65	134.95			

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

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

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

# Threadneedle China Opportunities Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	8,085,987
Shares issued	11,889,892
Shares redeemed	(10,286,535)
Net conversions	(379)
Closing shares	<u>9,688,965</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	13,074,890
Shares issued	676,344
Shares redeemed	(5,151,832)
Net conversions	–
Closing shares	<u>8,599,402</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	15,558,132
Shares issued	2,392,076
Shares redeemed	(1,723,470)
Net conversions	555
Closing shares	<u>16,227,293</u>

## Threadneedle Global Emerging Markets Equity Fund

### Investment Report

#### Investment Objective

The investment objective of the Global Emerging Markets Equity Fund is to achieve long-term capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities of Emerging Markets companies. These are defined as companies domiciled in and/or whose significant activities are in Emerging Market countries. Emerging Market countries are those characterised as developing or emerging by the World Bank, the United Nations or the MSCI Emerging Markets Free Index. From 14 May 2018, the Fund may invest up to 30% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme.

If the ACD considers it desirable, it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities).

In addition, the ACD may use derivatives and forward transactions for purposes that are limited to efficient portfolio management.

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Emerging Markets Equity Fund has fallen from 113.85p to 96.11p.

For comparison, using noon prices, the performance of the Class 1 share class was -15.58% and -15.33% for the Class 2 share class compared to a return of -10.71% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Emerging Markets Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Emerging Markets Index was -9.79%.

### Market Overview and Portfolio Activity

The six months to 31 October 2018 proved a volatile period for emerging market (EM) equities as we witnessed US-China trade tensions, contagion effects from the sell-off in Turkey and Argentina, and heightened currency volatility.

The period saw investors become increasingly risk averse, amid the escalation of trade tensions between the US and China. Following the earlier imposition of tariffs of 25% on \$50bn of Chinese imports, the US administration pressed ahead with levies of 10% on a further \$200bn of imports from China in late September. China responded by imposing tariffs on \$60bn of US imports. The US then threatened to impose tariffs on an additional \$267bn worth of Chinese imports in addition to those already announced or put into effect. Though trade relations were concerning, investor sentiment was boosted by a stimulus plan unveiled by the Chinese government, aiming to support domestic consumption, while the inclusion of Chinese A-shares in the MSCI benchmark indices also helped.

India's market performance was initially resilient, as the macro backdrop turned favourable with crude oil prices declining, underpinning the stabilisation of the currency. Additionally, investors responded positively to cuts in the goods and services tax for selected items. Towards the end of the period however, Indian equities were weighed down by higher oil prices and negative sentiment around the financial sector, due to defaults by non-banking financial companies. Elsewhere in Asia, political concerns over the Korean peninsula waned, following the US-North Korea summit.

In Latin America, Brazilian equities ended the period on a high note, as markets responded positively to the recent presidential election victory of candidate Jair Bolsonaro. In Mexico, positive trade rhetoric from the president-elect helped investor sentiment as did his inclination towards a NAFTA deal and maintaining fiscal prudence.

In EMEA, Russian equities were impacted by currency losses, with investors concerned over the rising risks of further US sanctions. Lower oil prices in October also weighed on sentiment.

Over the period, the fund initiated positions in Vale and Reliance Industries. Vale is expected to benefit from increased demand for low-cost high-quality iron. Reliance Industries' consumer business continues to display strong growth and petrochemicals have remained resilient. The fund also purchased Mexichem, due to the company's strategic expansions plans and a ramp-up in ethylene production; Kweichow Moutai, which is benefiting from flows relating to the inclusion of A-shares into the MSCI EM index; and Jiangsu Yanghe Brewery, as retail sales are expected to accelerate, driven by consumption upgrades in lower tier cities. Other new positions included BeiGene, Melco Resorts & Entertainment and SK Telecom.

The fund exited its positions in China Construction Bank, ICICI Bank, Kasikornbank, Ctrip.com and Samsung SDI among others. The fund also reduced its positions in SK Hynix and Wuliangye Yibin.

Corporate earnings growth has remained resilient in the face of recent macro headwinds, supported by domestic demand. Structural progress is ongoing, with reforms and favourable demographics providing a compelling investment argument. EM economies are better positioned to withstand a US tightening cycle, given factors such as the aggregate current account surplus, reduced dependence on external financing, foreign exchange buffers, benign inflation and positive real interest rates.

The key driver for the market over the next six to twelve months is likely to be the outcome of the US-China trade war, and whether we see a negotiated outcome or an escalation towards a cold war. While we continue to monitor the situation, we are less cyclically exposed versus the benchmark.

After a fall from the peak earlier this year, given the resilient fundamental story, the current stock market valuations offer investors an attractive opportunity into solid businesses supported by structural growth trends. As such, in portfolios we have been focusing on buying secular winners at attractive prices.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(49,405)	31,823
Revenue	3,713	5,568
Expenses	(1,345)	(1,723)
Interest payable and similar charges	(5)	–
Net revenue before taxation	2,363	3,845
Taxation	(382)	(571)
Net revenue after taxation	1,981	3,274
<b>Total return before equalisation</b>	<b>(47,424)</b>	<b>35,097</b>
Equalisation	(49)	263
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(47,473)</b>	<b>35,360</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	261,417	321,108
<b>Current assets:</b>		
Debtors	8,215	8,231
Cash and bank balances	3,702	7,020
Cash equivalents**	6	–
<b>Total assets</b>	<b>273,340</b>	<b>336,359</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(1)
<b>Creditors:</b>		
Bank overdrafts	–	(1,028)
Other creditors	(257)	(6,346)
<b>Total liabilities</b>	<b>(257)</b>	<b>(7,375)</b>
<b>Net assets attributable to shareholders</b>	<b>273,083</b>	<b>328,984</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>328,984</b>	<b>319,330</b>
Amounts receivable on the issue of shares	93,300	47,212
Amounts payable on the cancellation of shares	(101,781)	(22,428)
	(8,481)	24,784
Dilution adjustment	53	71
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(47,473)	35,360
<b>Closing net assets attributable to shareholders</b>	<b>273,083</b>	<b>379,545</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

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

## Threadneedle Global Emerging Markets Equity Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	113.76	105.03	84.26	115.00	
Return before operating charges (p)	(16.85)	10.63	22.40	(18.33)	
Operating charges (p)	(0.91)	(1.90)	(1.63)	(0.67)	
Return after operating charges (p)*	(17.76)	8.73	20.77	(19.00)	
Distributions (p)	–	(0.33)	(0.28)	–	
Retained distributions on accumulation shares (p)	–	0.33	0.28	–	
Closing net asset value per share (p)	96.00	113.76	105.03	96.00	
*after direct transaction costs of (p)	0.14	0.37	0.45	0.14	
<b>Performance</b>					
Return after charges (%)	(15.61)	8.31	24.65	(16.52)	
<b>Other information</b>					
Closing net asset value (£000)	62,824	81,432	83,187	3,012	
Closing number of shares	65,442,388	71,581,656	79,200,870	3,137,434	
Operating charges (%)**	1.66 <sup>†</sup>	1.67	1.66	1.65 <sup>†</sup>	
Direct transaction costs (%)***	0.25	0.32	0.46	0.25	
<b>Prices</b>					
Highest share price (p)	117.44	121.08	107.76	114.32	
Lowest share price (p)	94.05	105.14	80.61	94.05	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	31/10/2018 <sup>1</sup>		31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	115.00		122.25	112.22	89.51
Return before operating charges (p)	(18.33)		(18.15)	11.37	23.85
Operating charges (p)	(0.67)		(0.64)	(1.34)	(1.14)
Return after operating charges (p)*	(19.00)		(18.79)	10.03	22.71
Distributions (p)	–		–	(1.05)	(0.90)
Retained distributions on accumulation shares (p)	–		–	1.05	0.90
Closing net asset value per share (p)	96.00		103.46	122.25	112.22
*after direct transaction costs of (p)	0.14		0.15	0.39	0.48
<b>Performance</b>					
Return after charges (%)	(16.52)		(15.37)	8.94	25.37
<b>Other information</b>					
Closing net asset value (£000)	6,194		62,088	101,039	132,690
Closing number of shares	6,452,316		60,011,868	82,652,196	118,241,653
Operating charges (%)**	1.66 <sup>†</sup>		1.09 <sup>†</sup>	1.10	1.09
Direct transaction costs (%)***	0.25		0.25	0.32	0.46
<b>Prices</b>					
Highest share price (p)	114.32		126.27	129.92	114.79
Lowest share price (p)	94.05		101.36	112.34	85.66

## Threadneedle Global Emerging Markets Equity Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	31/10/2018 <sup>1</sup>			31/10/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	123.67			123.67		
Return before operating charges (p)	(19.74)			(19.72)		
Operating charges (p)	(0.47)			(0.49)		
Return after operating charges (p)*	(20.21)			(20.21)		
Distributions (p)	–			–		
Retained distributions on accumulation shares (p)	–			–		
Closing net asset value per share (p)	103.46			103.46		
*after direct transaction costs of (p)	0.15			0.15		
<b>Performance</b>						
Return after charges (%)	(16.34)			(16.34)		
<b>Other information</b>						
Closing net asset value (£000)	18,620			1,802		
Closing number of shares	17,997,306			1,741,692		
Operating charges (%)**	1.09 <sup>†</sup>			1.09 <sup>†</sup>		
Direct transaction costs (%)***	0.25			0.25		
<b>Prices</b>						
Highest share price (p)	122.94			122.94		
Lowest share price (p)	101.36			101.37		
	Class X – Income shares			Class X – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	124.94	115.68	92.93	108.67	98.77	78.02
Return before operating charges (p)	(18.64)	11.73	24.81	(16.20)	10.01	20.84
Operating charges (p)	(0.02)	(0.08)	(0.05)	(0.05)	(0.11)	(0.09)
Return after operating charges (p)*	(18.66)	11.65	24.76	(16.25)	9.90	20.75
Distributions (p)	–	(2.39)	(2.01)	–	(2.00)	(1.66)
Retained distributions on accumulation shares (p)	–	–	–	–	2.00	1.66
Closing net asset value per share (p)	106.28	124.94	115.68	92.42	108.67	98.77
*after direct transaction costs of (p)	0.15	0.41	0.50	0.13	0.35	0.43
<b>Performance</b>						
Return after charges (%)	(14.94)	10.07	26.64	(14.95)	10.02	26.60
<b>Other information</b>						
Closing net asset value (£000)	3	4	3	91,772	115,966	72,418
Closing number of shares	3,000	3,000	3,000	99,302,548	106,715,868	73,320,963
Operating charges (%)**	0.04 <sup>†</sup>	0.06	0.05	0.09 <sup>†</sup>	0.10	0.10
Direct transaction costs (%)***	0.25	0.32	0.46	0.25	0.32	0.46
<b>Prices</b>						
Highest share price (p)	129.18	135.13	120.07	112.35	115.33	100.78
Lowest share price (p)	104.12	115.82	89.00	90.54	98.89	74.73

## Threadneedle Global Emerging Markets Equity Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	145.03	132.91	105.83
Return before operating charges (p)	(21.54)	13.45	28.20
Operating charges (p)	(0.64)	(1.33)	(1.12)
Return after operating charges (p)*	(22.18)	12.12	27.08
Distributions (p)	–	(1.50)	(1.27)
Retained distributions on accumulation shares (p)	–	1.50	1.27
Closing net asset value per share (p)	122.85	145.03	132.91
*after direct transaction costs of (p)	0.18	0.46	0.57
<b>Performance</b>			
Return after charges (%)	(15.29)	9.12	25.59
<b>Other information</b>			
Closing net asset value (£000)	26,768	30,543	31,032
Closing number of shares	21,789,466	21,059,232	23,348,073
Operating charges (%)**	0.91 <sup>1</sup>	0.92	0.91
Direct transaction costs (%)***	0.25	0.32	0.46
<b>Prices</b>			
Highest share price (p)	149.83	154.10	135.84
Lowest share price (p)	120.35	133.06	101.29

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

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

<sup>1</sup>Commenced 15 June 2018.

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

# Threadneedle Global Emerging Markets Equity Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	71,581,656
Shares issued	17,556,475
Shares redeemed	(23,693,602)
Net conversions	(2,141)
Closing shares	<u>65,442,388</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	12,152,548
Shares redeemed	(9,015,114)
Net conversions	–
Closing shares	<u>3,137,434</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	7,101,781
Shares redeemed	(649,465)
Net conversions	–
Closing shares	<u>6,452,316</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	82,652,196
Shares issued	10,259,040
Shares redeemed	(32,899,368)
Net conversions	–
Closing shares	<u>60,011,868</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	17,997,306
Shares redeemed	–
Net conversions	–
Closing shares	<u>17,997,306</u>
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	12,054,799
Shares redeemed	(10,313,107)
Net conversions	–
Closing shares	<u>1,741,692</u>
<b>Class X – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

	2018
<b>Class X – Accumulation shares</b>	
Opening shares	106,715,868
Shares issued	3,005,854
Shares redeemed	(10,419,174)
Net conversions	–
Closing shares	<u>99,302,548</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	21,059,232
Shares issued	1,392,197
Shares redeemed	(663,639)
Net conversions	1,676
Closing shares	<u>21,789,466</u>

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

### 3 POST BALANCE SHEET EVENT

Subsequent to the period end, a Scheme of Arrangement was processed on the fund to transfer classes of the fund to an equivalent Luxembourg-based fund. The percentage of NAV transferred from the fund as at 24 November 2018 is as described in the table below:

	% Movement
Class 1 EUR – Accumulation shares	1.10
Class 1 USD – Accumulation shares	2.11
Class 2 EUR – Accumulation shares	6.77
Class 2 USD – Accumulation shares	0.65

## Threadneedle Emerging Market Local Fund

### Investment Report

#### Investment Objective

The investment objective of the Emerging Market Local Fund is to achieve a total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to emerging market local currencies and debt securities issued by governments in Emerging Markets and/or companies which are domiciled or have significant operations in an Emerging Market. Those debt securities may be denominated in any currency, but at least two-thirds of the Fund will be invested in securities denominated in the local emerging market currency. Emerging markets countries are those characterised as developing or emerging by the MSCI Emerging Markets Index or those not listed in the OECD country list. If the ACD considers it desirable the Fund may gain exposure of up to one third of the total assets of the Fund to non-emerging market currencies and non-emerging market government/corporate debt securities.

The ACD will utilise the following investments to obtain the Funds exposure: government bonds, treasury bills, corporate bonds, cash or near cash, securitised notes, foreign exchange forward transactions, swaps (including but not limited to cross currency interest rate and credit default swaps) and other types of derivative. At times the portfolio may be concentrated in any one or a combination of such assets.

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

Over the six months to 31 October 2018, the published share price of Class 1 – Income shares in the Threadneedle Emerging Market Local Fund has fallen from 88.40p to 79.90p.

For comparison, using noon prices, the performance of the Class 1 share class was -5.84%. The performance of the Class 1 gross accumulation share class was -5.88% and -5.51% for the Class 2 gross accumulation share class.

For information purposes, using global close prices, the total return of the JPM GBI-EM Global Diversified Composite was -4.23%.

#### Market Overview and Portfolio Activity

Emerging market (EM) bonds lost ground over the review period, as political risk and currency woes rattled EM investors against a backdrop of expectations of less "easy money" in the developed world and fears of a global trade war. Countries with heightened dependence on foreign funding such as Turkey and Argentina were hurt disproportionately as US dollar has appreciated sharply. There were also worries over US sanctions against Iran and Turkey, with the latter fuelling a fall in the Turkish lira.

While July brought good news for Brazil, as labour-market reform was approved by the lower house of Congress, Brazilian bonds were hurt as earlier strikes by truck drivers forced the government to make concessions on fuel subsidies in August. The country's assets rallied strongly towards the end of the period, in response to, and in anticipation of, the perceived market-friendly candidate, Jair Bolsonaro's victory in the presidential elections.

Mexico was initially troubled by concerns around the progress of the North American Free Trade Agreement (NAFTA) negotiations; the country's bonds later rallied as presidential front-runner Andres Manuel López Obrador, who subsequently won the election, made emollient noises towards markets. Sentiment around Mexico was also supported as Canada subscribed to a preliminary trade deal agreed by the US and Mexico; however, the peso's resulting gains were later erased after incoming-president Obrador scrapped plans to build a new \$13bn airport in Mexico City.

Argentine bonds rallied in June, after the country succeeded in securing a \$50bn aid package from the IMF. However, these gains were later reversed following the unexpected resignation of several key central bank officials, including the governor.

Following the re-election of President Erdogan in Turkey, concern over interference in monetary policy, surging inflation and a diplomatic spat with the US saw Fitch downgrade the country's sovereign rating deeper into junk territory. The concomitant plunge in the Turkish lira prompted a stronger-than-expected interest-rate hike by the country's central bank, which reversed the lira's fortunes and meant Turkish bonds were September's best EM performers. By the end of the review period, the lira had reached

its strongest level in nearly three months, supported by the rate hike, the finance minister's plan to tackle inflation and improved US-Turkish relations.

Meanwhile, the South African rand tumbled as the country fell into recession, while bonds were hurt by a constitutional amendment giving the government the right to use land for development without compensating the affected parties. The appointment of a former governor of South Africa's central bank, Tito Mboweni, as finance minister, was welcomed by investors.

Towards the start of the period, within sovereign debt, we initiated exposure to Georgia. We trimmed our holdings in Uruguay, Turkey and South Africa. On the corporate side, we opened a new holding in Transnet, while exiting Kazmunaigaz.

New positions over the summer included, within sovereign debt, Hungary and Romania. We added to our holdings in Croatia and Argentina and reduced our positions in the Dominican Republic, Russia and Turkey.

Towards the end of the review period we increased our exposure to Turkey through the purchase of 2027s, and added to our Brazilian and South African holdings. We also reduced our exposure to sovereign debt from Russia, Mexico and the Dominican Republic.

Valuations continue to look attractive within the asset class given a stronger backdrop for EM growth and fundamental improvements across a number of EM economies.

There also a number of country improvement stories. The focus now turns to Brazil following the victory of Jair Bolsonaro, who is widely expected to deliver a crucial social security reform and adopt orthodox economic policies.

Trade concerns are still lingering, with uncertainty around US policy, and are likely to remain a focus over the coming months.

Despite the rise in yields on US Treasuries this year, we expect spreads to remain resilient, particularly in the high yield space, where the spread cushion is more meaningful, and the fundamentals are supportive.

Idiosyncratic country stories will continue to be key to overall EM performance, not least in markets such as Russia, Argentina, Turkey, South Africa and Venezuela.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital losses	(7,171)	(2,548)
Revenue	2,778	3,306
Expenses	(323)	(350)
Interest payable and similar charges	(56)	(35)
Net revenue before taxation	2,399	2,921
Taxation	–	–
Net revenue after taxation	2,399	2,921
<b>Total return before distributions</b>	(4,772)	373
Distributions	(2,663)	(3,216)
<b>Change in net assets attributable to shareholders from investment activities</b>	(7,435)	(2,843)

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	72,689	83,275
<b>Current assets:</b>		
Debtors	6,417	3,988
Cash and bank balances	3,694	3,176
Total assets	82,800	90,439
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(860)	(1,417)
<b>Creditors:</b>		
Bank overdrafts	–	(110)
Distribution payable	(121)	(150)
Other creditors	(9,362)	(772)
Total liabilities	(10,343)	(2,449)
<b>Net assets attributable to shareholders</b>	<b>72,457</b>	<b>87,990</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	87,990	73,463
Amounts receivable on the issue of shares	5,320	14,411
Amounts payable on the cancellation of shares	(15,670)	(5,854)
	(10,350)	8,557
Dilution adjustment	16	12
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(7,435)	(2,843)
Retained distribution on accumulation shares	2,236	3,081
<b>Closing net assets attributable to shareholders</b>	<b>72,457</b>	<b>82,270</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Interest distribution in pence per share					
<b>Class 1 – Income shares</b>					
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017	
<b>Group 1</b>					
01/05/18 to 31/10/18	2.5775	–	2.5775	3.5208	
<b>Group 2</b>					
01/05/18 to 31/10/18	0.7741	1.8034	2.5775	3.5208	
<b>Total distributions in the period</b>			<b>2.5775</b>	<b>3.5208</b>	
<b>Class 1 – Gross accumulation shares</b>					
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017	
<b>Group 1</b>					
01/05/18 to 31/10/18	4.5561	–	4.5561	5.7550	
<b>Group 2</b>					
01/05/18 to 31/10/18	1.7881	2.7680	4.5561	5.7550	
<b>Total distributions in the period</b>			<b>4.5561</b>	<b>5.7550</b>	



## Threadneedle Emerging Market Local Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	5.3959	–	5.3959	6.7372
<b>Group 2</b> 01/05/18 to 31/10/18	5.3959	–	5.3959	6.7372
<b>Total distributions in the period</b>			<b>5.3959</b>	<b>6.7372</b>

#### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	2.8210	–	2.8210	3.7897
<b>Group 2</b> 01/05/18 to 31/10/18	2.8210	–	2.8210	3.7897
<b>Total distributions in the period</b>			<b>2.8210</b>	<b>3.7897</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	6.6604	–	6.6604	8.2552
<b>Group 2</b> 01/05/18 to 31/10/18	5.1510	1.5094	6.6604	8.2552
<b>Total distributions in the period</b>			<b>6.6604</b>	<b>8.2552</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	2.3215	–	2.3215	3.1438
<b>Group 2</b> 01/05/18 to 31/10/18	0.8363	1.4852	2.3215	3.1438
<b>Total distributions in the period</b>			<b>2.3215</b>	<b>3.1438</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	3.3565	–	3.3565	4.1954
<b>Group 2</b> 01/05/18 to 31/10/18	1.2758	2.0807	3.3565	4.1954
<b>Total distributions in the period</b>			<b>3.3565</b>	<b>4.1954</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Emerging Market Local Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	84.76	90.03	80.90	150.12	147.17	124.04
Return before operating charges (p)	(4.20)	3.29	16.08	(7.48)	5.49	25.57
Operating charges (p)	(0.67)	(1.52)	(1.57)	(1.17)	(2.54)	(2.44)
Return after operating charges (p)*	(4.87)	1.77	14.51	(8.65)	2.95	23.13
Distributions (p)	(2.58)	(7.04)	(5.38)	(4.56)	(11.74)	(9.46)
Retained distributions on accumulation shares (p)	–	–	–	4.56	11.74	9.46
Closing net asset value per share (p)	77.31	84.76	90.03	141.47	150.12	147.17
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(5.75)	1.97	17.94	(5.76)	2.00	18.65
<b>Other information</b>						
Closing net asset value (£000)	851	1,018	1,042	10,068	18,594	19,912
Closing number of shares	1,100,698	1,200,965	1,157,863	7,116,799	12,385,958	13,530,180
Operating charges (%)**	1.65 <sup>†</sup>	1.68	1.72	1.64 <sup>†</sup>	1.68	1.71
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	84.32	95.86	99.71	149.34	156.70	153.84
Lowest share price (p)	76.95	86.39	76.55	136.29	145.88	117.44
	Class 2 – Gross accumulation shares <sup>§</sup>			Class X – Gross income shares <sup>§</sup>		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	175.06	170.23	142.30	91.34	95.57	84.57
Return before operating charges (p)	(8.68)	6.35	29.38	(4.53)	3.49	17.60
Operating charges (p)	(0.73)	(1.52)	(1.45)	(0.05)	(0.12)	(0.13)
Return after operating charges (p)*	(9.41)	4.83	27.93	(4.58)	3.37	17.47
Distributions (p)	(5.40)	(13.77)	(11.01)	(2.82)	(7.60)	(6.47)
Retained distributions on accumulation shares (p)	5.40	13.77	11.01	–	–	–
Closing net asset value per share (p)	165.65	175.06	170.23	83.94	91.34	95.57
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(5.38)	2.84	19.63	(5.01)	3.53	20.66
<b>Other information</b>						
Closing net asset value (£000)	32,163	34,519	24,351	131	142	549
Closing number of shares	19,416,714	19,718,113	14,305,251	155,625	155,625	574,467
Operating charges (%)**	0.87 <sup>†</sup>	0.87	0.88	0.12 <sup>†</sup>	0.12	0.14
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	174.15	181.76	177.20	90.87	102.31	105.71
Lowest share price (p)	159.39	168.81	134.81	83.40	92.51	80.16

## Threadneedle Emerging Market Local Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>			Class Z – Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	215.71	208.18	172.73	76.19	80.21	71.43
Return before operating charges (p)	(10.70)	7.79	35.72	(3.78)	2.92	14.21
Operating charges (p)	(0.13)	(0.26)	(0.27)	(0.29)	(0.64)	(0.65)
Return after operating charges (p)*	(10.83)	7.53	35.45	(4.07)	2.28	13.56
Distributions (p)	(6.66)	(16.90)	(13.41)	(2.32)	(6.30)	(4.78)
Retained distributions on accumulation shares (p)	6.66	16.90	13.41	–	–	–
Closing net asset value per share (p)	204.88	215.71	208.18	69.80	76.19	80.21
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(5.02)	3.62	20.52	(5.34)	2.84	18.98
<b>Other information</b>						
Closing net asset value (£000)	26,262	30,895	24,857	2,653	2,460	2,487
Closing number of shares	12,818,282	14,322,799	11,940,032	3,800,995	3,228,656	3,100,397
Operating charges (%)**	0.13 <sup>†</sup>	0.12	0.13	0.79 <sup>†</sup>	0.79	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	214.59	222.86	215.90	75.80	85.66	88.41
Lowest share price (p)	196.93	206.53	163.73	69.39	77.38	67.63

	Class Z – Gross accumulation shares <sup>§</sup>		
	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	110.16	107.04	89.41
Return before operating charges (p)	(5.46)	3.99	18.46
Operating charges (p)	(0.42)	(0.87)	(0.83)
Return after operating charges (p)*	(5.88)	3.12	17.63
Distributions (p)	(3.36)	(8.58)	(6.85)
Retained distributions on accumulation shares (p)	3.36	8.58	6.85
Closing net asset value per share (p)	104.28	110.16	107.04
*after direct transaction costs of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	(5.34)	2.91	19.72
<b>Other information</b>			
Closing net asset value (£000)	329	362	265
Closing number of shares	315,548	328,650	247,652
Operating charges (%)**	0.79 <sup>†</sup>	0.79	0.82
Direct transaction costs (%)***	–	–	–
<b>Prices</b>			
Highest share price (p)	109.59	114.32	111.38
Lowest share price (p)	100.33	106.15	84.71

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

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

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

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

# Threadneedle Emerging Market Local Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	1,200,965
Shares issued	175,052
Shares redeemed	(275,319)
Net conversions	–
Closing shares	<u>1,100,698</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	12,385,958
Shares issued	45,609
Shares redeemed	(5,314,768)
Net conversions	–
Closing shares	<u>7,116,799</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	19,718,113
Shares issued	–
Shares redeemed	(301,399)
Net conversions	–
Closing shares	<u>19,416,714</u>
<b>Class X – Gross income shares</b>	
Opening shares	155,625
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>155,625</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	14,322,799
Shares issued	1,976,013
Shares redeemed	(3,480,530)
Net conversions	–
Closing shares	<u>12,818,282</u>
<b>Class Z – Income shares</b>	
Opening shares	3,228,656
Shares issued	1,288,815
Shares redeemed	(716,476)
Net conversions	–
Closing shares	<u>3,800,995</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	328,650
Shares issued	39,927
Shares redeemed	(53,029)
Net conversions	–
Closing shares	<u>315,548</u>

## Threadneedle Global Extended Alpha Fund

### Investment Report

#### Investment Objective

The investment objective of the Global Extended Alpha Fund is to achieve long term capital growth.

#### Investment Policy

The ACD's investment policy is to actively manage an exposure by investing directly or indirectly into equity securities worldwide, including companies located in developed and emerging markets. Exposure to these markets may be gained through both long and short positions.

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

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

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

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Extended Alpha Fund has risen from 284.93p to 285.20p.

For comparison, using noon prices, the performance of the Class 1 share class was +0.09% and +0.51% for the Class 2 share class compared to a return of +0.79% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Growth Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

#### Market Overview and Portfolio Activity

Volatility remained a key feature of equity markets in the six months to 31 October 2018. While swayed by trading tensions

between the US and China, markets accumulated gains between April and September. However, rising inflationary expectations, and concerns around Saudi Arabian news flow and the expansionary nature of the Italian budget prompted an October pullback. This drove a rotation towards sources of cheaper and defensive growth, despite rising bond yields.

North American equities led returns over the period owing to strong corporate earnings, expectation-topping labour market readings and the outperformance of technology stocks. The Federal Reserve persisted with its rate-hiking course. Whilst this previously carried implications for more defensive market segments, it was only following hawkish commentary in October that it drove sharper, widespread moves.

Despite healthy earnings, rising commodity prices and a late auto stock rally, European equities lagged. The formation of a Eurosceptic Italian coalition and its budget, along with concerns around Turkey, dampened sentiment. Given the country's proportionately high energy exposure, UK equities were aided by higher oil prices. President Trump's withdrawal of the US from the Iran nuclear deal, Venezuelan economic weakness and Saudi Arabian signals of an \$80 oil price target provided a boost to oil. However, despite sterling's weakness, the UK underperformed as Brexit-related uncertainty persisted.

Japanese, Far East and emerging market equities were impacted by trading tensions over the period. Investors priced in the tariffs' implications on both inflation and economic growth, meaning these regions underperformed; though a weaker yen provided some support to Japan's export-centric market.

From a sector perspective, healthcare led returns, with fiscal reform offering prospects of durable support to revenue and earnings. Industrials underperformed on tariff-related headwinds.

New holdings included sports equipment manufacturer Adidas. The company is gaining share in a concentrated industry which offers attractive structural and cyclical demand dynamics. We believe Adidas' acceleration of launches can support top-line expansion, with North American and Chinese growth engines remaining robust. We also purchased internet service provider

Tencent. With strength in platform engagement paving the way for sustainable earnings growth, and potentially easing concerns over the impact of regulations on its gaming and payments divisions, we believe current valuations understate Tencent's prospects. Elsewhere, we purchased medical technology company Becton Dickinson, switching in from healthcare peer Dentsply Sirona. With a diversified portfolio, high market share, and its recent acquisition of Bard, we believe Becton can produce upticks in top-line growth, margin expansion and EPS growth.

To fund these, we sold Kubota. We believe preferable long-term opportunities exist elsewhere given increasing competition in its small tractor segment. We also exited Nike, where the valuation was rich following a strong run, and we had concerns regarding senior executives' departures. Elsewhere, we took advantage of a recovery in Deutsche Telekom's share price to sell the stock, given its reliance on US earnings growth.

New shorts were initiated in a food retailer, a telecommunications company and an automotive company. We covered shorts in other retailers which had generated value through depreciation.

We believe the recent equity sell-off represents opportunity. Resets in the valuations of attractive, secular growers makes this backdrop an ideal hunting ground for bottom-up investors capable of identifying long-term winners trading at below their intrinsic value. Additionally, increased return dispersion owing to volatility widens the scope for alpha generation. Whilst prospects of monetary tightening, tariffs and technological regulation remain in focus, we note that equity fundamentals continue to look robust. We also believe structural factors promoting a world which is 'lower for longer' remain in place. These include debt, demographics and technological disruption. This should ensure that companies with sustainable, above-average growth remain attractive.

Within this context, we retain our focus on companies with durable competitive advantages, high or rising returns on capital and the potential to compound earnings over time. Conversely, we short companies subject to competitive or secular deterioration.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital gains	2,311	22,534
Revenue	1,806	1,944
Expenses	(1,541)	(1,498)
Interest payable and similar charges	(1,793)	(547)
Net expense before taxation	(1,528)	(101)
Taxation	(134)	(195)
Net expense after taxation	(1,662)	(296)
<b>Total return before equalisation</b>	<b>649</b>	<b>22,238</b>
Equalisation	–	35
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>649</b>	<b>22,273</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	2018 £000	April 2018 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments	228,380		241,020
<b>Current assets:</b>			
Debtors	9,605		10,275
Cash and bank balances	41,436		22,736
Total assets	279,421		274,031
<b>Liabilities:</b>			
<b>Investment liabilities</b>	(6,659)		(2,035)
<b>Creditors:</b>			
Other creditors	(1,016)		(633)
Total liabilities	(7,675)		(2,668)
<b>Net assets attributable to shareholders</b>	<b>271,746</b>		<b>271,363</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>271,363</b>	<b>208,841</b>
Amounts receivable on the issue of shares	243,815	62,997
Amounts payable on the cancellation of shares	(244,100)	(40,283)
	(285)	22,714
Dilution adjustment	19	64
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	649	22,273
<b>Closing net assets attributable to shareholders</b>	<b>271,746</b>	<b>253,892</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	145.82	133.60	104.07	284.81	259.10	201.74
Return before operating charges (p)	0.71	14.60	31.57	1.33	30.33	61.29
Operating charges (p)	(1.28)	(2.38)	(2.04)	(2.47)	(4.62)	(3.93)
Return after operating charges (p)*	(0.57)	12.22	29.53	(1.14)	25.71	57.36
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	145.25	145.82	133.60	283.67	284.81	259.10
*after direct transaction costs of (p)	0.06	0.17	0.18	0.11	0.33	0.35
<b>Performance</b>						
Return after charges (%)	(0.39)	9.15	28.38	(0.40)	9.92	28.43
<b>Other information</b>						
Closing net asset value (£000)	11	21	8	1,421	125,195	101,649
Closing number of shares	7,485	14,086	6,311	501,026	43,957,510	39,231,252
Operating charges (%)**	1.64 <sup>†</sup>	1.64	1.63	1.65 <sup>†</sup>	1.64	1.65
Performance fee (%)	–	0.48	–	–	–	–
Direct transaction costs (%)***	0.08	0.12	0.14	0.08	0.12	0.14
<b>Prices</b>						
Highest share price (p)	164.72	155.21	136.74	322.21	303.47	265.19
Lowest share price (p)	143.27	133.02	102.79	279.80	257.98	199.65
	Class 1 EUR – Accumulation shares			Class 1 USD – Accumulation shares		
	31/10/2018 <sup>†</sup>			31/10/2018 <sup>†</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	306.01			306.01		
Return before operating charges (p)	(20.91)			(20.72)		
Operating charges (p)	(1.43)			(1.43)		
Return after operating charges (p)*	(22.34)			(22.15)		
Distributions (p)	–			–		
Retained distributions on accumulation shares (p)	–			–		
Closing net asset value per share (p)	283.67			283.86		
*after direct transaction costs of (p)	0.09			0.09		
<b>Performance</b>						
Return after charges (%)	(7.30)			(7.24)		
<b>Other information</b>						
Closing net asset value (£000)	97,857			15,934		
Closing number of shares	34,497,003			5,613,325		
Operating charges (%)**	1.64 <sup>†</sup>			1.64 <sup>†</sup>		
Performance fee (%)	–			–		
Direct transaction costs (%)***	0.08			0.08		
<b>Prices</b>						
Highest share price (p)	322.21			322.22		
Lowest share price (p)	279.80			279.81		

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class A – Accumulation shares		Class A SGD Hedged – Accumulation shares	
	31/10/2018 <sup>2</sup>		31/10/2018 <sup>2</sup>	
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	100.00		100.00	
Return before operating charges (p)	(4.56)		(8.05)	
Operating charges (p)	(0.79)		(0.76)	
Return after operating charges (p)*	(5.35)		(8.81)	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	94.65		91.19	
*after direct transaction costs of (p)	0.04		0.04	
<b>Performance</b>				
Return after charges (%)	(5.35)		(8.81)	
<b>Other information</b>				
Closing net asset value (£000)	97		141	
Closing number of shares	102,913		154,636	
Operating charges (%)**	1.91 <sup>†</sup>		1.90 <sup>†</sup>	
Performance fee (%)	–		–	
Direct transaction costs (%)***	0.08		0.08	
<b>Prices</b>				
Highest share price (p)	107.56		105.24	
Lowest share price (p)	93.36		89.95	
	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	306.94	276.96	213.87	329.84
Return before operating charges (p)	1.41	32.46	65.21	(22.07)
Operating charges (p)	(1.35)	(2.48)	(2.12)	(0.77)
Return after operating charges (p)*	0.06	29.98	63.09	(22.84)
Distributions (p)	–	(0.08)	(0.57)	–
Retained distributions on accumulation shares (p)	–	0.08	0.57	–
Closing net asset value per share (p)	307.00	306.94	276.96	307.00
*after direct transaction costs of (p)	0.12	0.36	0.37	0.09
<b>Performance</b>				
Return after charges (%)	0.02	10.82	29.50	(6.92)
<b>Other information</b>				
Closing net asset value (£000)	63,892	103,242	86,416	6,866
Closing number of shares	20,811,914	33,635,483	31,201,424	2,236,528
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.83	0.82 <sup>†</sup>
Performance fee (%)	–	0.02	–	–
Direct transaction costs (%)***	0.08	0.12	0.14	0.08
<b>Prices</b>				
Highest share price (p)	347.34	326.00	283.16	347.35
Lowest share price (p)	302.81	275.88	211.75	302.81

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares			Class P – Accumulation shares		
	31/10/2018 <sup>1</sup>			31/10/2018	30/04/2018 <sup>3</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	329.84			107.76	100.00	
Return before operating charges (p)	(22.08)			0.63	9.08	
Operating charges (p)	(0.77)			(0.77)	(1.32)	
Return after operating charges (p)*	(22.85)			(0.14)	7.76	
Distributions (p)	–			–	–	
Retained distributions on accumulation shares (p)	–			–	–	
Closing net asset value per share (p)	306.99			107.62	107.76	
*after direct transaction costs of (p)	0.09			0.04	0.12	
<b>Performance</b>						
Return after charges (%)	(6.93)			(0.13)	7.76	
<b>Other information</b>						
Closing net asset value (£000)	36,669			3,912	3,278	
Closing number of shares	11,944,866			3,635,239	3,042,311	
Operating charges (%)**	0.82 <sup>1</sup>			1.32 <sup>1</sup>	1.35 <sup>1</sup>	
Performance fee (%)	–			–	–	
Direct transaction costs (%)***	0.08			0.08	0.12	
<b>Prices</b>						
Highest share price (p)	347.34			122.04	114.72	
Lowest share price (p)	302.80			106.03	97.30	
	Class X – Accumulation shares			Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.38	131.16	100.70	142.24	128.41	99.24
Return before operating charges (p)	0.66	13.32	30.55	0.66	15.08	30.31
Operating charges (p)	(0.05)	(0.10)	(0.09)	(0.68)	(1.25)	(1.14)
Return after operating charges (p)*	0.61	13.22	30.46	(0.02)	13.83	29.17
Distributions (p)	–	(1.10)	(1.21)	–	–	(0.18)
Retained distributions on accumulation shares (p)	–	1.10	1.21	–	–	0.18
Closing net asset value per share (p)	144.99	144.38	131.16	142.22	142.24	128.41
*after direct transaction costs of (p)	0.06	0.17	0.19	0.06	0.17	0.18
<b>Performance</b>						
Return after charges (%)	0.42	10.08	30.25	(0.01)	10.77	29.39
<b>Other information</b>						
Closing net asset value (£000)	31,759	26,553	13,138	13,187	13,074	7,630
Closing number of shares	21,903,765	18,391,279	10,017,162	9,272,833	9,191,576	5,941,918
Operating charges (%)**	0.07 <sup>1</sup>	0.07	0.07	0.89 <sup>1</sup>	0.89	0.91
Performance fee (%)	–	1.42	–	–	–	–
Direct transaction costs (%)***	0.08	0.12	0.14	0.08	0.12	0.14
<b>Prices</b>						
Highest share price (p)	163.60	153.03	134.19	160.78	151.10	131.30
Lowest share price (p)	142.96	130.78	99.51	140.27	127.90	98.25

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>2</sup>Commenced 1 June 2018.

<sup>3</sup>Commenced 17 May 2017.

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



# Threadneedle Global Extended Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	14,086
Shares issued	–
Shares redeemed	(6,601)
Net conversions	–
Closing shares	<u>7,485</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	43,957,510
Shares issued	2,666,803
Shares redeemed	(46,123,287)
Net conversions	–
Closing shares	<u>501,026</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	36,971,468
Shares redeemed	(2,474,465)
Net conversions	–
Closing shares	<u>34,497,003</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	18,371,931
Shares redeemed	(12,758,606)
Net conversions	–
Closing shares	<u>5,613,325</u>
<b>Class A – Accumulation shares*</b>	
Opening shares	–
Shares issued	102,913
Shares redeemed	–
Net conversions	–
Closing shares	<u>102,913</u>
<b>Class A SGD Hedged – Accumulation shares*</b>	
Opening shares	–
Shares issued	154,636
Shares redeemed	–
Net conversions	–
Closing shares	<u>154,636</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	33,635,483
Shares issued	1,285,205
Shares redeemed	(14,108,774)
Net conversions	–
Closing shares	<u>20,811,914</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	2,878,067
Shares redeemed	(641,539)
Net conversions	–
Closing shares	<u>2,236,528</u>

	2018
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	12,087,977
Shares redeemed	(143,111)
Net conversions	–
Closing shares	<u>11,944,866</u>
<b>Class P – Accumulation shares</b>	
Opening shares	3,042,311
Shares issued	2,580,344
Shares redeemed	(1,987,416)
Net conversions	–
Closing shares	<u>3,635,239</u>
<b>Class X – Accumulation shares</b>	
Opening shares	18,391,279
Shares issued	5,845,555
Shares redeemed	(2,333,069)
Net conversions	–
Closing shares	<u>21,903,765</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	9,191,576
Shares issued	547,421
Shares redeemed	(466,164)
Net conversions	–
Closing shares	<u>9,272,833</u>

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

## Threadneedle Global Equity Income Fund

### Investment Report

#### Investment Objective

The investment objective of the Global Equity Income Fund is to achieve a high and growing income over the long term combined with prospects for capital growth.

#### Investment Policy

The ACD's investment policy is to invest no less than two-thirds of the gross assets of the Fund in global equities. Income will be in the form of dividend distribution.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities and money market securities) deposits and cash.

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

Over the six months to 31 October 2018, the published share price of Class 1 – Income shares in the Threadneedle Global Equity Income Fund has fallen from 135.18p to 133.51p.

For comparison, using noon prices, the performance of the Class 1 share class was +0.93% and +1.17% for the Class 2 share class compared to a return of +1.29% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI AC World Free Index was +3.82%.

#### Market Overview and Portfolio Activity

Volatility remained a key feature of equity markets in the six months to 31 October 2018. Despite being swayed by trading tensions between the US and China, markets accumulated gains between April and September; however, rising inflationary expectations, and concerns around Saudi Arabian news flow and the expansionary nature of the Italian budget, prompted an October pullback.

North American equities led returns over the period owing to strong corporate earnings, expectation-topping labour market readings and the outperformance of technology stocks. The Federal Reserve persisted with its rate hiking course. Whilst this previously carried implications for more defensive market segments, it was only following hawkish commentary in October that it drove sharper, widespread moves.

Despite healthy earnings, rising commodity prices and a late auto stock rally, European equities lagged. The formation of a Eurosceptic Italian coalition and its budget, along with concerns around Turkey, dampened sentiment. Given the country's proportionately high energy exposure, UK equities were aided by higher oil prices. President Trump's withdrawal of the US from the Iran nuclear deal, Venezuelan economic weakness and Saudi Arabian signals of an \$80 oil price target provided a boost to oil. However, despite sterling's weakness, the UK underperformed as Brexit-related uncertainty persisted. Japanese, Far East and emerging market equities were impacted by trading tensions over the period. Investors priced in the tariffs' implications on both inflation and economic growth, meaning these regions underperformed; though a weaker yen provided some support to Japan's export-centric market.

From a sector perspective, healthcare led returns, with fiscal reform offering prospects of durable support to revenue and earnings. Industrials underperformed on tariff-related headwinds.

During the period, key new positions in the portfolio included defence company Lockheed Martin and consumer electronics developer Nintendo. Lockheed Martin offers a multi-year growth runway in an attractive space, given improving defence budgets and the company's strong win rates. For Nintendo, we note the potential for fresh catalysts to materialise from here, including new membership services, and possible additions to its title line-up. The stock has been trading at a material

discount to other major game software makers and offers prospects of healthy dividend growth. Elsewhere, we purchased US domestic bank BB&T. Recent earnings implied a quickened pace of loan growth and better-than-expected deposit beta.

To fund these, we closed our position in luxury fashion company Tapestry. The stock had outperformed the index year-to-date, supported in the first half by growth within its Coach brand, e-commerce performance and anticipation of future margin expansion. Following this run, we felt that opportunities with greater upside existed elsewhere. Similarly, we exited medical device manufacturer Coloplast, which had appreciated towards our price target on optimism around US market share growth. Another holding to have performed well, investment management company Ares Capital, was also sold. Expectation-topping first-quarter results were driven by growth in the company's loan portfolio and new commitment activity.

October saw high-dividend-paying stocks outperform after challenges for the asset class over the last two years. We note the scope for further appetite for these names as the top two quintiles of dividend-yielding stocks remain cheap relative to their history. By contrast, despite being the focus of last month's rotation, low-dividend-paying companies remain richly valued by comparison. We believe recent rises in inflationary expectations carry a relatively short-term premise, and that factors driving a world which is 'lower for longer' remain in place. This should ensure that companies offering a compelling blend of income and growth remain attractive.

Within this context, we continue our focus on quality income, seeking companies which offer high, rising and sustainable dividends. In our view, companies demonstrating superior capital allocation remain well-placed to outperform over the long-term; and we retain our belief that dividends are an underappreciated signal of investment quality.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(4,438)	43,595
Revenue	35,360	38,216
Expenses	(7,113)	(8,159)
Interest payable and similar charges	(4)	(3)
Net revenue before taxation	28,243	30,054
Taxation	(3,233)	(3,966)
Net revenue after taxation	25,010	26,088
<b>Total return before distributions</b>	<b>20,572</b>	<b>69,683</b>
Distributions	(31,199)	(33,125)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(10,627)</b>	<b>36,558</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,529,436	1,632,186
<b>Current assets:</b>		
Debtors	6,362	8,839
Cash and bank balances	31,454	34,397
Cash equivalents**	14,924	–
Total assets	1,582,176	1,675,422
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(28)	(15)
<b>Creditors:</b>		
Distribution payable	(6,872)	(10,547)
Other creditors	(17,334)	(8,484)
Total liabilities	(24,234)	(19,046)
<b>Net assets attributable to shareholders</b>	<b>1,557,942</b>	<b>1,656,376</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,656,376</b>	<b>1,792,180</b>
Amounts receivable on the issue of shares	985,178	290,558
Amounts payable on the cancellation of shares	(1,085,635)	(333,006)
	(100,457)	(42,448)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(10,627)	36,558
Retained distribution on accumulation shares	12,650	12,219
<b>Closing net assets attributable to shareholders</b>	<b>1,557,942</b>	<b>1,798,509</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.5890	–	1.5890	1.3692
01/08/18 to 31/10/18	1.0032	–	1.0032	1.1112
<b>Group 2</b>				
01/05/18 to 31/07/18	0.4866	1.1024	1.5890	1.3692
01/08/18 to 31/10/18	0.2640	0.7392	1.0032	1.1112
<b>Total distributions in the period</b>			<b>2.5922</b>	<b>2.4804</b>

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

# Threadneedle Global Equity Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 EUR – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018
<b>Group 1</b>			
01/05/18 to 31/07/18	1.5890	–	1.5890
01/08/18 to 31/10/18	1.0033	–	1.0033
<b>Group 2</b>			
01/05/18 to 31/07/18	0.2243	1.3647	1.5890
01/08/18 to 31/10/18	0.2677	0.7356	1.0033
<b>Total distributions in the period</b>			<b>2.5923</b>

### Class 1 USD – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018
<b>Group 1</b>			
01/05/18 to 31/07/18	1.5889	–	1.5889
01/08/18 to 31/10/18	1.0031	–	1.0031
<b>Group 2</b>			
01/05/18 to 31/07/18	0.0347	1.5542	1.5889
01/08/18 to 31/10/18	–	1.0031	1.0031
<b>Total distributions in the period</b>			<b>2.5920</b>

### Class 1 – Monthly Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.8488	–	0.8488	0.4925
01/06/18 to 30/06/18	0.4378	–	0.4378	0.5994
01/07/18 to 31/07/18	0.0832	–	0.0832	0.0899
01/08/18 to 31/08/18	0.4719	–	0.4719	0.5083
01/09/18 to 30/09/18	0.2796	–	0.2796	0.3443
01/10/18 to 31/10/18	0.1140	–	0.1140	0.1073
<b>Group 2</b>				
01/05/18 to 31/05/18	0.2601	0.5887	0.8488	0.4925
01/06/18 to 30/06/18	0.4113	0.0265	0.4378	0.5994
01/07/18 to 31/07/18	0.0187	0.0645	0.0832	0.0899
01/08/18 to 31/08/18	0.2056	0.2663	0.4719	0.5083
01/09/18 to 30/09/18	0.1931	0.0865	0.2796	0.3443
01/10/18 to 31/10/18	0.0239	0.0901	0.1140	0.1073
<b>Total distributions in the period</b>			<b>2.2353</b>	<b>2.1417</b>

### Class 1 SGD Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.3354	–	1.3354	1.1241
01/08/18 to 31/10/18	0.8259	–	0.8259	0.9311
<b>Group 2</b>				
01/05/18 to 31/07/18	–	1.3354	1.3354	1.1241
01/08/18 to 31/10/18	–	0.8259	0.8259	0.9311
<b>Total distributions in the period</b>			<b>2.1613</b>	<b>2.0552</b>

### Class 1 AUD Hedged – Monthly Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.8318	–	0.8318	0.4778
01/06/18 to 30/06/18	0.4258	–	0.4258	0.5917
01/07/18 to 31/07/18	0.0804	–	0.0804	0.0924
01/08/18 to 31/08/18	0.4525	–	0.4525	0.5262
01/09/18 to 30/09/18	0.2633	–	0.2633	0.3584
01/10/18 to 31/10/18	0.1059	–	0.1059	0.1090
<b>Group 2</b>				
01/05/18 to 31/05/18	–	0.8318	0.8318	0.4778
01/06/18 to 30/06/18	0.1553	0.2705	0.4258	0.5917
01/07/18 to 31/07/18	0.0247	0.0557	0.0804	0.0924
01/08/18 to 31/08/18	–	0.4525	0.4525	0.5262
01/09/18 to 30/09/18	0.0131	0.2502	0.2633	0.3584
01/10/18 to 31/10/18	–	0.1059	0.1059	0.1090
<b>Total distributions in the period</b>			<b>2.1597</b>	<b>2.1555</b>

### Class 1 SGD Hedged – Monthly Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/05/18	0.8570	–	0.8570	0.4815
01/06/18 to 30/06/18	0.4402	–	0.4402	0.5923
01/07/18 to 31/07/18	0.0828	–	0.0828	0.0899
01/08/18 to 31/08/18	0.4671	–	0.4671	0.5092
01/09/18 to 30/09/18	0.2762	–	0.2762	0.3473
01/10/18 to 31/10/18	0.1117	–	0.1117	0.1076
<b>Group 2</b>				
01/05/18 to 31/05/18	0.1656	0.6914	0.8570	0.4815
01/06/18 to 30/06/18	0.2337	0.2065	0.4402	0.5923
01/07/18 to 31/07/18	0.0125	0.0703	0.0828	0.0899
01/08/18 to 31/08/18	0.3330	0.1341	0.4671	0.5092
01/09/18 to 30/09/18	0.1448	0.1314	0.2762	0.3473
01/10/18 to 31/10/18	0.0139	0.0978	0.1117	0.1076
<b>Total distributions in the period</b>			<b>2.2350</b>	<b>2.1278</b>

### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	2.5515	–	2.5515	2.1254
01/08/18 to 31/10/18	1.6297	–	1.6297	1.7414
<b>Group 2</b>				
01/05/18 to 31/07/18	0.7289	1.8226	2.5515	2.1254
01/08/18 to 31/10/18	0.6880	0.9417	1.6297	1.7414
<b>Total distributions in the period</b>			<b>4.1812</b>	<b>3.8668</b>

### Class 1 EUR – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018
<b>Group 1</b>			
01/05/18 to 31/07/18	2.5515	–	2.5515
01/08/18 to 31/10/18	1.6298	–	1.6298
<b>Group 2</b>			
01/05/18 to 31/07/18	0.2610	2.2905	2.5515
01/08/18 to 31/10/18	0.6899	0.9399	1.6298
<b>Total distributions in the period</b>			<b>4.1813</b>

### Class 1 USD – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018
<b>Group 1</b>			
01/05/18 to 31/07/18	2.5512	–	2.5512
01/08/18 to 31/10/18	1.6294	–	1.6294
<b>Group 2</b>			
01/05/18 to 31/07/18	–	2.5512	2.5512
01/08/18 to 31/10/18	0.2777	1.3517	1.6294
<b>Total distributions in the period</b>			<b>4.1806</b>

### Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.3318	–	1.3318	1.1615
01/08/18 to 31/10/18	0.8509	–	0.8509	0.9545
<b>Group 2</b>				
01/05/18 to 31/07/18	1.3318	–	1.3318	1.1615
01/08/18 to 31/10/18	0.8509	–	0.8509	0.9545
<b>Total distributions in the period</b>			<b>2.1827</b>	<b>2.1160</b>

### Class 1 SGD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.5833	–	1.5833	1.2880
01/08/18 to 31/10/18	0.9903	–	0.9903	1.0777
<b>Group 2</b>				
01/05/18 to 31/07/18	0.2683	1.3150	1.5833	1.2880
01/08/18 to 31/10/18	–	0.9903	0.9903	1.0777
<b>Total distributions in the period</b>			<b>2.5736</b>	<b>2.3657</b>

### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.6984	–	1.6984	1.4603
01/08/18 to 31/10/18	1.0839	–	1.0839	1.1922
<b>Group 2</b>				
01/05/18 to 31/07/18	0.5676	1.1308	1.6984	1.4603
01/08/18 to 31/10/18	0.4070	0.6769	1.0839	1.1922
<b>Total distributions in the period</b>			<b>2.7823</b>	<b>2.6525</b>

### Class 2 EUR – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018
<b>Group 1</b>			
01/05/18 to 31/07/18	1.6982	–	1.6982
01/08/18 to 31/10/18	1.0819	–	1.0819
<b>Group 2</b>			
01/05/18 to 31/07/18	–	1.6982	1.6982
01/08/18 to 31/10/18	0.5000	0.5819	1.0819
<b>Total distributions in the period</b>			<b>2.7801</b>

### Class 2 USD – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018
<b>Group 1</b>			
01/05/18 to 31/07/18	1.6993	–	1.6993
01/08/18 to 31/10/18	1.0844	–	1.0844
<b>Group 2</b>			
01/05/18 to 31/07/18	–	1.6993	1.6993
01/08/18 to 31/10/18	–	1.0844	1.0844
<b>Total distributions in the period</b>			<b>2.7837</b>

# Threadneedle Global Equity Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.2070	–	1.2070	1.0186
01/08/18 to 31/10/18	0.7515	–	0.7515	0.8767
<b>Group 2</b>				
01/05/18 to 31/07/18	1.2070	–	1.2070	1.0186
01/08/18 to 31/10/18	0.7515	–	0.7515	0.8767
<b>Total distributions in the period</b>			<b>1.9585</b>	<b>1.8953</b>

### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	2.7501	–	2.7501	2.2832
01/08/18 to 31/10/18	1.7755	–	1.7755	1.8816
<b>Group 2</b>				
01/05/18 to 31/07/18	2.2036	0.5465	2.7501	2.2832
01/08/18 to 31/10/18	0.5076	1.2679	1.7755	1.8816
<b>Total distributions in the period</b>			<b>4.5256</b>	<b>4.1648</b>

### Class 2 EUR – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	2.7495	–	2.7495	2.2832
01/08/18 to 31/10/18	1.7761	–	1.7761	1.8816
<b>Group 2</b>				
01/05/18 to 31/07/18	–	2.7495	2.7495	2.2832
01/08/18 to 31/10/18	0.1863	1.5898	1.7761	1.8816
<b>Total distributions in the period</b>			<b>4.5256</b>	<b>4.1648</b>

### Class 2 USD – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	2.7489	–	2.7489	2.2832
01/08/18 to 31/10/18	1.7756	–	1.7756	1.8816
<b>Group 2</b>				
01/05/18 to 31/07/18	2.7489	–	2.7489	2.2832
01/08/18 to 31/10/18	0.6767	1.0989	1.7756	1.8816
<b>Total distributions in the period</b>			<b>4.5245</b>	<b>4.1648</b>

### Class W – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.2111	–	1.2111	1.0064
01/08/18 to 31/10/18	0.7752	–	0.7752	0.8237
<b>Group 2</b>				
01/05/18 to 31/07/18	0.3385	0.8726	1.2111	1.0064
01/08/18 to 31/10/18	0.2485	0.5267	0.7752	0.8237
<b>Total distributions in the period</b>			<b>1.9863</b>	<b>1.8301</b>

### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.4998	–	1.4998	1.2918
01/08/18 to 31/10/18	0.9689	–	0.9689	1.0625
<b>Group 2</b>				
01/05/18 to 31/07/18	1.4998	–	1.4998	1.2918
01/08/18 to 31/10/18	0.1478	0.8211	0.9689	1.0625
<b>Total distributions in the period</b>			<b>2.4687</b>	<b>2.3543</b>

### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7641	–	1.7641	1.4683
01/08/18 to 31/10/18	1.1524	–	1.1524	1.2198
<b>Group 2</b>				
01/05/18 to 31/07/18	1.7641	–	1.7641	1.4683
01/08/18 to 31/10/18	1.1524	–	1.1524	1.2198
<b>Total distributions in the period</b>			<b>2.9165</b>	<b>2.6881</b>

### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7229	–	1.7229	1.4753
01/08/18 to 31/10/18	1.0904	–	1.0904	1.1988
<b>Group 2</b>				
01/05/18 to 31/07/18	0.4282	1.2947	1.7229	1.4753
01/08/18 to 31/10/18	0.3635	0.7269	1.0904	1.1988
<b>Total distributions in the period</b>			<b>2.8133</b>	<b>2.6741</b>

### Class Z EUR – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7229	–	1.7229	1.4753
01/08/18 to 31/10/18	1.0902	–	1.0902	1.1988
<b>Group 2</b>				
01/05/18 to 31/07/18	0.2716	1.4513	1.7229	1.4753
01/08/18 to 31/10/18	0.4825	0.6077	1.0902	1.1988
<b>Total distributions in the period</b>			<b>2.8131</b>	<b>2.6741</b>

### Class Z USD – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7219	–	1.7219	1.4753
01/08/18 to 31/10/18	1.0898	–	1.0898	1.1988
<b>Group 2</b>				
01/05/18 to 31/07/18	0.0718	1.6501	1.7219	1.4753
01/08/18 to 31/10/18	0.6195	0.4703	1.0898	1.1988
<b>Total distributions in the period</b>			<b>2.8117</b>	<b>2.6741</b>

### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7730	–	1.7730	1.4669
01/08/18 to 31/10/18	1.1345	–	1.1345	1.2040
<b>Group 2</b>				
01/05/18 to 31/07/18	0.5636	1.2094	1.7730	1.4669
01/08/18 to 31/10/18	0.4148	0.7197	1.1345	1.2040
<b>Total distributions in the period</b>			<b>2.9075</b>	<b>2.6709</b>

### Class Z EUR – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7730	–	1.7730	1.4669
01/08/18 to 31/10/18	1.1314	–	1.1314	1.2040
<b>Group 2</b>				
01/05/18 to 31/07/18	0.2775	1.4955	1.7730	1.4669
01/08/18 to 31/10/18	0.8185	0.3129	1.1314	1.2040
<b>Total distributions in the period</b>			<b>2.9044</b>	<b>2.6709</b>

### Class Z USD – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.7731	–	1.7731	1.4669
01/08/18 to 31/10/18	1.1329	–	1.1329	1.2040
<b>Group 2</b>				
01/05/18 to 31/07/18	–	1.7731	1.7731	1.4669
01/08/18 to 31/10/18	0.5453	0.5876	1.1329	1.2040
<b>Total distributions in the period</b>			<b>2.9060</b>	<b>2.6709</b>

### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
01/05/18 to 31/07/18	1.3596	–	1.3596	1.1790
01/08/18 to 31/10/18	0.8731	–	0.8731	0.9710
<b>Group 2</b>				
01/05/18 to 31/07/18	1.3596	–	1.3596	1.1790
01/08/18 to 31/10/18	0.8731	–	0.8731	0.9710
<b>Total distributions in the period</b>			<b>2.2327</b>	<b>2.1500</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares	
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	133.72	135.91	114.61	137.60	
Return before operating charges (p)	2.38	4.76	28.25	(1.77)	
Operating charges (p)	(1.12)	(2.25)	(2.13)	(0.85)	
Return after operating charges (p)*	1.26	2.51	26.12	(2.62)	
Distributions (p)	(2.59)	(4.70)	(4.82)	(2.59)	
Retained distributions on accumulation shares (p)	–	–	–	–	
Closing net asset value per share (p)	132.39	133.72	135.91	132.39	
*after direct transaction costs of (p)	0.05	0.16	0.19	0.05	
<b>Performance</b>					
Return after charges (%)	0.94	1.85	22.79	(1.90)	
<b>Other information</b>					
Closing net asset value (£000)	64,259	121,197	176,453	19,073	
Closing number of shares	48,539,029	90,637,264	129,827,544	14,407,005	
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.63 <sup>†</sup>	
Direct transaction costs (%)***	0.08	0.11	0.15	0.08	
<b>Prices</b>					
Highest share price (p)	142.52	144.13	143.12	142.52	
Lowest share price (p)	130.38	127.89	111.05	130.39	
	Class 1 USD – Income shares		Class 1 – Monthly Income shares		
	31/10/2018 <sup>1</sup>		31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	137.60		115.65	117.61	99.29
Return before operating charges (p)	(1.77)		2.03	4.04	24.34
Operating charges (p)	(0.85)		(0.97)	(1.94)	(1.87)
Return after operating charges (p)*	(2.62)		1.06	2.10	22.47
Distributions (p)	(2.59)		(2.24)	(4.06)	(4.15)
Retained distributions on accumulation shares (p)	–		–	–	–
Closing net asset value per share (p)	132.39		114.47	115.65	117.61
*after direct transaction costs of (p)	0.05		0.05	0.13	0.17
<b>Performance</b>					
Return after charges (%)	(1.90)		0.92	1.79	22.63
<b>Other information</b>					
Closing net asset value (£000)	8,518		2,088	2,049	1,003
Closing number of shares	6,433,765		1,824,256	1,771,578	852,625
Operating charges (%)**	1.63 <sup>†</sup>		1.63 <sup>†</sup>	1.63	1.63
Direct transaction costs (%)***	0.08		0.08	0.11	0.15
<b>Prices</b>					
Highest share price (p)	142.52		123.21	123.98	123.42
Lowest share price (p)	130.39		112.01	109.88	96.20

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 SGD Hedged – Income shares			Class 1 AUD Hedged – Monthly Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	114.26	111.14	97.64	114.07	114.99	98.37
Return before operating charges (p)	(3.53)	8.97	19.23	(4.96)	5.14	22.52
Operating charges (p)	(0.93)	(1.89)	(1.75)	(0.93)	(1.97)	(1.82)
Return after operating charges (p)*	(4.46)	7.08	17.48	(5.89)	3.17	20.70
Distributions (p)	(2.16)	(3.96)	(3.98)	(2.16)	(4.09)	(4.08)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	107.64	114.26	111.14	106.02	114.07	114.99
*after direct transaction costs of (p)	0.05	0.13	0.16	0.04	0.14	0.16
<b>Performance</b>						
Return after charges (%)	(3.90)	6.37	17.90	(5.16)	2.76	21.04
<b>Other information</b>						
Closing net asset value (£000)	5,077	6,332	9,175	186	175	427
Closing number of shares	4,716,234	5,541,743	8,255,637	175,446	153,602	371,044
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.63 <sup>†</sup>	1.62	1.63
Direct transaction costs (%)***	0.08	0.11	0.15	0.08	0.11	0.15
<b>Prices</b>						
Highest share price (p)	117.86	124.27	116.57	119.13	130.80	124.09
Lowest share price (p)	106.15	110.15	92.03	102.73	110.18	89.82
	Class 1 SGD Hedged – Monthly Income shares			Class 1 – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	118.53	115.36	101.39	214.77	210.96	171.58
Return before operating charges (p)	(3.65)	9.23	19.92	3.73	7.34	42.63
Operating charges (p)	(0.96)	(1.96)	(1.84)	(1.81)	(3.53)	(3.25)
Return after operating charges (p)*	(4.61)	7.27	18.08	1.92	3.81	39.38
Distributions (p)	(2.24)	(4.10)	(4.11)	(4.18)	(7.40)	(7.32)
Retained distributions on accumulation shares (p)	–	–	–	4.18	7.40	7.32
Closing net asset value per share (p)	111.68	118.53	115.36	216.69	214.77	210.96
*after direct transaction costs of (p)	0.05	0.14	0.16	0.09	0.25	0.29
<b>Performance</b>						
Return after charges (%)	(3.89)	6.30	17.83	0.89	1.81	22.95
<b>Other information</b>						
Closing net asset value (£000)	2,631	1,552	355	8,167	68,140	121,084
Closing number of shares	2,355,524	1,309,709	308,091	3,768,786	31,726,139	57,397,197
Operating charges (%)**	1.63 <sup>†</sup>	1.64	1.64	1.64 <sup>†</sup>	1.63	1.63
Direct transaction costs (%)***	0.08	0.11	0.15	0.08	0.11	0.15
<b>Prices</b>						
Highest share price (p)	122.24	128.23	120.60	231.52	227.77	219.64
Lowest share price (p)	109.42	113.52	95.59	211.81	203.30	166.26

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 EUR – Accumulation shares			Class 1 USD – Accumulation shares		
	31/10/2018 <sup>1</sup>			31/10/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	221.01			221.01		
Return before operating charges (p)	(2.95)			(2.95)		
Operating charges (p)	(1.37)			(1.37)		
Return after operating charges (p)*	(4.32)			(4.32)		
Distributions (p)	(4.18)			(4.18)		
Retained distributions on accumulation shares (p)	4.18			4.18		
Closing net asset value per share (p)	216.69			216.69		
*after direct transaction costs of (p)	0.09			0.09		
<b>Performance</b>						
Return after charges (%)	(1.95)			(1.95)		
<b>Other information</b>						
Closing net asset value (£000)	43,213			11,107		
Closing number of shares	19,942,755			5,125,947		
Operating charges (%)**	1.63 <sup>†</sup>			1.63 <sup>†</sup>		
Direct transaction costs (%)***	0.08			0.08		
<b>Prices</b>						
Highest share price (p)	231.52			231.52		
Lowest share price (p)	211.81			211.80		
	Class 1 CHF Hedged – Accumulation shares			Class 1 SGD Hedged – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	112.70	113.91	97.62	135.40	127.35	107.87
Return before operating charges (p)	(1.88)	0.72	18.05	(4.25)	10.25	21.45
Operating charges (p)	(0.94)	(1.93)	(1.76)	(1.11)	(2.20)	(1.97)
Return after operating charges (p)*	(2.82)	(1.21)	16.29	(5.36)	8.05	19.48
Distributions (p)	(2.18)	(4.03)	(4.01)	(2.57)	(4.59)	(4.45)
Retained distributions on accumulation shares (p)	2.18	4.03	4.01	2.57	4.59	4.45
Closing net asset value per share (p)	109.88	112.70	113.91	130.04	135.40	127.35
*after direct transaction costs of (p)	0.05	0.13	0.16	0.05	0.15	0.18
<b>Performance</b>						
Return after charges (%)	(2.50)	(1.06)	16.69	(3.96)	6.32	18.06
<b>Other information</b>						
Closing net asset value (£000)	11	11	11	883	1,037	1,242
Closing number of shares	10,000	10,000	10,000	679,089	765,943	974,977
Operating charges (%)**	1.62 <sup>†</sup>	1.63	1.62	1.63 <sup>†</sup>	1.63	1.64
Direct transaction costs (%)***	0.08	0.11	0.15	0.08	0.11	0.15
<b>Prices</b>						
Highest share price (p)	121.64	126.73	118.01	141.30	144.90	132.07
Lowest share price (p)	107.94	110.42	91.87	127.27	126.45	101.71

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 EUR – Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	140.60	142.25	119.39	144.77		
Return before operating charges (p)	2.43	4.91	29.45	(1.90)		
Operating charges (p)	(0.76)	(1.52)	(1.45)	(0.58)		
Return after operating charges (p)*	1.67	3.39	28.00	(2.48)		
Distributions (p)	(2.78)	(5.04)	(5.14)	(2.78)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	139.49	140.60	142.25	139.51		
*after direct transaction costs of (p)	0.06	0.16	0.20	0.06		
<b>Performance</b>						
Return after charges (%)	1.19	2.38	23.45	(1.71)		
<b>Other information</b>						
Closing net asset value (£000)	82,506	416,554	161,216	277,130		
Closing number of shares	59,148,216	296,274,681	113,332,670	198,648,347		
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	1.06 <sup>†</sup>		
Direct transaction costs (%)***	0.08	0.11	0.15	0.08		
<b>Prices</b>						
Highest share price (p)	150.01	151.37	149.74	150.02		
Lowest share price (p)	137.40	134.46	115.71	137.42		
	Class 2 USD – Income shares			Class 2 EUR Hedged – Income shares		
	31/10/2018 <sup>1</sup>			31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.77			102.95	96.52	86.07
Return before operating charges (p)	(1.90)			(6.29)	11.20	14.94
Operating charges (p)	(0.58)			(0.53)	(1.11)	(0.95)
Return after operating charges (p)*	(2.48)			(6.82)	10.09	13.99
Distributions (p)	(2.78)			(1.96)	(3.66)	(3.54)
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	139.51			94.17	102.95	96.52
*after direct transaction costs of (p)	0.06			0.04	0.12	0.14
<b>Performance</b>						
Return after charges (%)	(1.71)			(6.62)	10.45	16.25
<b>Other information</b>						
Closing net asset value (£000)	41,033			8	9	3
Closing number of shares	29,412,510			8,625	8,625	3,001
Operating charges (%)**	1.06 <sup>†</sup>			1.05 <sup>†</sup>	1.05	1.02
Direct transaction costs (%)***	0.08			0.08	0.11	0.15
<b>Prices</b>						
Highest share price (p)	150.02			104.99	113.84	99.82
Lowest share price (p)	137.42			92.85	96.45	81.93



## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares	
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	227.60	222.34	179.90	234.37	
Return before operating charges (p)	3.91	7.69	44.65	(3.16)	
Operating charges (p)	(1.24)	(2.43)	(2.21)	(0.95)	
Return after operating charges (p)*	2.67	5.26	42.44	(4.11)	
Distributions (p)	(4.53)	(7.99)	(7.85)	(4.53)	
Retained distributions on accumulation shares (p)	4.53	7.99	7.85	4.53	
Closing net asset value per share (p)	230.27	227.60	222.34	230.26	
*after direct transaction costs of (p)	0.09	0.26	0.30	0.09	
<b>Performance</b>					
Return after charges (%)	1.17	2.37	23.59	(1.75)	
<b>Other information</b>					
Closing net asset value (£000)	9,241	87,296	143,899	93,804	
Closing number of shares	4,013,332	38,355,617	64,719,749	40,738,598	
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	1.06 <sup>†</sup>	
Direct transaction costs (%)***	0.08	0.11	0.15	0.08	
<b>Prices</b>					
Highest share price (p)	245.71	240.97	231.34	245.71	
Lowest share price (p)	225.07	215.36	174.35	225.06	
	Class 2 USD – Accumulation shares		Class W – Accumulation shares		
	31/10/2018 <sup>1</sup>		31/10/2018	30/04/2018 <sup>2</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	234.37		101.91	100.00	
Return before operating charges (p)	(3.15)		1.74	2.96	
Operating charges (p)	(0.95)		(0.54)	(1.05)	
Return after operating charges (p)*	(4.10)		1.20	1.91	
Distributions (p)	(4.52)		(1.99)	(3.50)	
Retained distributions on accumulation shares (p)	4.52		1.99	3.50	
Closing net asset value per share (p)	230.27		103.11	101.91	
*after direct transaction costs of (p)	0.09		0.04	0.12	
<b>Performance</b>					
Return after charges (%)	(1.75)		1.18	1.91	
<b>Other information</b>					
Closing net asset value (£000)	140		146,941	111,343	
Closing number of shares	60,954		142,515,713	109,258,299	
Operating charges (%)**	1.06 <sup>†</sup>		1.03 <sup>†</sup>	1.03 <sup>†</sup>	
Direct transaction costs (%)***	0.08		0.08	0.11	
<b>Prices</b>					
Highest share price (p)	245.71		110.01	107.89	
Lowest share price (p)	225.07		100.78	96.44	

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	127.71	127.94	106.37	150.21	145.42	116.68
Return before operating charges (p)	2.17	4.31	26.11	2.48	4.88	28.82
Operating charges (p)	(0.04)	(0.08)	(0.07)	(0.05)	(0.09)	(0.08)
Return after operating charges (p)*	2.13	4.23	26.04	2.43	4.79	28.74
Distributions (p)	(2.47)	(4.46)	(4.47)	(2.92)	(5.14)	(4.97)
Retained distributions on accumulation shares (p)	–	–	–	2.92	5.14	4.97
Closing net asset value per share (p)	127.37	127.71	127.94	152.64	150.21	145.42
*after direct transaction costs of (p)	0.05	0.15	0.18	0.06	0.17	0.20
<b>Performance</b>						
Return after charges (%)	1.67	3.31	24.48	1.62	3.29	24.63
<b>Other information</b>						
Closing net asset value (£000)	84,000	71,295	75,430	257,690	256,680	258,410
Closing number of shares	65,948,073	55,824,979	58,957,425	168,816,812	170,881,136	177,703,368
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.06	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)***	0.08	0.11	0.15	0.08	0.11	0.15
<b>Prices</b>						
Highest share price (p)	136.66	137.06	134.51	162.54	158.61	151.17
Lowest share price (p)	125.44	122.02	103.13	149.19	142.06	113.10
	Class Z – Income shares			Class Z EUR – Income shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>†</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.97	146.31	122.53	149.31		
Return before operating charges (p)	2.54	5.06	30.20	(1.96)		
Operating charges (p)	(0.66)	(1.32)	(1.24)	(0.50)		
Return after operating charges (p)*	1.88	3.74	28.96	(2.46)		
Distributions (p)	(2.81)	(5.08)	(5.18)	(2.81)		
Retained distributions on accumulation shares (p)	–	–	–	0.00		
Closing net asset value per share (p)	144.04	144.97	146.31	144.04		
*after direct transaction costs of (p)	0.06	0.17	0.21	0.06		
<b>Performance</b>						
Return after charges (%)	1.30	2.56	23.64	(1.65)		
<b>Other information</b>						
Closing net asset value (£000)	175,411	390,807	691,613	139,041		
Closing number of shares	121,782,450	269,584,169	472,699,311	96,528,347		
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>		
Direct transaction costs (%)***	0.08	0.11	0.15	0.08		
<b>Prices</b>						
Highest share price (p)	154.80	155.93	153.96	154.81		
Lowest share price (p)	141.85	138.59	118.75	141.85		

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD – Income shares	Class Z SGD Hedged – Income shares	
	31/10/2018 <sup>1</sup>	23/11/2017 <sup>3</sup>	30/04/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	149.31	112.08	97.77
Return before operating charges (p)	(1.95)	10.12	19.26
Operating charges (p)	(0.50)	(0.59)	(0.94)
Return after operating charges (p)*	(2.45)	9.53	18.32
Distributions (p)	(2.81)	(2.09)	(4.01)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	144.05	119.52	112.08
*after direct transaction costs of (p)	0.06	0.07	0.16
<b>Performance</b>			
Return after charges (%)	(1.64)	8.50	18.74
<b>Other information</b>			
Closing net asset value (£000)	523	–	3
Closing number of shares	363,250	–	3,001
Operating charges (%)**	0.88 <sup>†</sup>	–	0.87
Direct transaction costs (%)***	0.08	–	0.15
<b>Prices</b>			
Highest share price (p)	154.81	120.74	117.47
Lowest share price (p)	141.86	111.30	92.18

	Class Z – Accumulation shares			Class Z EUR – Accumulation shares
	31/10/2018	30/04/2018	30/04/2017	31/10/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	149.15	145.47	117.53	153.62
Return before operating charges (p)	2.54	5.00	29.14	(2.09)
Operating charges (p)	(0.68)	(1.32)	(1.20)	(0.52)
Return after operating charges (p)*	1.86	3.68	27.94	(2.61)
Distributions (p)	(2.91)	(5.12)	(5.03)	(2.90)
Retained distributions on accumulation shares (p)	2.91	5.12	5.03	2.90
Closing net asset value per share (p)	151.01	149.15	145.47	151.01
*after direct transaction costs of (p)	0.06	0.17	0.20	0.06
<b>Performance</b>				
Return after charges (%)	1.25	2.53	23.77	(1.70)
<b>Other information</b>				
Closing net asset value (£000)	57,020	121,887	151,841	8,477
Closing number of shares	37,758,265	81,718,586	104,377,174	5,613,015
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>
Direct transaction costs (%)***	0.08	0.11	0.15	0.08
<b>Prices</b>				
Highest share price (p)	161.09	157.84	151.34	161.09
Lowest share price (p)	147.60	141.13	113.91	147.60

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares		Class Z CHF Hedged – Accumulation shares		
	31/10/2018 <sup>1</sup>		31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	153.62		115.18	115.56	98.31
Return before operating charges (p)	(2.09)		(1.95)	0.67	18.20
Operating charges (p)	(0.52)		(0.52)	(1.05)	(0.95)
Return after operating charges (p)*	(2.61)		(2.47)	(0.38)	17.25
Distributions (p)	(2.91)		(2.23)	(4.10)	(4.05)
Retained distributions on accumulation shares (p)	2.91		2.23	4.10	4.05
Closing net asset value per share (p)	151.01		112.71	115.18	115.56
*after direct transaction costs of (p)	0.06		0.05	0.14	0.16
<b>Performance</b>					
Return after charges (%)	(1.70)		(2.14)	(0.33)	17.55
<b>Other information</b>					
Closing net asset value (£000)	19,753		11	12	11
Closing number of shares	13,079,860		10,000	10,000	10,000
Operating charges (%)**	0.88 <sup>1</sup>		0.87 <sup>1</sup>	0.87	0.87
Direct transaction costs (%)***	0.08		0.08	0.11	0.15
<b>Prices</b>					
Highest share price (p)	161.09		124.61	129.29	119.62
Lowest share price (p)	147.60		110.71	112.80	92.56
<b>Class Z SGD Hedged – Accumulation shares</b>					
			23/11/2017 <sup>3</sup>	30/04/2017	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)		125.26	105.30		
Return before operating charges (p)		11.33	20.97		
Operating charges (p)		(0.64)	(1.01)		
Return after operating charges (p)*		10.69	19.96		
Distributions (p)		(2.34)	(4.39)		
Retained distributions on accumulation shares (p)		2.34	4.39		
Closing net asset value per share (p)		135.95	125.26		
*after direct transaction costs of (p)		0.08	0.17		
<b>Performance</b>					
Return after charges (%)		8.53	18.96		
<b>Other information</b>					
Closing net asset value (£000)		–	4		
Closing number of shares		–	3,001		
Operating charges (%)**		–	0.85		
Direct transaction costs (%)***		–	0.15		
<b>Prices</b>					
Highest share price (p)		136.24	129.80		
Lowest share price (p)		124.39	99.32		

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>2</sup>Commenced 3 May 2017.

<sup>3</sup>Closed 23 November 2017.

<sup>4</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

# Threadneedle Global Equity Income Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Income shares</b>	
Opening shares	90,637,264
Shares issued	330,160
Shares redeemed	(42,423,773)
Net conversions	(4,622)
Closing shares	<u>48,539,029</u>
<b>Class 1 EUR – Income shares*</b>	
Opening shares	–
Shares issued	15,123,435
Shares redeemed	(707,180)
Net conversions	(9,250)
Closing shares	<u>14,407,005</u>
<b>Class 1 USD – Income shares*</b>	
Opening shares	–
Shares issued	7,456,280
Shares redeemed	(1,022,515)
Net conversions	–
Closing shares	<u>6,433,765</u>
<b>Class 1 – Monthly Income shares</b>	
Opening shares	1,771,578
Shares issued	390,258
Shares redeemed	(337,580)
Net conversions	–
Closing shares	<u>1,824,256</u>
<b>Class 1 SGD Hedged – Income shares</b>	
Opening shares	5,541,743
Shares issued	69,020
Shares redeemed	(894,529)
Net conversions	–
Closing shares	<u>4,716,234</u>
<b>Class 1 AUD Hedged – Monthly Income shares</b>	
Opening shares	153,602
Shares issued	25,893
Shares redeemed	(4,049)
Net conversions	–
Closing shares	<u>175,446</u>
<b>Class 1 SGD Hedged – Monthly Income shares</b>	
Opening shares	1,309,709
Shares issued	1,088,588
Shares redeemed	(94,488)
Net conversions	51,715
Closing shares	<u>2,355,524</u>

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	31,726,139
Shares issued	381,438
Shares redeemed	(28,329,263)
Net conversions	(9,528)
Closing shares	<u>3,768,786</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	21,520,261
Shares redeemed	(1,577,506)
Net conversions	–
Closing shares	<u>19,942,755</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	6,154,071
Shares redeemed	(1,028,124)
Net conversions	–
Closing shares	<u>5,125,947</u>
<b>Class 1 CHF Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class 1 SGD Hedged – Accumulation shares</b>	
Opening shares	765,943
Shares issued	20,033
Shares redeemed	(61,617)
Net conversions	(45,270)
Closing shares	<u>679,089</u>
<b>Class 2 – Income shares</b>	
Opening shares	296,274,681
Shares issued	45,808,050
Shares redeemed	(282,808,937)
Net conversions	(125,578)
Closing shares	<u>59,148,216</u>
<b>Class 2 EUR – Income shares*</b>	
Opening shares	–
Shares issued	271,873,397
Shares redeemed	(73,225,050)
Net conversions	–
Closing shares	<u>198,648,347</u>
<b>Class 2 USD – Income shares*</b>	
Opening shares	–
Shares issued	29,437,250
Shares redeemed	(24,740)
Net conversions	–
Closing shares	<u>29,412,510</u>
<b>Class 2 EUR Hedged – Income shares</b>	
Opening shares	8,625
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>8,625</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	38,355,617
Shares issued	143,613
Shares redeemed	(34,461,127)
Net conversions	(24,771)
Closing shares	<u>4,013,332</u>

## Threadneedle Global Equity Income Fund

### Notes to the financial statements

(continued)

	2018		2018
<b>Class 2 EUR – Accumulation shares*</b>		<b>Class Z EUR – Accumulation shares</b>	
Opening shares	–	Opening shares	–
Shares issued	42,102,183	Shares issued	21,298,747
Shares redeemed	(1,363,585)	Shares redeemed	(15,685,732)
Net conversions	–	Net conversions	–
Closing shares	<u>40,738,598</u>	Closing shares	<u>5,613,015</u>
<b>Class 2 USD – Accumulation shares*</b>		<b>Class Z USD – Accumulation shares</b>	
Opening shares	–	Opening shares	–
Shares issued	107,525	Shares issued	21,900,732
Shares redeemed	(46,571)	Shares redeemed	(8,820,872)
Net conversions	–	Net conversions	–
Closing shares	<u>60,954</u>	Closing shares	<u>13,079,860</u>
<b>Class W – Accumulation shares</b>		<b>Class Z CHF Hedged – Accumulation shares</b>	
Opening shares	109,258,299	Opening shares	10,000
Shares issued	36,865,555	Shares issued	–
Shares redeemed	(3,608,141)	Shares redeemed	–
Net conversions	–	Net conversions	–
Closing shares	<u>142,515,713</u>	Closing shares	<u>10,000</u>
<b>Class X – Income shares</b>			
Opening shares	55,824,979		
Shares issued	11,195,390		
Shares redeemed	(1,072,296)		
Net conversions	–		
Closing shares	<u>65,948,073</u>		
<b>Class X – Accumulation shares</b>			
Opening shares	170,881,136		
Shares issued	–		
Shares redeemed	(2,064,324)		
Net conversions	–		
Closing shares	<u>168,816,812</u>		
<b>Class Z – Income shares</b>			
Opening shares	269,584,169		
Shares issued	9,675,143		
Shares redeemed	(157,607,601)		
Net conversions	130,739		
Closing shares	<u>121,782,450</u>		
<b>Class Z EUR – Income shares</b>			
Opening shares	–		
Shares issued	105,595,150		
Shares redeemed	(9,075,327)		
Net conversions	8,524		
Closing shares	<u>96,528,347</u>		
<b>Class Z USD – Income shares</b>			
Opening shares	–		
Shares issued	592,060		
Shares redeemed	(228,810)		
Net conversions	–		
Closing shares	<u>363,250</u>		
<b>Class Z – Accumulation shares</b>			
Opening shares	81,718,586		
Shares issued	1,251,829		
Shares redeemed	(45,259,049)		
Net conversions	46,899		
Closing shares	<u>37,758,265</u>		

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

### 3 POST BALANCE SHEET EVENT

Subsequent to the period end, a Scheme of Arrangement was processed on the fund to transfer classes of the fund to an equivalent Luxembourg-based fund. The percentage of NAV transferred from the fund as at 24 November 2018 is as described in the table below:

	% Movement
Class 1 EUR – Income shares	1.27
Class 1 USD – Income shares	0.57
Class 1 SGD Hedged – Income shares	0.33
Class 1 AUD Hedged – Monthly Income shares	0.01
Class 1 SGD Hedged – Monthly Income shares	0.18
Class 1 EUR – Accumulation shares	2.81
Class 1 USD – Accumulation shares	0.73
Class 1 SGD Hedged – Accumulation shares	0.06
Class 2 EUR – Income shares	22.25
Class 2 USD – Income shares	2.82
Class 2 EUR – Accumulation shares	1.02
Class 2 USD – Accumulation shares	0.01
Class W – Accumulation shares	10.43
Class Z EUR – Income shares	9.53
Class Z USD – Income shares	0.03
Class Z EUR – Accumulation shares	0.19
Class Z USD – Accumulation shares	1.36

## Threadneedle Global Focus Fund\*

### Investment Report

#### Investment Objective

The investment objective of the Fund is to achieve long-term capital growth.

#### Investment Policy

The Fund will invest primarily in a concentrated portfolio of global equities. This approach means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility.

If the ACD considers it desirable, it may further invest up to one-third of the total assets of the Fund in other securities (including securities convertible into equity securities and/or warrants, fixed interest securities, money market securities, cash and near cash).

In addition, the ACD may use derivatives and forward transactions for purposes that are limited to efficient portfolio management.

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

Over the six months to 31 October 2018, the published share price of Class 1- Accumulation shares in the Threadneedle Global Opportunities Bond Fund has risen from 102.24p to 105.30p.

For comparison, using noon prices, the performance of the Class Z share class was +2.99% compared to a return of +0.79% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Growth Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of MSCI AC World Free was +3.82%.

#### Market Overview and Portfolio Activity

Volatility remained a key feature of equity markets in the six months to 31 October 2018. While swayed by trading tensions between the US and China, markets accumulated gains between April and September. However, rising inflationary

expectations, plus concerns around Saudi Arabian news flow and the expansionary nature of the Italian budget, prompted an October pullback. This drove a rotation towards sources of cheaper and defensive growth, despite rising bond yields.

North American equities led returns over the period owing to strong corporate earnings, expectation-topping labour market readings and the outperformance of technology stocks. The Federal Reserve persisted with its rate-hiking course. Whilst this previously carried implications for more defensive market segments, it was only following hawkish commentary in October that it drove sharper, widespread moves.

Despite healthy earnings, rising commodity prices and a late auto stock rally, European equities lagged. The formation of a Eurosceptic Italian coalition and its budget, along with concerns around Turkey, dampened sentiment. Given the country's proportionately high energy exposure, UK equities were aided by higher oil prices. President Trump's withdrawal of the US from the Iran nuclear deal, Venezuelan economic weakness and Saudi Arabian signals of an \$80 oil price target provided a boost for oil. However, despite sterling's weakness, the UK underperformed as Brexit-related uncertainty persisted.

Japanese, Far East and emerging market equities were impacted by trade tensions over the period. Investors priced in the tariffs' implications on both inflation and economic growth, meaning these regions underperformed; though a weaker yen provided some support to Japan's export-centric market.

From a sector perspective, healthcare led returns, with fiscal reform offering prospects of durable support to revenue and earnings. Industrials underperformed on tariff-related headwinds.

Purchases during the period included Kotak Mahindra Bank. Our conviction arises from its loan book growth potential, credit cost track record and improving profitability. Kotak's consumer focus should see it gain from robust Indian growth prospects within consumer banking, with further support from demographics, an underpenetrated credit market and stable retail loan asset quality. Elsewhere, we purchased medical

technology company Becton Dickinson. The former's diversified portfolio, high market share and recent acquisition of Bard promotes upticks in top-line growth, margin expansion and EPS growth. We also bought business process outsourcing service provider Automatic Data Processing (ADP). The company offers prospects of international expansion and a recurring revenue business with a wide moat. We believe ADP's competitive positioning, and the completion of mid-market migration to its new HR management systems, can bolster client retention.

We exited semiconductor company Broadcom following its approach to acquire CA Technologies. This led to a decline in our conviction in management's capital allocation strategy. Elsewhere, we closed our position in brewer Anheuser Busch InBev amid subdued volumes in the US and Brazil, and delays to synergy captures. We also sold digital payments processor PagSeguro. The stock had performed well post-IPO; however, later on, concerns around competition and the potential for subsequent downward earnings revisions led us to close our position.

We believe the recent equity sell-off represents opportunity. Resets in the valuations of attractive, secular growers makes this backdrop an ideal hunting ground for bottom-up investors capable of identifying long-term winners trading at below their intrinsic value. Additionally, increased return dispersion owing to volatility widens the scope for alpha generation. While prospects of monetary tightening, tariffs and technological regulation remain in focus, we note that equity fundamentals continue to look robust. We also believe structural factors promoting a world which is 'lower for longer' remain in place. These include debt, demographics and technological disruption. This should ensure that companies with sustainable, above-average growth remain attractive.

Within this context, we retain our focus on companies with durable competitive advantages, high or rising returns on capital and the potential to compound their earnings over time.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000
Income	
Net capital gains	8
Revenue	15
Expenses	(12)
Net revenue before taxation	3
Taxation	(1)
Net revenue after taxation	2
<b>Total return before equalisation</b>	<b>10</b>
Equalisation	1
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>11</b>

### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	2,795	1,547
<b>Current assets:</b>		
Debtors	3	104
Cash and bank balances	80	40
Total assets	2,878	1,691
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(37)	(41)
Total liabilities	(37)	(41)
<b>Net assets attributable to shareholders</b>	<b>2,841</b>	<b>1,650</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,650</b>
Amounts receivable on the issue of shares	1,191
Amounts payable on the cancellation of shares	(12)
	1,179
Dilution adjustment	1
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	11
<b>Closing net assets attributable to shareholders</b>	<b>2,841</b>

\*The Fund launched on 17 April 2018.

\*\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

## Threadneedle Global Focus Fund

### Comparative Table Disclosure

	Class 2 – Gross accumulation shares		Class Q – Gross accumulation shares	
	31/10/2018	30/04/2018 <sup>1</sup>	31/10/2018	30/04/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	102.05	100.00	102.07	100.00
Return before operating charges (p)	3.70	2.89	3.67	2.60
Operating charges (p)	(0.39)	(0.84)	(0.28)	(0.53)
Return after operating charges (p)*	3.31	2.05	3.39	2.07
Distributions (p)	–	(0.09)	–	(0.11)
Retained distributions on accumulation shares (p)	–	0.09	–	0.11
Closing net asset value per share (p)	105.36	102.05	105.46	102.07
*after direct transaction costs of (p)	0.09	0.09	0.09	0.09
<b>Performance</b>				
Return after charges (%)	3.24	2.05	3.32	2.07
<b>Other information</b>				
Closing net asset value (£000)	1	1	1	1
Closing number of shares	1,000	1,000	1,000	1,000
Operating charges (%)**	0.70 <sup>†</sup>	0.84 <sup>†</sup>	0.51 <sup>†</sup>	0.53 <sup>†</sup>
Direct transaction costs (%)***	0.15	0.09	0.15	0.09
<b>Prices</b>				
Highest share price (p)	116.46	102.24	116.55	102.25
Lowest share price (p)	101.74	98.78	101.75	98.78
<b>Class Z – Gross accumulation shares</b>				
	31/10/2018	30/04/2018 <sup>1</sup>		
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	102.06	100.00		
Return before operating charges (p)	3.70	2.93		
Operating charges (p)	(0.48)	(0.87)		
Return after operating charges (p)*	3.22	2.06		
Distributions (p)	–	(0.09)		
Retained distributions on accumulation shares (p)	–	0.09		
Closing net asset value per share (p)	105.28	102.06		
*after direct transaction costs of (p)	0.09	0.09		
<b>Performance</b>				
Return after charges (%)	3.16	2.06		
<b>Other information</b>				
Closing net asset value (£000)	2,839	1,648		
Closing number of shares	2,696,755	1,614,353		
Operating charges (%)**	0.86 <sup>†</sup>	0.87 <sup>†</sup>		
Direct transaction costs (%)***	0.15	0.09		
<b>Prices</b>				
Highest share price (p)	116.42	102.24		
Lowest share price (p)	101.75	98.78		

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

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

<sup>1</sup>Commenced 17 April 2018.

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



## Threadneedle Global Focus Fund

### Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2018
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>
<b>Class Q – Gross accumulation shares</b>	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	1,614,353
Shares issued	1,093,742
Shares redeemed	(11,340)
Net conversions	–
Closing shares	<u>2,696,755</u>

## Threadneedle Global Opportunities Bond Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

The ACD's investment policy is to primarily invest the assets of the Fund so as to gain exposure to government and non-government fixed income and floating rate securities either directly or indirectly through derivatives. This includes developed and emerging market government bonds; Investment Grade, Non-Investment Grade and unrated corporate and government bonds; asset-backed transferable securities. In addition, when determined by the ACD to be appropriate, money market instruments, cash and near cash. At times the Fund may be concentrated in any one or a combination of these types of assets. The Fund may take long positions, and short positions through derivatives, in such assets.

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

Over the six months to 31 October 2018, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Opportunities Bond Fund has risen from 89.66p to 91.14p.

For comparison, using noon prices, the performance of the Class 1 share class was +1.65% compared to a return of -1.85% for the Morningstar UK Unit Trusts/OEICs – (IA) Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the Citigroup GBP 1 Month Euro deposit was +0.32%.

#### Market Overview and Portfolio Activity

After a weak start to the year, growth has stabilised or rebounded in many countries, especially in the US, though euro area activity has been slower to pick up. The eurozone political landscape was also unfavourable. In Italy, the formation of a populist coalition saw fears mount about a rapid expansion of government spending and a collision course with Brussels: developments which hurt peripheral eurozone sovereigns as well as European investment-grade bonds.

Both fixed-income and equity markets were also periodically unsettled by jitters over global trade, and contagion from Turkey's currency crisis, though optimism over the booming US economy and strong corporate earnings buoyed sentiment somewhat.

US Treasuries underperformed German bonds due to relatively lower interest rate expectations in the eurozone. The European Central Bank (ECB) reiterated that it would end quantitative easing this year but also signalled rate hikes would not be forthcoming until autumn 2019. Meanwhile, the Federal Reserve remained confident in its hiking cycle, which led to rising US bond yields and a flattened yield curve, as long-run inflation and growth expectations remained muted.

The dollar had a strong half-year, benefiting from safe-haven demand and speculation that the Fed would tighten its "easy money" tap faster than its developed world peers.

Emerging markets underperformed considerably due to trade war concerns, slowing growth, a stronger dollar and higher US bond yields. Idiosyncratic issues, notably in Turkey and Argentina, exacerbated the sell-off.

Within rates, we started the period with a long duration bias as we viewed the long-term drivers of lower yields as remaining broadly intact. We had a flattening bias across curves. On a tactical basis, we shifted to an outright short on German bonds towards the end of the quarter given the excessive underpricing of the ECB's intentions. We broadly favoured US Treasuries relative to German bonds given the attractive spreads and

our expectations of relative monetary policy movements as well as curve flattening positions. We closed our exposure to Russian and South African sovereign debt over the period given the negative thematic for emerging markets. Given the seemingly excessive pricing of default risk in Italian government bonds, we traded the Italian-German government bond spread tactically over the second half of the period, looking for compression.

Within currency strategies, we held a negative bias to the US dollar, expressed against a combination of Canadian dollars and Norwegian krone at the start of the period. However, we removed all dollar shorts soon after the extent of the outperformance of the US economy became more apparent. We subsequently viewed the dollar to be stuck between competing structural and cyclical forces, and held tactical modest shorts at times. We continued to view the Norwegian krone as undervalued relative to the euro vis-à-vis the imminent tightening cycle from the Norges Bank.

The Fed's lack of confidence in the potential for productivity to rise, and its inability to see this until it has actually occurred, should prevent the bank's long-term estimates of trend growth and neutral rates rising. In turn, this should keep real yields subdued and the curve on a flattening trajectory as the Fed sticks to its hiking path. We have positioned for a continuing flattening of the US curve. We are also positioned for a higher repricing of ECB rate expectations, as concerns over the economic slowdown and Italian politics subside, and will look for opportunities to trade Italian bonds from the long side.

The US dollar is still benefiting from strong US growth, although we feel GDP figures flatter the underlying growth trajectory, particularly given Trump's protectionist stance. We retain a negative long-term view on the dollar as the fiscal forces that have promoted a near-term strengthening will ultimately undermine it through wider federal and current account deficits. Historically, greater deficits have presaged dollar weakness and curve flattening. However, global growth data must stabilise before we are enthused to re-position the fund for a weaker dollar.

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Income		
Net capital losses	(810)	(749)
Revenue	796	1,671
Expenses	(145)	(247)
Interest payable and similar charges	(686)	(666)
Net (expense)/revenue before taxation	(35)	758
Taxation	–	–
Net (expense)/revenue after taxation	(35)	758
<b>Total return before distributions</b>	<b>(845)</b>	<b>9</b>
Distributions	(71)	(758)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(916)</b>	<b>(749)</b>

#### BALANCE SHEET

as at 31 October 2018

	2018 £000	April 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	–	57,954
<b>Current assets:</b>		
Investments	1,084	–
Debtors	9	664
Cash and bank balances	772	9,314
Total assets	1,865	67,932
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(3,901)
<b>Creditors:</b>		
Investment liabilities	(1,069)	–
Bank overdrafts	(506)	(586)
Distribution payable	(11)	–
Other creditors	(18)	(963)
Total liabilities	(1,604)	(5,450)
<b>Net assets attributable to shareholders</b>	<b>261</b>	<b>62,482</b>

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

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>62,482</b>	<b>85,420</b>
Amounts receivable on the issue of shares	12	19
Amounts payable on the cancellation of shares	(61,508)	(21,675)
	(61,496)	(21,656)
Dilution adjustment	137	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(916)	(749)
Retained distribution on accumulation shares	54	677
<b>Closing net assets attributable to shareholders</b>	<b>261</b>	<b>63,692</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2017.

\*In pound Sterling and against UK peer group (see Performance summary on pages 157 and 158).

#### DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 31 October 2018

Interest distribution in pence per share

##### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	22.4571	–	22.4571	0.6866
<b>Group 2</b> 01/05/18 to 31/10/18	22.4571	–	22.4571	0.6866
<b>Total distributions in the period</b>	<b>22.4571</b>	<b>–</b>	<b>22.4571</b>	<b>0.6866</b>

##### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	24.2897	–	24.2897	1.2696
<b>Group 2</b> 01/05/18 to 31/10/18	24.2897	–	24.2897	1.2696
<b>Total distributions in the period</b>	<b>24.2897</b>	<b>–</b>	<b>24.2897</b>	<b>1.2696</b>

## Threadneedle Global Opportunities Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 01/05/18 to 31/10/18	22.5474	–	22.5474	0.8978
<b>Group 2</b> 01/05/18 to 31/10/18	22.5474	–	22.5474	0.8978
<b>Total distributions in the period</b>			<b>22.5474</b>	<b>0.8978</b>

#### Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 01/05/18 to 31/10/18	23.1752	–	23.1752	0.9068
<b>Group 2</b> 01/05/18 to 31/10/18	16.3620	6.8132	23.1752	0.9068
<b>Total distributions in the period</b>			<b>23.1752</b>	<b>0.9068</b>

#### Class Z – Gross accumulation shares

There is no distribution for the accounting period 1 May 2018 to 31 October 2018, as expenses exceed revenue (2017: 0.9089).

Group 2: shares purchased during a distribution period.

## Threadneedle Global Opportunities Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares		
	14/11/2017 <sup>1</sup>	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	90.70	93.77	89.47	90.87	93.79
Return before operating charges (p)	0.42	(1.73)	2.17	(0.25)	(1.70)
Operating charges (p)	(0.59)	(1.12)	(0.50)	(1.15)	(1.17)
Return after operating charges (p)*	(0.17)	(2.85)	1.67	(1.40)	(2.87)
Distributions (p)	(0.70)	(0.22)	(22.46)	(1.11)	(0.22)
Retained distributions on accumulation shares (p)**	–	–	22.46	1.11	0.17
Closing net asset value per share (p)	89.83	90.70	91.14	89.47	90.87
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(0.19)	(3.04)	1.87	(1.54)	(3.06)
<b>Other information</b>					
Closing net asset value (£000)	–	3	40	40	63
Closing number of shares	–	3,000	43,703	44,505	69,588
Operating charges (%)**	–	1.22	1.13 <sup>†</sup>	1.26	1.27
Direct transaction costs (%)**	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	91.18	94.27	91.14	91.96	94.27
Lowest share price (p)	89.83	90.54	86.13	89.63	90.71

	Class 1 – Gross accumulation shares <sup>§</sup>		Class X – Gross accumulation shares <sup>§</sup>		
	14/11/2017 <sup>1</sup>	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	95.22	98.27	93.72	94.08	95.91
Return before operating charges (p)	0.45	(1.82)	2.32	(0.27)	(1.70)
Operating charges (p)	(0.65)	(1.23)	(0.05)	(0.09)	(0.13)
Return after operating charges (p)*	(0.20)	(3.05)	2.27	(0.36)	(1.83)
Distributions (p)	(0.71)	(0.22)	(24.29)	(2.26)	(1.31)
Retained distributions on accumulation shares (p)**	0.71	0.22	24.29	2.26	1.31
Closing net asset value per share (p)	95.02	95.22	95.99	93.72	94.08
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(0.21)	(3.10)	2.42	(0.38)	(1.91)
<b>Other information</b>					
Closing net asset value (£000)	–	3	3	16,280	19,607
Closing number of shares	–	3,000	3,001	17,370,462	20,841,190
Operating charges (%)**	–	1.27	0.11 <sup>†</sup>	0.09	0.14
Direct transaction costs (%)**	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	95.72	98.78	96.00	96.06	96.52
Lowest share price (p)	94.87	95.05	90.71	93.88	93.29

## Threadneedle Global Opportunities Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	31/10/2018	30/04/2018	30/04/2017	31/10/2018	30/04/2018	30/04/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	88.91	91.42	94.50	91.37	92.38	94.96
Return before operating charges (p)	2.18	(0.25)	(1.73)	2.23	(0.26)	(1.74)
Operating charges (p)	(0.32)	(0.74)	(0.75)	(0.33)	(0.75)	(0.76)
Return after operating charges (p)*	1.86	(0.99)	(2.48)	1.90	(1.01)	(2.50)
Distributions (p)	(22.55)	(1.52)	(0.60)	(23.18)	(1.54)	(0.60)
Retained distributions on accumulation shares (p)**	–	–	–	23.18	1.54	0.52
Closing net asset value per share (p)	68.22	88.91	91.42	93.27	91.37	92.38
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.09	(1.08)	(2.62)	2.08	(1.09)	(2.63)
<b>Other information</b>						
Closing net asset value (£000)	34	48	56	175	166	241
Closing number of shares	50,293	53,816	61,548	187,478	181,460	260,730
Operating charges (%)**	0.73 <sup>†</sup>	0.81	0.81	0.72 <sup>†</sup>	0.81	0.81
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	90.77	91.96	95.02	93.27	93.81	95.48
Lowest share price (p)	85.77	89.69	91.42	88.14	91.53	92.21
	Class Z – Gross income shares <sup>§</sup>		Class Z – Gross accumulation shares <sup>§</sup>			
	14/11/2017 <sup>†</sup>	30/04/2017	31/10/2018	30/04/2018	30/04/2017	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	–	91.78	94.87	91.57	92.59	95.10
Return before operating charges (p)	–	0.45	(1.73)	2.29	(0.27)	(1.75)
Operating charges (p)	–	(0.39)	(0.75)	(0.38)	(0.75)	(0.76)
Return after operating charges (p)*	–	0.06	(2.48)	1.91	(1.02)	(2.51)
Distributions (p)	–	(0.91)	(0.61)	–	(1.54)	(0.60)
Retained distributions on accumulation shares (p)**	–	–	–	–	1.54	0.60
Closing net asset value per share (p)	–	90.93	91.78	93.48	91.57	92.59
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	–	0.07	(2.61)	2.09	(1.10)	(2.64)
<b>Other information</b>						
Closing net asset value (£000)	–	–	3	9	45,948	65,444
Closing number of shares	–	–	3,000	9,447	50,177,154	70,679,825
Operating charges (%)**	–	–	0.80	0.84 <sup>†</sup>	0.81	0.81
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	–	92.33	95.41	93.48	94.02	95.63
Lowest share price (p)	–	90.93	91.78	88.33	91.73	92.39

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

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

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

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

<sup>†</sup>Closed 14 November 2017.

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

# Threadneedle Global Opportunities Bond Fund

## Notes to the financial statements

for the accounting period 1 May 2018 to 31 October 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2018 and are described in those financial statements.

As the fund is scheduled to close on 9 January 2019, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the fund's financial statements to reduce assets to their realisable values or to provide for liabilities arising from the termination. Fixed assets and long term liabilities have been reclassified as current assets and liabilities. The comparative financial information was prepared on a non going concern basis.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	44,505
Shares issued	–
Shares redeemed	(802)
Net conversions	–
Closing shares	<u>43,703</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	17,370,462
Shares issued	–
Shares redeemed	(17,367,461)
Net conversions	–
Closing shares	<u>3,001</u>
<b>Class Z – Income shares</b>	
Opening shares	53,816
Shares issued	249
Shares redeemed	(3,772)
Net conversions	–
Closing shares	<u>50,293</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	181,460
Shares issued	10,757
Shares redeemed	(4,739)
Net conversions	–
Closing shares	<u>187,478</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	50,177,154
Shares issued	–
Shares redeemed	(50,167,707)
Net conversions	–
Closing shares	<u>9,447</u>

## Threadneedle UK Mid 250 Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.72% (4.02%)</b>				<b>CONSUMER SERVICES 10.70% (14.05%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 3.72% (4.02%)</b>				<b>General Retailers 0.00% (1.67%)</b>		
323,035	John Wood Group	2,339	3.72		<b>Media 6.41% (6.25%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>2,339</b>	<b>3.72</b>	670,252	Ascential	2,489	3.96
				120,770	Euromoney Institutional Investor	1,539	2.45
<b>BASIC MATERIALS 5.38% (5.26%)</b>					<b>Travel &amp; Leisure 4.29% (6.13%)</b>		
	<b>Chemicals 5.38% (5.26%)</b>			405,187	SSP Group	2,699	4.29
704,286	Elementis	1,437	2.29		<b>Total Consumer Services</b>	<b>6,727</b>	<b>10.70</b>
438,304	Synthomer	1,945	3.09				
	<b>Total Basic Materials</b>	<b>3,382</b>	<b>5.38</b>	<b>FINANCIALS 9.69% (12.84%)</b>			
					<b>Life Insurance 3.25% (4.77%)</b>		
<b>INDUSTRIALS 34.88% (29.74%)</b>				2,267,159	Just Group	2,044	3.25
	<b>Construction &amp; Materials 3.65% (7.38%)</b>				<b>Real Estate Investment Trusts 0.00% (2.52%)</b>		
3,273,537	<sup>1</sup> Breedon Aggregates	2,292	3.65		<b>Financial Services 4.92% (4.23%)</b>		
	<b>Aerospace &amp; Defence 2.59% (2.06%)</b>			170,802	Intermediate Capital Group	1,609	2.56
585,395	QinetiQ Group	1,626	2.59	1,264,384	Quilter	1,481	2.36
	<b>General Industrials 5.24% (5.31%)</b>				<b>Equity Investment Instruments 1.41% (1.23%)</b>		
2,581,531	Coats Group	2,037	3.24	110,363	Electra Private Equity	888	1.41
317,863	DS Smith	1,260	2.00		<b>Nonequity Investment Instruments 0.11% (0.09%)</b>		
	<b>Electronic &amp; Electrical Equipment 2.99% (2.07%)</b>			67,908	Wilmcote Holdings	68	0.11
112,687	Oxford Instruments	1,058	1.68		<b>Total Financials</b>	<b>6,090</b>	<b>9.69</b>
38,627	Spectris	826	1.31	<b>TECHNOLOGY 13.14% (11.70%)</b>			
	<b>Industrial Engineering 8.07% (5.37%)</b>				<b>Software &amp; Computer Services 10.87% (9.76%)</b>		
96,168	IMI	967	1.54	94,420	AVEVA Group	2,432	3.87
572,308	Rotork	1,723	2.74	47,951	<sup>1</sup> Blue Prism Group	805	1.28
149,030	Weir Group	2,379	3.79	171,700	FDM Group Holdings IPO	1,447	2.30
	<b>Support Services 12.34% (7.55%)</b>			29,030	<sup>1</sup> First Derivatives	912	1.45
202,479	Electrocomponents	1,239	1.97	101,558	Micro Focus International	1,235	1.97
241,409	Homeserve	2,305	3.67		<b>Technology Hardware &amp; Equipment 2.27% (1.94%)</b>		
496,600	Howden Joinery Group	2,302	3.66	1,213,882	Spirent Communications	1,428	2.27
341,517	Sanne Group IPO	1,909	3.04		<b>Total Technology</b>	<b>8,259</b>	<b>13.14</b>
	<b>Total Industrials</b>	<b>21,923</b>	<b>34.88</b>	<b>Total value of investments</b>			
<b>CONSUMER GOODS 12.51% (9.53%)</b>						<b>61,177</b>	<b>97.32</b>
	<b>Beverages 4.80% (3.70%)</b>			<b>Net other assets (4.33%)</b>			
382,901	Britvic	3,019	4.80			<b>1,683</b>	<b>2.68</b>
	<b>Food Producers 1.97% (0.00%)</b>			<b>Net assets</b>			
42,841	Cranswick	1,240	1.97			<b>62,860</b>	<b>100.00</b>
	<b>Household Goods &amp; Home Construction 3.09% (2.91%)</b>			<i>April 2018 comparatives in brackets.</i>			
339,364	Crest Nicholson Holdings	1,156	1.84	<i><sup>1</sup>Alternative Investment Market.</i>			
224,707	<sup>1</sup> Victoria	787	1.25	<b>Total Purchases and Sales</b>			
	<b>Personal Goods 2.65% (2.92%)</b>			<i>for the accounting period 1 May 2018 to 31 October 2018</i>			
91,957	Ted Baker	1,664	2.65			<b>2018</b>	<b>2017</b>
	<b>Total Consumer Goods</b>	<b>7,866</b>	<b>12.51</b>			<b>£000</b>	<b>£000</b>
<b>HEALTH CARE 7.30% (8.53%)</b>				Total purchases for the period		39,832	31,196
	<b>Health Care Equipment &amp; Services 1.72% (0.00%)</b>			Total sales for the period		65,024	42,338
645,802	Convatec Group	1,085	1.72				
	<b>Pharmaceuticals &amp; Biotechnology 5.58% (8.53%)</b>						
182,709	<sup>1</sup> Clinigen Group	1,602	2.55				
85,085	Genus	1,904	3.03				
	<b>Total Health Care</b>	<b>4,591</b>	<b>7.30</b>				

## Threadneedle Ethical UK Equity Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 2.24% (1.65%)</b>				<b>CONSUMER SERVICES 17.29% (15.76%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 1.15% (0.00%)</b>				<b>Media 9.48% (8.35%)</b>		
203,017	<sup>†</sup> Tekmar Group	264	1.15	179,027	Ascential	665	2.91
	<b>Alternative Energy 1.09% (1.65%)</b>			327,310	ITV	488	2.13
123,434	<sup>†</sup> Ceres Power Holdings	198	0.86	66,075	RELX	1,017	4.44
306,648	<sup>†</sup> Ilika	52	0.23		<b>Travel &amp; Leisure 7.81% (7.41%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>514</b>	<b>2.24</b>	58,099	Compass Group	895	3.91
				178,167	Gym Group	504	2.20
				9,672	InterContinental Hotels Group	390	1.70
					<b>Total Consumer Services</b>	<b>3,959</b>	<b>17.29</b>
<b>BASIC MATERIALS 4.25% (6.25%)</b>				<b>TELECOMMUNICATIONS 3.91% (1.08%)</b>			
	<b>Chemicals 4.25% (6.25%)</b>				<b>Fixed Line Telecommunications 3.91% (1.08%)</b>		
6,457	Croda International	314	1.37	381,441	BT Group	896	3.91
22,205	Johnson Matthey	658	2.88		<b>Total Telecommunications</b>	<b>896</b>	<b>3.91</b>
	<b>Total Basic Materials</b>	<b>972</b>	<b>4.25</b>				
<b>INDUSTRIALS 14.20% (16.01%)</b>				<b>UTILITIES 0.52% (0.00%)</b>			
	<b>Construction &amp; Materials 1.69% (2.83%)</b>				<b>Electricity 0.52% (0.00%)</b>		
6,960	Kingspan Group (EUR)	241	1.05	791,289	<sup>†</sup> SIMEC Atlantis Energy	119	0.52
87,409	Melrose Industries	147	0.64		<b>Total Utilities</b>	<b>119</b>	<b>0.52</b>
	<b>General Industrials 4.37% (4.14%)</b>						
571,904	Coats Group	451	1.97	<b>FINANCIALS 22.29% (23.69%)</b>			
138,770	DS Smith	550	2.40		<b>Banks 0.95% (1.22%)</b>		
	<b>Electronic &amp; Electrical Equipment 0.00% (0.50%)</b>			15,000	Secure Trust Bank	218	0.95
	<b>Industrial Engineering 2.07% (2.97%)</b>				<b>Nonlife Insurance 1.93% (2.09%)</b>		
7,277	Spirax-Sarco Engineering	473	2.07	78,471	RSA Insurance Group	441	1.93
	<b>Support Services 6.07% (5.57%)</b>				<b>Life Insurance 11.69% (11.97%)</b>		
410,667	<sup>†</sup> 1Spatial	156	0.68	605,412	Just Group	546	2.38
105,714	Mears Group	377	1.65	320,206	Legal & General Group	800	3.49
124,301	Rentokil Initial	387	1.69	85,379	Prudential	1,333	5.82
40,346	Ricardo	282	1.23		<b>Financial Services 7.72% (8.41%)</b>		
32,404	<sup>†</sup> Smart Metering Systems	188	0.82	163,200	John Laing Group	509	2.22
	<b>Total Industrials</b>	<b>3,252</b>	<b>14.20</b>	15,931	London Stock Exchange Group	688	3.01
				360,730	Xafinity	570	2.49
					<b>Total Financials</b>	<b>5,105</b>	<b>22.29</b>
<b>CONSUMER GOODS 9.76% (10.16%)</b>				<b>TECHNOLOGY 4.78% (3.89%)</b>			
	<b>Food Producers 0.99% (1.34%)</b>				<b>Software &amp; Computer Services 4.78% (3.89%)</b>		
87,294	<sup>†</sup> Hotel Chocolat Group	227	0.99	13,129	AVEVA Group	338	1.47
	<b>Household Goods &amp; Home Construction 1.21% (1.36%)</b>			29,545	FDM Group Holdings IPO	249	1.09
94,001	Countryside Properties	277	1.21	28,064	Micro Focus International	341	1.49
	<b>Personal Goods 7.56% (7.46%)</b>			5,058,733	<sup>†</sup> Shearwater Group (Suspended)	167	0.73
13,612	Burberry Group	245	1.07		<b>Total Technology</b>	<b>1,095</b>	<b>4.78</b>
35,628	Unilever	1,486	6.49				
	<b>Total Consumer Goods</b>	<b>2,235</b>	<b>9.76</b>				
<b>HEALTH CARE 19.45% (19.15%)</b>				<b>Total value of investments</b>			
	<b>Health Care Equipment &amp; Services 1.85% (1.94%)</b>					<b>22,600</b>	<b>98.69</b>
26,698	Smith & Nephew	343	1.50		<b>Net other assets (2.36%)</b>	<b>299</b>	<b>1.31</b>
470,000	<sup>†</sup> Totally (Suspended)	80	0.35		<b>Net assets</b>	<b>22,899</b>	<b>100.00</b>
	<b>Pharmaceuticals &amp; Biotechnology 17.60% (17.21%)</b>						
21,447	AstraZeneca	1,293	5.65	<i>April 2018 comparatives in brackets.</i>			
16,061	Genus	359	1.57	<i><sup>†</sup>Alternative Investment Market.</i>			
142,554	GlaxoSmithKline	2,213	9.66	<b>Total Purchases and Sales</b>			
228,675	Vectura Group	165	0.72	<i>for the accounting period 1 May 2018 to 31 October 2018</i>			
	<b>Total Health Care</b>	<b>4,453</b>	<b>19.45</b>			<b>2018</b>	<b>2017</b>
						<b>£000</b>	<b>£000</b>
					Total purchases for the period	3,168	4,754
					Total sales for the period	3,514	5,364



## Threadneedle UK Extended Alpha Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.55% (4.81%)</b>				<b>HEALTH CARE 8.33% (7.94%)</b>			
	<b>Oil &amp; Gas Producers 4.89% (2.95%)</b>				<b>Health Care Equipment &amp; Services 1.50% (2.00%)</b>		
238,897	Royal Dutch Shell 'B' Shares	6,106	4.89	145,907	Smith & Nephew	1,877	1.50
	<b>Oil Equipment, Services &amp; Distribution 2.66% (1.86%)</b>				<b>Pharmaceuticals &amp; Biotechnology 6.83% (5.94%)</b>		
458,252	John Wood Group	3,319	2.66	393,358	GlaxoSmithKline	6,107	4.89
	<b>Total Oil &amp; Gas</b>	<b>9,425</b>	<b>7.55</b>	51,962	Shire	2,418	1.94
					<b>Total Health Care</b>	<b>10,402</b>	<b>8.33</b>
<b>BASIC MATERIALS 7.27% (8.26%)</b>				<b>CONSUMER SERVICES 11.77% (13.96%)</b>			
	<b>Chemicals 2.32% (3.31%)</b>				<b>Food &amp; Drug Retailers 3.03% (2.93%)</b>		
97,585	Johnson Matthey	2,893	2.32	1,772,308	Tesco	3,789	3.03
	<b>Mining 4.95% (4.95%)</b>				<b>General Retailers 0.57% (1.64%)</b>		
162,550	Rio Tinto	6,176	4.95	131,907	Inchcape	715	0.57
	<b>Total Basic Materials</b>	<b>9,069</b>	<b>7.27</b>		<b>Media 1.81% (3.09%)</b>		
				313,809	Informa	2,256	1.81
<b>INDUSTRIALS 15.77% (18.40%)</b>					<b>Travel &amp; Leisure 6.36% (6.30%)</b>		
	<b>Construction &amp; Materials 5.09% (6.55%)</b>			101,889	Carnival	4,302	3.45
2,230,924 <sup>1</sup>	Breedon Aggregates	1,562	1.25	572,141	Merlin Entertainments	1,873	1.50
121,357	CRH (London Listing)	2,841	2.28	40,514	Whitbread	1,762	1.41
1,153,274	Melrose Industries	1,945	1.56		<b>Total Consumer Services</b>	<b>14,697</b>	<b>11.77</b>
	<b>Aerospace &amp; Defence 3.47% (2.47%)</b>			<b>TELECOMMUNICATIONS 2.79% (1.97%)</b>			
1,662,739	Cobham	1,795	1.44		<b>Fixed Line Telecommunications 2.79% (1.97%)</b>		
301,321	Rolls-Royce Holdings	2,537	2.03	1,485,037	BT Group	3,488	2.79
13,860,766	Rolls-Royce Holdings 'C' Shares	–	–		<b>Total Telecommunications</b>	<b>3,488</b>	<b>2.79</b>
	<b>General Industrials 1.27% (0.00%)</b>			<b>FINANCIALS 17.98% (20.49%)</b>			
113,940	Smiths Group	1,592	1.27		<b>Banks 5.47% (5.77%)</b>		
	<b>Industrial Engineering 2.19% (3.74%)</b>			2,159,954	Barclays	3,717	2.98
170,988	Weir Group	2,730	2.19	560,362	Standard Chartered	3,113	2.49
	<b>Industrial Transportation 0.00% (1.28%)</b>				<b>Life Insurance 6.46% (7.59%)</b>		
	<b>Support Services 3.75% (4.36%)</b>			329,584	Prudential	5,145	4.12
96,369	Aggreko	832	0.67	287,900	St James's Place	2,922	2.34
39,326	Ferguson	2,065	1.65		<b>Real Estate Investment Trusts 4.05% (4.06%)</b>		
384,013	Howden Joinery Group	1,780	1.43	88,687	Derwent London	2,606	2.09
	<b>Total Industrials</b>	<b>19,679</b>	<b>15.77</b>	285,013	Land Securities Group REIT	2,448	1.96
<b>CONSUMER GOODS 22.48% (21.26%)</b>					<b>Financial Services 2.00% (3.07%)</b>		
	<b>Beverages 4.59% (4.36%)</b>			57,779	London Stock Exchange Group	2,494	2.00
211,046	Diageo	5,735	4.59		<b>Total Financials</b>	<b>22,445</b>	<b>17.98</b>
	<b>Food Producers 1.43% (0.00%)</b>			<b>TECHNOLOGY 3.08% (1.41%)</b>			
74,584	Associated British Foods	1,787	1.43		<b>Software &amp; Computer Services 3.08% (1.41%)</b>		
	<b>Household Goods &amp; Home Construction 4.41% (4.00%)</b>			169,514	Micro Focus International	2,061	1.65
516,487	Crest Nicholson Holdings	1,759	1.41	324,237	Sage Group	1,778	1.43
59,169	Reckitt Benckiser Group	3,738	3.00		<b>Total Technology</b>	<b>3,839</b>	<b>3.08</b>
	<b>Personal Goods 2.51% (4.53%)</b>						
75,028	Unilever	3,129	2.51				
	<b>Tobacco 9.54% (8.37%)</b>						
183,505	British American Tobacco	6,342	5.08				
206,807	Imperial Brands	5,565	4.46				
	<b>Total Consumer Goods</b>	<b>28,055</b>	<b>22.48</b>				

## Threadneedle UK Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -0.50% (0.15%)</b>			
	<b>Portfolio Swap -0.50% (0.15%)</b>		
	UBS Portfolio Swap	(618)	(0.50)
	<b>Total Derivatives</b>	<b>(618)</b>	<b>(0.50)</b>
<b>Total value of investments</b>		<b>120,481</b>	<b>96.52</b>
<b>Net other assets (1.35%)</b>		<b>4,348</b>	<b>3.48</b>
<b>Net assets</b>		<b>124,829</b>	<b>100.00</b>

April 2018 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	25,967	23,319
Total sales for the period	21,840	24,444

## Threadneedle UK Equity Alpha Income Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 4.13% (4.16%)</b>				<b>TELECOMMUNICATIONS 3.23% (3.34%)</b>			
	<b>Oil &amp; Gas Producers 4.13% (4.16%)</b>				<b>Fixed Line Telecommunications 3.23% (3.34%)</b>		
1,117,160	Royal Dutch Shell 'B' Shares	28,555	4.13	9,490,622	BT Group	22,293	3.23
	<b>Total Oil &amp; Gas</b>	<b>28,555</b>	<b>4.13</b>		<b>Total Telecommunications</b>	<b>22,293</b>	<b>3.23</b>
<b>BASIC MATERIALS 2.11% (2.36%)</b>				<b>UTILITIES 6.19% (5.99%)</b>			
	<b>Chemicals 2.11% (2.36%)</b>				<b>Gas, Water &amp; Multiutilities 6.19% (5.99%)</b>		
492,991	Johnson Matthey	14,617	2.11	17,678,779	Centrica	26,359	3.81
	<b>Total Basic Materials</b>	<b>14,617</b>	<b>2.11</b>	2,185,780	Pennon Group	16,437	2.38
					<b>Total Utilities</b>	<b>42,796</b>	<b>6.19</b>
<b>INDUSTRIALS 16.79% (16.98%)</b>				<b>FINANCIALS 16.91% (17.60%)</b>			
	<b>Aerospace &amp; Defence 3.53% (3.66%)</b>				<b>Nonlife Insurance 4.18% (4.87%)</b>		
22,601,202	Cobham	24,398	3.53	5,133,861	RSA Insurance Group	28,842	4.18
	<b>General Industrials 2.79% (2.99%)</b>				<b>Life Insurance 8.52% (8.13%)</b>		
1,378,321	Smiths Group	19,262	2.79	10,687,668	Legal & General Group	26,687	3.86
	<b>Industrial Engineering 1.63% (1.32%)</b>			5,344,253	Phoenix Group Holdings	32,226	4.66
2,969,863	Castings	11,286	1.63		<b>Real Estate Investment Trusts 2.79% (2.64%)</b>		
	<b>Support Services 8.84% (9.01%)</b>			10,832,166	Londonmetric Property REIT	19,303	2.79
5,923,173	Electrocomponents	36,250	5.24		<b>Financial Services 1.42% (1.96%)</b>		
7,985,482	Rentokil Initial	24,867	3.60	13,301,962	Sherborne Investors Guernsey	9,777	1.42
	<b>Total Industrials</b>	<b>116,063</b>	<b>16.79</b>		<b>Total Financials</b>	<b>116,835</b>	<b>16.91</b>
<b>CONSUMER GOODS 12.75% (11.90%)</b>				<b>TECHNOLOGY 2.94% (2.77%)</b>			
	<b>Food Producers 3.26% (2.83%)</b>				<b>Technology Hardware &amp; Equipment 2.94% (2.77%)</b>		
3,367,020	Tate & Lyle	22,525	3.26	17,269,897	Spirent Communications	20,309	2.94
	<b>Personal Goods 3.14% (3.08%)</b>				<b>Total Technology</b>	<b>20,309</b>	<b>2.94</b>
519,887	Unilever	21,682	3.14				
	<b>Tobacco 6.35% (5.99%)</b>				<b>Total value of investments</b>	<b>700,879</b>	<b>101.42</b>
1,631,898	Imperial Brands	43,914	6.35		<b>Net other (liabilities)/assets (0.39%)</b>	<b>(9,794)</b>	<b>(1.42)</b>
	<b>Total Consumer Goods</b>	<b>88,121</b>	<b>12.75</b>		<b>Net assets</b>	<b>691,085</b>	<b>100.00</b>
<b>HEALTH CARE 14.57% (13.61%)</b>				<i>April 2018 comparatives in brackets.</i>			
	<b>Pharmaceuticals &amp; Biotechnology 14.57% (13.61%)</b>				<b>Total Purchases and Sales</b>		
981,290	AstraZeneca	59,182	8.57		<i>for the accounting period 1 May 2018 to 31 October 2018</i>		
2,671,886	GlaxoSmithKline	41,478	6.00			<b>2018</b>	<b>2017</b>
	<b>Total Health Care</b>	<b>100,660</b>	<b>14.57</b>			<b>£000</b>	<b>£000</b>
<b>CONSUMER SERVICES 21.80% (20.90%)</b>					Total purchases for the period	44,826	111,272
	<b>Food &amp; Drug Retailers 5.33% (5.20%)</b>				Total sales for the period	108,348	109,149
14,925,652	WM Morrison Supermarkets	36,829	5.33				
	<b>General Retailers 3.68% (3.51%)</b>						
8,656,901	Marks & Spencer Group	25,417	3.68				
	<b>Media 7.73% (7.37%)</b>						
13,901,832	ITV	20,735	3.00				
3,619,538	Pearson	32,706	4.73				
	<b>Travel &amp; Leisure 5.06% (4.82%)</b>						
6,887,492	Restaurant Group	16,406	2.38				
12,316,889	Stagecoach Group	18,537	2.68				
	<b>Total Consumer Services</b>	<b>150,630</b>	<b>21.80</b>				

## Threadneedle UK Absolute Alpha Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value		
<b>GOVERNMENT BONDS 20.79% (19.95%)</b>				<b>HEALTH CARE 5.18% (2.52%)</b>					
<b>Government Bonds 20.79% (19.95%)</b>				<b>Health Care Equipment &amp; Services 1.02% (1.20%)</b>					
GBP	25,913,000	United Kingdom Gilt 0% 05/11/2018	25,910	4.79	428,773	Smith & Nephew	5,516	1.02	
GBP	35,200,000	United Kingdom Gilt 0% 12/11/2018	35,191	6.50	<b>Pharmaceuticals &amp; Biotechnology 4.16% (1.32%)</b>				
GBP	23,500,000	United Kingdom Gilt 0% 19/11/2018	23,491	4.34	749,804	GlaxoSmithKline	11,640	2.15	
GBP	10,000,000	United Kingdom Gilt 0% 26/11/2018	9,995	1.85	233,157	Shire	10,848	2.01	
GBP	5,300,000	United Kingdom Gilt 0% 03/12/2018	5,296	0.98	<b>Total Health Care</b>				
GBP	6,600,000	United Kingdom Gilt 0% 10/12/2018	6,595	1.22			<b>28,004</b>	<b>5.18</b>	
GBP	6,000,000	United Kingdom Gilt 0% 17/12/2018	5,994	1.11	<b>CONSUMER SERVICES 9.93% (13.21%)</b>				
<b>Total Government Bonds</b>				<b>112,472</b>	<b>20.79</b>	<b>Food &amp; Drug Retailers 2.22% (2.80%)</b>			
<b>OIL &amp; GAS 4.28% (2.37%)</b>				<b>Oil &amp; Gas Producers 2.54% (2.37%)</b>					
	537,211	Royal Dutch Shell 'B' Shares	13,731	2.54	5,623,528	Tesco	12,023	2.22	
<b>Oil Equipment, Services &amp; Distribution 1.74% (0.00%)</b>				<b>Media 6.07% (7.96%)</b>					
	1,299,491	John Wood Group	9,411	1.74	1,863,455	Ascential	6,921	1.28	
<b>Total Oil &amp; Gas</b>				<b>23,142</b>	<b>4.28</b>	793,357	Informa	5,704	1.05
<b>BASIC MATERIALS 5.02% (7.09%)</b>				<b>Travel &amp; Leisure 1.64% (2.45%)</b>					
<b>Chemicals 2.96% (4.60%)</b>				<b>Compass Group</b>					
	5,088,873	Elementis	10,381	1.92	575,139		8,857	1.64	
	189,979	Johnson Matthey	5,633	1.04	<b>Total Consumer Services</b>				
<b>Mining 2.06% (2.49%)</b>				<b>53,739</b>				<b>9.93</b>	
	292,635	Rio Tinto	11,119	2.06	<b>TELECOMMUNICATIONS 1.84% (0.00%)</b>				
<b>Total Basic Materials</b>				<b>27,133</b>	<b>5.02</b>	<b>Fixed Line Telecommunications 1.84% (0.00%)</b>			
<b>INDUSTRIALS 4.30% (9.61%)</b>				<b>Banks 0.00% (1.07%)</b>					
<b>Construction &amp; Materials 2.52% (6.87%)</b>				<b>Life Insurance 6.26% (8.25%)</b>					
	15,536,092	Breedon Aggregates	10,875	2.01	4,232,740	BT Group	9,943	1.84	
	1,646,015	Melrose Industries	2,775	0.51	<b>Total Telecommunications</b>				
<b>Aerospace &amp; Defence 0.00% (0.00%)</b>				<b>9,943</b>				<b>1.84</b>	
	20,260,654	Rolls-Royce Holdings 'C' Shares	-	-	<b>FINANCIALS 13.95% (18.97%)</b>				
<b>General Industrials 1.78% (2.74%)</b>				<b>Banks 0.00% (1.07%)</b>					
	2,419,322	DS Smith	9,593	1.78	<b>Life Insurance 6.26% (8.25%)</b>				
<b>Total Industrials</b>				<b>23,243</b>	<b>4.30</b>	4,722,866	Legal & General Group	11,793	2.18
<b>CONSUMER GOODS 8.74% (6.86%)</b>				<b>Real Estate Investment Trusts 1.90% (1.75%)</b>					
<b>Beverages 1.73% (2.10%)</b>				<b>Derwent London</b>					
	344,890	Diageo	9,372	1.73	350,000		10,283	1.90	
<b>Household Goods &amp; Home Construction 1.56% (0.00%)</b>				<b>Financial Services 5.79% (7.90%)</b>					
	133,662	Reckitt Benckiser Group	8,443	1.56	1,160,556	Intermediate Capital Group	10,933	2.02	
<b>Personal Goods 1.47% (1.54%)</b>				<b>London Stock Exchange Group</b>					
	190,625	Unilever	7,950	1.47	220,071		9,498	1.76	
<b>Tobacco 3.98% (3.22%)</b>				<b>Schroders Non-voting</b>					
	384,356	British American Tobacco	13,283	2.45	141,038		3,117	0.58	
	306,753	Imperial Brands	8,255	1.53	10,552,253	Sherborne Investors Guernsey	7,756	1.43	
<b>Total Consumer Goods</b>				<b>47,303</b>	<b>8.74</b>	<b>Total Financials</b>			
				<b>75,454</b>				<b>13.95</b>	
<b>TECHNOLOGY 1.56% (1.80%)</b>				<b>SOFTWARE &amp; COMPUTER SERVICES 1.56% (1.80%)</b>					
<b>Software &amp; Computer Services 1.56% (1.80%)</b>				<b>Micro Focus International</b>					
	273,153	Micro Focus International	3,322	0.61	273,153		3,322	0.61	
	936,153	Sage Group	5,134	0.95	<b>Total Technology</b>				
				<b>8,456</b>				<b>1.56</b>	
<b>COLLECTIVE INVESTMENT SCHEMES 9.28% (7.87%)</b>				<b>Liquidity Funds 9.28% (7.87%)<sup>1</sup></b>					
	50,218,868	BlackRock Institutional Cash Series			50,218,868	BlackRock Institutional Cash Series			
		Sterling Liquidity Platinum				Sterling Liquidity Platinum	50,219	9.28	
				<b>50,219</b>				<b>9.28</b>	
				<b>Total Collective Investment Schemes</b>					
				<b>50,219</b>				<b>9.28</b>	

## Threadneedle UK Absolute Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000	
<b>DERIVATIVES 1.11% (-1.05%)</b>				<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>	
	<b>Futures and Options 0.26% (-0.42%)</b>			UBS FTSE 100 Future Expiring December 2018	(84,885)
(1,193)	UBS FTSE 100 Future Expiring December 2018	1,416	0.26	<b>Total net exposure</b>	<b>(84,885)</b>
	<b>Forward Foreign Exchange Contracts 0.04% (0.13%)</b>			<b>Total Purchases and Sales</b>	
	Sell GBP 144,160			<i>for the accounting period 1 May 2018 to 31 October 2018</i>	
	Buy CHF 185,264 J.P. Morgan	–	–		
	Sell GBP 9,457,943				<b>2018</b>
	Buy EUR 10,664,792 J.P. Morgan	25	–		<b>2017</b>
	Sell GBP 41,121,325				<b>£000</b>
	Buy EUR 46,368,475 J.P. Morgan	106	0.02	Total purchases for the period	606,048
	Sell GBP 41,923,477			Total sales for the period	899,852
	Buy EUR 47,272,982 J.P. Morgan	108	0.02		690,111
	Sell EUR 145,960				861,652
	Buy GBP 130,117 J.P. Morgan	–	–		
	Sell EUR 181,944				
	Buy GBP 161,795 J.P. Morgan	–	–		
	Sell EUR 217,676				
	Buy GBP 192,710 J.P. Morgan	(1)	–		
	Sell EUR 2,365				
	Buy GBP 2,094 J.P. Morgan	–	–		
	Sell EUR 29,613				
	Buy GBP 26,295 J.P. Morgan	–	–		
	Sell EUR 74,882				
	Buy GBP 66,494 J.P. Morgan	–	–		
	Sell EUR 89,626				
	Buy GBP 79,586 J.P. Morgan	–	–		
	Sell GBP 117,282				
	Buy USD 150,842 J.P. Morgan	1	–		
	<b>Portfolio Swap 0.81% (-0.76%)</b>				
	UBS Portfolio Swap	4,369	0.81		
	<b>Total Derivatives</b>	<b>6,024</b>	<b>1.11</b>		
	<b>Total value of investments<sup>2</sup></b>	<b>465,132</b>	<b>85.98</b>		
	<b>Net other assets (10.80%)</b>	<b>75,822</b>	<b>14.02</b>		
	<b>Net assets</b>	<b>540,954</b>	<b>100.00</b>		

April 2018 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Net Asset Value
Fixed interest	112,472	24.18
Collective Investment Schemes	50,219	10.80
Derivatives	6,024	1.30
Equity	296,417	63.73
<b>Total value of investments</b>	<b>465,132</b>	<b>100.00</b>

## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

as at 31 October 2018

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>BELGIUM 6.81% (6.09%)</b>					<b>Not Rated 14.94% (0.00%)</b>				
<b>A- 6.81% (0.00%)</b>					GBP	200,000	United Kingdom Gilt 0% 03/12/2018	200	0.82
GBP	1,650,000	ENI Finance International 5% 27/01/2019	1,663	6.81	GBP	1,310,000	United Kingdom Gilt 0% 10/12/2018	1,309	5.36
<b>BBB+ 0.00% (6.09%)</b>					GBP	823,875	United Kingdom Gilt 0% 12/11/2018	824	3.37
<b>Total Belgium</b>					GBP	1,320,000	United Kingdom Gilt 0% 21/01/2019	1,318	5.39
					<b>Total United Kingdom</b>				
					<b>17,141 70.16</b>				
<b>NETHERLANDS 3.01% (7.30%)</b>					<b>DERIVATIVES -1.53% (1.07%)</b>				
<b>BBB+ 3.01% (7.30%)</b>					<b>Futures and Options -1.30% (-0.22%)</b>				
GBP	730,000	Volkswagen Financial Services 2.625% 22/07/2019	735	3.01	EUR	(86)	UBS 3 Month EURO Euribor Future Expiring December 2019	(27)	(0.11)
<b>Total Netherlands</b>					EUR	(80)	UBS EURO-Bobl Future Expiring December 2018	5	0.02
					EUR	10	UBS EURO-Btp Bond Future Expiring December 2018	(9)	(0.04)
<b>RUSSIA 0.00% (9.05%)</b>					EUR	8	UBS EURO Buxl 30 Year Future Expiring December 2018	(3)	(0.01)
<b>Not Rated 0.00% (9.05%)</b>					USD	(35)	UBS US 5 Year Note Future Expiring December 2018	(12)	(0.05)
<b>Total Russia</b>					USD	47	UBS US 10 Year Ultra Future Expiring December 2018	(102)	(0.42)
					USD	5	UBS US Long Bond Future Expiring December 2018	(23)	(0.09)
<b>SOUTH AFRICA 0.00% (5.47%)</b>					USD	19	UBS US Ultra Bond Future Expiring December 2018	(147)	(0.60)
<b>BB+ 0.00% (5.47%)</b>					<b>Forward Foreign Exchange Contracts -0.23% (1.29%)</b>				
<b>Total South Africa</b>					Sell JPY 92,180,330				
					Buy AUD 1,134,521 HSBC				
<b>SOUTH KOREA 6.89% (7.60%)</b>					Sell USD 11,467				
<b>AA 0.00% (1.70%)</b>					Buy AUD 15,806 Goldman Sachs				
<b>Aa2 6.89% (5.90%)</b>					Sell USD 332,954				
GBP	1,000,000	Korea Development Bank 2% 20/12/2018	1,001	4.10	Buy COP 1,004,669,006 Goldman Sachs				
USD	875,000	Korea Midland Power 2.75% 11/02/2019	683	2.79	Sell USD 48,108				
<b>Total South Korea</b>					Buy EUR 41,402 UBS				
					Sell GBP 58,019				
<b>SPAIN 3.00% (0.00%)</b>					Buy EUR 65,992 HSBC				
<b>Baa1 3.00% (0.00%)</b>					Sell USD 1,976,130				
EUR	825,000	Spain Government Bond 1.45% 31/10/2027	733	3.00	Buy GBP 1,495,215 HSBC				
<b>Total Spain</b>					Sell USD 41,481				
					Buy GBP 31,326 Citigroup				
<b>UNITED KINGDOM 70.16% (58.39%)</b>					Sell USD 63,254				
<b>Aa2u 36.02% (49.05%)</b>					Buy GBP 48,094 Barclays				
GBP	5,000,000	United Kingdom Gilt 1.75% 22/07/2019	5,036	20.61	Sell USD 1,695,678				
GBP	1,200,000	United Kingdom Gilt 3.75% 07/09/2019	1,230	5.04	Buy NOK 13,806,594 J.P. Morgan				
GBP	2,500,000	United Kingdom Gilt 4.5% 07/03/2019	2,533	10.37	Sell EUR 1,519,878				
<b>BBB+ 6.31% (3.79%)</b>					Buy USD 1,786,655 UBS				
GBP	500,000	Northern Gas Networks Finance 5.875% 08/07/2019	515	2.11	Sell GBP 86,476				
GBP	1,000,000	Rolls-Royce 6.75% 30/04/2019	1,026	4.20	Buy USD 112,365 HSBC				
<b>BBB 8.72% (5.55%)</b>					Sell MXN 244,193				
GBP	500,000	Everything Everywhere 4.375% 28/03/2019	506	2.07	Buy USD 12,905 Barclays				
GBP	1,100,000	Imperial Brands 6.25% 04/12/2018	1,105	4.52	Sell CHF 14,897				
GBP	500,000	Imperial Brands Finance 7.75% 24/06/2019	519	2.13	Buy USD 15,502 UBS				
<b>BBB- 4.17% (0.00%)</b>					Sell COP 1,004,991,010				
GBP	500,000	Firstgroup 6.125% 18/01/2019	504	2.06	Buy USD 315,161 Bank of Scotland				
GBP	500,000	G4S 7.75% 13/05/2019	516	2.11	Sell ZAR 4,878,313				
					Buy USD 330,750 Citigroup				
					Sell EUR 37,988				
					Buy USD 44,875 Goldman Sachs				

## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -1.53% (1.07%) (continued)</b>			
	Sell SEK 434,412		
	Buy USD 49,153 HSBC	1	0.01
	Sell NZD 8,620		
	Buy USD 5,700 HSBC	–	–
	Sell GBP 38,833		
	Buy USD 51,699 HSBC	2	0.01
	Sell NOK 453,610		
	Buy USD 55,208 Barclays	1	–
	Sell CAD 10,884		
	Buy USD 8,416 Citigroup	–	–
	Sell JPY 943,459		
	Buy USD 8,436 J.P. Morgan	–	–
	Sell GBP 66,068		
	Buy USD 86,271 HSBC	1	–
	Sell EUR 777,542		
	Buy USD 898,751 J.P. Morgan	12	0.05
	Sell USD 336,810		
	Buy ZAR 4,875,212 Barclays	(5)	(0.02)
	<b>Total Derivatives</b>	<b>(373)</b>	<b>(1.53)</b>
<b>Total value of investments</b>		<b>21,583</b>	<b>88.34</b>
<b>Net other assets (5.03%)</b>		<b>2,850</b>	<b>11.66</b>
<b>Net assets</b>		<b>24,433</b>	<b>100.00</b>

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	21,956	101.73
Derivatives	(373)	(1.73)
<b>Total value of investments</b>	<b>21,583</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS 3 Month EURO Euribor Future Expiring December 2019	(19,123)
UBS EURO-Bobl Future Expiring December 2018	(9,340)
UBS EURO-Btp Bond Future Expiring December 2018	1,080
UBS EURO Buxl 30 Year Future Expiring December 2018	1,256
UBS US 5 Year Note Future Expiring December 2018	(3,081)
UBS US 10 Year Ultra Future Expiring December 2018	4,608
UBS US Long Bond Future Expiring December 2018	542
UBS US Ultra Bond Future Expiring December 2018	2,226
<b>Total net exposure</b>	<b>(21,832)</b>

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	12,063	3,352
Total sales for the period	16,081	11,624

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Portfolio Statement

as at 31 October 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 2.12% (2.47%)</b>					<b>FRANCE 4.81% (3.97%)</b>				
		<b>A 0.72% (0.39%)</b>					<b>AA 0.52% (0.00%)</b>		
GBP	710,000	BHP Billiton Finance 4.3% 25/09/2042	872	0.39	GBP	325,000	Reseau Ferre de France 5% 11/03/2052	509	0.23
GBP	743,000	Westfield America Management 2.625% 30/03/2029	725	0.33	GBP	455,000	Reseau Ferre de France 5.25% 31/01/2035	633	0.29
		<b>A- 0.56% (0.53%)</b>					<b>A- 2.35% (2.15%)</b>		
USD	1,721,000	SGSP Australia Assets 3.25% 29/07/2026	1,243	0.56	GBP	1,500,000	Electricite de France 5.125% 22/09/2050	1,845	0.83
		<b>BBB+ 0.00% (0.33%)</b>			GBP	1,600,000	Electricite de France 5.5% 17/10/2041	2,029	0.92
		<b>BBB 0.84% (0.82%)</b>			GBP	1,000,000	Electricite de France 6.125% 02/06/2034	1,330	0.60
GBP	1,807,000	APT Pipelines 3.5% 22/03/2030	1,863	0.84			<b>BBB+ 1.51% (1.02%)</b>		
		<b>BBB- 0.00% (0.40%)</b>			GBP	725,000	*AXA FRN 16/01/2054	764	0.34
		<b>Total Australia</b>	<b>4,703</b>	<b>2.12</b>	GBP	700,000	BPCE 5.25% 16/04/2029	795	0.36
<b>AUSTRIA 0.00% (0.21%)</b>							<b>Not Rated 0.21% (0.22%)</b>		
		<b>Baa2 0.00% (0.21%)</b>			GBP	300,000	Orange 5.375% 22/11/2050	405	0.18
		<b>Total Austria</b>	<b>–</b>	<b>–</b>	GBP	280,000	Orange 5.625% 23/01/2034	364	0.16
					GBP	717,000	Orange 8.125% 20/11/2028	1,044	0.47
<b>Belgium 0.88% (0.89%)</b>							<b>BBB 0.00% (0.37%)</b>		
		<b>A- 0.88% (0.89%)</b>					<b>B 0.22% (0.21%)</b>		
GBP	2,080,000	Anheuser-Busch 2.25% 24/05/2029	1,946	0.88	EUR	526,000	Numericable-SFR 5.625% 15/05/2024	482	0.22
		<b>Total Belgium</b>	<b>1,946</b>	<b>0.88</b>			<b>Not Rated 0.21% (0.22%)</b>		
<b>BERMUDA 0.34% (0.00%)</b>							<b>*Credit Agricole 7.5% 31/12/2049</b>	<b>467</b>	<b>0.21</b>
		<b>BBB- 0.34% (0.00%)</b>					<b>Total France</b>	<b>10,667</b>	<b>4.81</b>
USD	1,039,000	Bacardi 5.15% 15/05/2038	757	0.34					
		<b>Total Bermuda</b>	<b>757</b>	<b>0.34</b>	<b>GERMANY 3.02% (3.01%)</b>				
<b>BRITISH VIRGIN ISLANDS 0.00% (0.10%)</b>							<b>AAA 2.46% (2.45%)</b>		
		<b>BBB 0.00% (0.10%)</b>			GBP	3,720,000	KFW 5% 09/06/2036	5,447	2.46
		<b>Total British Virgin Islands</b>	<b>–</b>	<b>–</b>			<b>BB+ 0.31% (0.31%)</b>		
<b>CAYMAN ISLANDS 3.17% (3.35%)</b>							<b>BB- 0.25% (0.25%)</b>		
		<b>AA+ 0.34% (0.35%)</b>			EUR	800,000	ADLER Real Estate 3% 27/04/2026	686	0.31
GBP	850,000	*Trafford Centre Finance FRN 28/07/2035 A3	752	0.34			<b>BB- 0.25% (0.25%)</b>		
		<b>A 0.56% (0.55%)</b>			EUR	600,000	Unitymedia NRW 3.5% 15/01/2027	560	0.25
GBP	942,000	Dwr Cymru Financing 6.015% 31/03/2028	1,235	0.56			<b>Total Germany</b>	<b>6,693</b>	<b>3.02</b>
		<b>A- 0.19% (0.19%)</b>			<b>GUERNSEY 0.63% (0.64%)</b>				
GBP	301,000	Yorkshire Power Finance Cayman Islands 7.25% 04/08/2028	419	0.19			<b>BBB+ 0.63% (0.64%)</b>		
		<b>BBB+ 1.93% (1.92%)</b>			GBP	1,420,000	Credit Suisse Group Funding 2.75% 08/08/2025	1,398	0.63
GBP	1,167,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	1,101	0.49			<b>Total Guernsey</b>	<b>1,398</b>	<b>0.63</b>
GBP	2,240,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	2,354	1.06	<b>JERSEY 1.58% (2.15%)</b>				
GBP	775,000	Thames Water Utilities Cayman Finance 4% 19/06/2025	844	0.38			<b>A- 1.11% (1.19%)</b>		
		<b>BBB- 0.15% (0.15%)</b>			GBP	310,000	Heathrow Funding 2.75% 09/08/2049	272	0.12
GBP	340,000	Thames Water Utilities 2.875% 03/05/2027	328	0.15	GBP	150,000	Heathrow Funding 4.625% 31/10/2046	183	0.08
		<b>B 0.00% (0.19%)</b>			GBP	1,450,000	Heathrow Funding 5.875% 13/05/2041	2,017	0.91
		<b>Total Cayman Islands</b>	<b>7,033</b>	<b>3.17</b>			<b>BBB+ 0.24% (0.72%)</b>		
					GBP	544,000	Gatwick Funding 3.125% 28/09/2039	524	0.24
							<b>BBB 0.23% (0.24%)</b>		
					GBP	419,000	*HSBC Bank Capital Funding Sterling 1 5.844% 29/11/2049	505	0.23
							<b>Total Jersey</b>	<b>3,501</b>	<b>1.58</b>



## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 0.00% (0.23%)</b>					<b>SINGAPORE 0.68% (0.68%)</b>				
		<b>BBB- 0.00% (0.23%)</b>					<b>AAA 0.68% (0.68%)</b>		
		<b>Total Luxembourg</b>	–	–	GBP	1,040,000	Temasek Financial 5.125% 26/07/2040	1,497	0.68
							<b>Total Singapore</b>	<b>1,497</b>	<b>0.68</b>
<b>MEXICO 1.23% (1.71%)</b>					<b>SPAIN 0.68% (0.69%)</b>				
		<b>A- 0.56% (0.69%)</b>					<b>BBB 0.68% (0.69%)</b>		
GBP	300,000	America Movil 4.375% 07/08/2041	345	0.15	GBP	1,314,000	Telefonica Emisiones 5.375% 02/02/2026	1,518	0.68
GBP	780,000	America Movil 5% 27/10/2026	917	0.41			<b>Total Spain</b>	<b>1,518</b>	<b>0.68</b>
		<b>BBB+ 0.67% (1.02%)</b>							
GBP	630,000	Petroleos Mexicanos 3.75% 16/11/2025	591	0.27	<b>SUPRANATIONAL 2.39% (2.36%)</b>				
GBP	885,000	United Mexican States 5.625% 19/03/2114	878	0.40			<b>AAA 1.25% (1.24%)</b>		
		<b>Total Mexico</b>	<b>2,731</b>	<b>1.23</b>	GBP	443,000	European Investment Bank 0% 07/12/2028	372	0.17
<b>NETHERLANDS 4.50% (4.14%)</b>							<b>Aaa 1.14% (1.12%)</b>		
GBP	750,000	Bank Nederlandse Gemeenten 5.2% 07/12/2028	978	0.44	GBP	2,645,000	European Investment Bank 1% 21/09/2026	2,524	1.14
		<b>AA- 0.65% (0.24%)</b>					<b>Total Supranational</b>	<b>5,296</b>	<b>2.39</b>
GBP	500,000	Deutsche Bahn Finance 3.125% 24/07/2026	545	0.25	<b>SWEDEN 0.88% (0.83%)</b>				
GBP	900,000	JT International Financial Services 2.75% 28/09/2033	896	0.40			<b>BBB 0.88% (0.83%)</b>		
		<b>BBB+ 0.66% (0.76%)</b>			GBP	485,000	Akelius Residential 2.375% 15/08/2025	467	0.21
GBP	705,000	Deutsche Telekom 2.25% 13/04/2029	666	0.30	GBP	1,540,000	Akelius Residential 2.375% 15/08/2025 (MTN2)	1,477	0.67
GBP	641,000	Enel Finance International 5.75% 14/09/2040	790	0.36			<b>Total Sweden</b>	<b>1,944</b>	<b>0.88</b>
		<b>BBB 2.75% (2.70%)</b>			<b>SWITZERLAND 0.98% (0.94%)</b>				
GBP	630,000	E.ON International Finance 6.375% 07/06/2032	846	0.38			<b>BBB+ 0.85% (0.81%)</b>		
USD	1,090,000	E.ON International Finance 6.65% 30/04/2038	986	0.45	GBP	670,000	*Credit Suisse 2.125% 12/09/2025	640	0.29
GBP	700,000	E.ON International Finance 6.75% 27/01/2039	1,023	0.46	USD	610,000	*Credit Suisse Group 3.869% 12/01/2029	443	0.20
GBP	500,000	Innogy Finance 6.125% 06/07/2039	688	0.31	USD	1,023,000	UBS 5.125% 15/05/2024	797	0.36
GBP	1,958,000	Innogy Finance 6.25% 03/06/2030	2,552	1.15			<b>BB+ 0.13% (0.13%)</b>		
		<b>Total Netherlands</b>	<b>9,970</b>	<b>4.50</b>	USD	370,000	*UBS Group 7% 29/12/2049	301	0.13
<b>NORWAY 0.34% (0.11%)</b>							<b>Total Switzerland</b>	<b>2,181</b>	<b>0.98</b>
		<b>A3 0.34% (0.11%)</b>			<b>UNITED KINGDOM 54.43% (54.99%)</b>				
GBP	650,000	WHG Treasury 4.25% 06/10/2045	752	0.34			<b>AAA 2.96% (3.33%)</b>		
		<b>Total Norway</b>	<b>752</b>	<b>0.34</b>	GBP	615,000	Broadgate Financing 4.949% 05/04/2029	365	0.16
<b>REPUBLIC OF IRELAND 1.25% (1.15%)</b>					GBP	2,060,000	Meadowhall Finance 4.986% 12/01/2032	1,846	0.83
		<b>A 0.00% (0.93%)</b>			GBP	1,790,000	Santander UK 5.25% 16/02/2029	2,299	1.04
		<b>BBB+ 1.11% (0.00%)</b>			GBP	505,000	Wellcome Trust Finance 2.517% 07/02/2118	447	0.20
GBP	1,600,000	GE Capital UK Funding 5.875% 18/01/2033	1,989	0.90	GBP	1,220,000	Wellcome Trust Finance 4.625% 25/07/2036	1,611	0.73
GBP	300,000	GE Capital UK Funding 8% 14/01/2039	466	0.21			<b>Aaa 2.49% (2.36%)</b>		
		<b>Not Rated 0.14% (0.22%)</b>			GBP	1,325,000	Clydesdale Bank 4.625% 08/06/2026	1,581	0.71
GBP	299,000	PGH Capital 6.625% 28/12/2025	313	0.14	GBP	1,871,000	Lloyds Bank 4.875% 30/03/2027	2,290	1.03
		<b>Total Republic of Ireland</b>	<b>2,768</b>	<b>1.25</b>	GBP	504,000	Lloyds Bank 6% 08/02/2029	682	0.31
					GBP	300,000	University of Cambridge 2.35% 27/06/2078	276	0.12
					GBP	210,000	University of Cambridge 3.75% 17/10/2052	271	0.12
					GBP	505,000	University of Oxford 2.544% 08/12/2117	453	0.20

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	£000	Net Asset Value
<b>UNITED KINGDOM 54.43% (54.99%) (continued)</b>									
		<b>AA 4.47% (4.99%)</b>			GBP	1,150,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	1,176	0.53
GBP	2,179,000	Integrated Accommodation Services 6.48% 31/03/2029	1,632	0.74	GBP	670,000	Notting Hill Housing Trust 3.25% 12/10/2048	643	0.29
GBP	655,000	Land Securities Capital Markets 2.399% 08/02/2029	656	0.30	GBP	365,000	Penarian Housing 3.212% 07/06/2052	349	0.16
GBP	1,000,000	Land Securities Capital Markets 2.75% 22/09/2057	943	0.43	GBP	1,015,000	QHT 4% 20/07/2049	889	0.40
GBP	1,897,000	LCR Finance 4.5% 07/12/2028	2,384	1.08	GBP	835,000	UNITE USAF II 3.921% 30/06/2025	918	0.41
GBP	1,315,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	1,840	0.83			<b>A2 0.27% (0.50%)</b>		
GBP	1,170,000	Octagon Healthcare Funding 5.333% 31/12/2035	1,209	0.55	GBP	600,000	Optivo Finance 3.283% 22/03/2048	602	0.27
GBP	1,240,000	Telereal Securitisation 5.9478% 10/12/2031	1,192	0.54			<b>A- 6.53% (4.28%)</b>		
		<b>Aa2 0.17% (0.17%)</b>			GBP	930,000	Anglian Water Services Financing 1.625% 10/08/2025	900	0.41
GBP	305,000	Merseylink 3.842% 31/03/2043	385	0.17	GBP	830,000	Anglian Water Services Financing 2.75% 26/10/2029	840	0.38
		<b>Aa2u 3.04% (3.84%)</b>			GBP	1,262,000	BP Capital Markets 2.274% 03/07/2026	1,271	0.57
GBP	1,890,000	United Kingdom Gilt 1.5% 22/07/2047	1,743	0.79	GBP	457,000	Eastern Power Network 6.25% 12/11/2036	649	0.29
GBP	394,000	United Kingdom Gilt 1.75% 07/09/2037	390	0.18	GBP	1,185,000	Experian Finance 2.125% 27/09/2024	1,183	0.53
GBP	830,171	United Kingdom Gilt 1.75% 22/07/2057	824	0.37	GBP	250,000	HSBC Bank 4.75% 24/03/2046	286	0.13
GBP	861,000	United Kingdom Gilt 3.25% 22/01/2044	1,099	0.50	GBP	1,380,000	HSBC Bank 5.375% 22/08/2033	1,647	0.74
GBP	800,000	United Kingdom Gilt 3.5% 22/01/2045	1,069	0.48	GBP	500,000	*HSBC Bank 5.375% FRN 04/11/2030	570	0.26
GBP	1,017,000	United Kingdom Gilt 3.5% 22/07/2068	1,599	0.72	GBP	312,000	London Power Networks 6.125% 07/06/2027	394	0.18
		<b>AA- 1.38% (0.87%)</b>			GBP	1,497,000	South Eastern Power Networks 6.375% 12/11/2031	2,049	0.92
GBP	820,000	BG Energy Capital 5% 04/11/2036	1,098	0.50	GBP	380,000	Southern Electric Power Distribution 4.625% 20/02/2037	450	0.20
GBP	1,887,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,943	0.88	GBP	625,000	United Utilities Water Finance 2% 14/02/2025	620	0.28
		<b>Aa3 0.29% (0.57%)</b>			GBP	418,000	Wales & West Utilities Finance 3% 03/08/2038	413	0.19
GBP	350,000	University of Leeds 3.125% 19/12/2050	377	0.17	GBP	1,250,000	Western Power Distribution 2.375% 16/05/2029	1,201	0.54
GBP	230,000	University of Liverpool 3.375% 25/06/2055	265	0.12	GBP	200,000	Western Power Distribution East Midlands 6.25% 10/12/2040	289	0.13
		<b>A+ 4.53% (3.06%)</b>			GBP	1,350,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,734	0.78
GBP	1,059,000	Aster Treasury 4.5% 18/12/2043	1,301	0.59			<b>A3 0.76% (1.00%)</b>		
GBP	510,000	Broadgate Finance 5.098% 05/04/2033	552	0.25	GBP	585,000	Clarion Housing Group 3.125% 19/04/2048	569	0.26
GBP	740,000	Bromford Housing Group 3.125% 03/05/2048	730	0.33	GBP	150,000	Paragon Treasury 3.625% 21/01/2047	156	0.07
GBP	196,000	Cambridgeshire Housing Capital 4.25% 15/09/2045	229	0.10	GBP	750,000	Peabody Capital 4.625% 12/12/2053	951	0.43
GBP	615,000	Connect Plus M25 2.607% 31/03/2039	613	0.28			<b>BBB+ 9.33% (11.56%)</b>		
GBP	1,140,000	GlaxoSmithKline 5.25% 19/12/2033	1,503	0.68	GBP	530,000	BAT International Finance 2.25% 09/09/2052	379	0.17
GBP	1,530,000	Lloyds Bank 6.5% 17/09/2040	2,246	1.01	GBP	740,000	BAT International Finance 6% 24/11/2034	964	0.44
GBP	1,430,000	Longstone Finance 4.791% 19/04/2030	982	0.44	GBP	2,790,000	Bunzl Finance 2.25% 11/06/2025	2,729	1.23
GBP	607,000	Motability Operations Group 2.375% 14/03/2032	589	0.27	GBP	1,160,000	Cadent Finance 2.625% 22/09/2038	1,043	0.47
GBP	620,000	Motability Operations Group 4.375% 08/02/2027	716	0.32	GBP	1,765,000	Cadent Finance 2.75% 22/09/2046	1,553	0.70
GBP	530,000	White City Property 5.1202% 17/04/2035	586	0.26	GBP	525,000	Centrica 4.375% 13/03/2029	591	0.27
		<b>A 2.87% (3.46%)</b>			GBP	480,000	CRH Finance UK 4.125% 02/12/2029	531	0.24
GBP	2,300,000	BL Superstore Finance 5.27% 04/07/2025	575	0.26	GBP	835,000	HSBC Holdings 6% 29/03/2040	1,023	0.46
GBP	450,000	Catalyst Housing 3.125% 31/10/2047	439	0.20	GBP	1,260,000	*Legal & General Group 5.5% 27/06/2064	1,266	0.57
GBP	521,000	Circle Anglia Social Housing 5.2% 02/03/2044	699	0.32	GBP	806,000	*Legal & General Variable 27/10/2045	851	0.38
GBP	540,000	Compass Group 2% 05/09/2025	540	0.24	GBP	1,140,000	NIE Finance 2.5% 27/10/2025	1,150	0.52
GBP	95,000	Legal & General Finance 5.875% 05/04/2033	127	0.06	GBP	720,000	Northern Gas Networks Finance 4.875% 15/11/2035	895	0.40

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 54.43% (54.99%) (continued)</b>					<b>BB+ 1.08% (1.00%)</b>				
GBP	1,095,000	Northumbrian Water Finance 1.625% 11/10/2026	1,019	0.46	GBP	570,000	Delamare Finance 5.5457% 29/02/2029	564	0.25
GBP	945,000	Northumbrian Water Finance 2.375% 05/10/2027	918	0.41	GBP	800,000	Tesco Property Finance 1 7.6227% 13/07/2039	961	0.43
GBP	550,000	*Prudential 5.7% 19/12/2063	624	0.28	GBP	800,000	Tesco Property Finance 6 5.4111% 13/07/2044	883	0.40
GBP	530,000	Royal Bank of Scotland 7.5% 29/04/2024	660	0.30	<b>BB- 0.22% (0.71%)</b>				
GBP	635,000	*RSA Insurance Group 5.125% 10/10/2045	667	0.30	GBP	490,000	Virgin Media 4.875% 15/01/2027	477	0.22
GBP	650,000	Severn Trent Utilities Finance 2.75% 05/12/2031	636	0.29	<b>Not Rated 2.15% (1.67%)</b>				
GBP	790,000	Severn Trent Utilities Finance 3.625% 16/01/2026	843	0.38	GBP	270,000	British Land 5.264% 24/09/2035	339	0.15
GBP	682,000	Severn Trent Utilities Finance 4.875% 24/01/2042	855	0.39	GBP	2,050,000	Newriver REIT 3.5% 07/03/2028	1,988	0.90
GBP	678,000	Southern Gas Networks 3.1% 15/09/2036	671	0.30	GBP	950,000	Pension Insurance 5.625% 20/12/2030	916	0.41
GBP	805,000	Western Power Distribution 3.5% 16/10/2026	811	0.37	GBP	390,000	Prudential 5.875% 11/05/2029	509	0.23
					GBP	880,000	Segro 2.875% 11/10/2037	827	0.37
					GBP	200,000	United Kingdom Gilt 1.625% 22/10/2071	192	0.09
					<b>Total United Kingdom</b>			<b>120,623</b>	<b>54.43</b>
					<b>UNITED STATES OF AMERICA 12.68% (12.32%)</b>				
					<b>AA+ 0.15% (0.15%)</b>				
GBP	2,625,000	Bupa Finance 5% 08/12/2026	2,824	1.27	GBP	342,971	*SLM Student Loan Trusts FRN 15/12/2039	326	0.15
GBP	1,415,000	Vodafone Group 3.375% 08/08/2049	1,262	0.57	<b>AA- 0.48% (0.81%)</b>				
					GBP	518,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	567	0.26
					GBP	500,000	Procter & Gamble 1.8% 03/05/2029	485	0.22
					<b>A 0.46% (0.84%)</b>				
GBP	510,000	Anglian Water Services Financing 2.625% 15/06/2027	483	0.22	GBP	840,000	Amgen 5.5% 07/12/2026	1,017	0.46
GBP	550,000	Annington Funding 3.685% 12/07/2034	550	0.25	<b>A- 3.40% (3.30%)</b>				
GBP	1,200,000	*Aviva 6.875% 20/05/2058	1,401	0.63	USD	1,625,000	Anheuser-Busch InBev Finance 4.7% 01/02/2036	1,208	0.54
GBP	2,300,000	Barclays 3.25% 17/01/2033	2,057	0.93	GBP	1,850,000	Bank of America 7% 31/07/2028	2,496	1.13
GBP	430,000	Brit 3.625% 21/11/2047	405	0.18	GBP	1,760,000	Prologis 2.25% 30/06/2029	1,657	0.75
GBP	500,000	British Telecommunication 3.125% 21/11/2031	487	0.22	GBP	1,143,000	Wells Fargo 2% 28/07/2025	1,100	0.50
GBP	1,771,000	Imperial Brands Finance 5.5% 28/09/2026	2,067	0.93	GBP	1,075,000	Wells Fargo 2.125% 20/12/2023	1,067	0.48
GBP	1,300,000	Lloyds Bank 7.625% 22/04/2025	1,632	0.74	<b>BBB+ 3.52% (5.46%)</b>				
GBP	440,000	*NGG Finance 5.625% 18/06/2073	476	0.21	GBP	1,620,000	BAT Capital 2.125% 15/08/2025	1,562	0.70
GBP	500,000	*Prudential Variable 20/10/2051	508	0.23	GBP	400,000	Citigroup 7.375% 01/09/2039	630	0.28
GBP	1,154,000	RMPA Services 5.337% 30/09/2038	1,110	0.50	GBP	837,000	General Electric Capital 5.25% 07/12/2028	980	0.44
GBP	690,000	Sky 4% 26/11/2029	770	0.35	GBP	1,679,000	Goldman Sachs Group 3.125% 25/07/2029	1,658	0.75
GBP	850,000	Telereal Securitisation 6.1645% 10/12/2031	961	0.43	GBP	513,000	Verizon Communications 3.375% 27/10/2036	502	0.23
GBP	1,014,000	UNITE Group 3.5% 15/10/2028	1,018	0.46	USD	1,840,000	Verizon Communications 4.4% 01/11/2034	1,357	0.61
					GBP	460,000	Welltower 4.5% 01/12/2034	505	0.23
					GBP	560,000	Welltower 4.8% 20/11/2028	631	0.28
					<b>BBB 4.01% (0.98%)</b>				
GBP	500,000	Eversholt Funding 3.529% 07/08/2042	477	0.22	GBP	1,980,000	AT&T 4.25% 01/06/2043	2,027	0.91
GBP	570,000	Eversholt Funding 6.697% 22/02/2035	721	0.33	GBP	1,675,000	AT&T 4.375% 14/09/2029	1,823	0.82
					GBP	2,325,000	Becton Dickinson 3.02% 24/05/2025	2,360	1.06
					GBP	2,295,000	Digital Stout 3.3% 19/07/2029	2,275	1.03
					GBP	422,000	Digital Stout Holding 3.75% 17/10/2030	426	0.19
					<b>Baa3 0.29% (0.%)</b>				
GBP	655,000	*HSBC Holdings Variable 28/03/2167	649	0.29					

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000
<b>UNITED STATES OF AMERICA 12.68% (12.32%) (continued)</b>				
<b>BBB- 0.66% (0.78%)</b>				
GBP	600,000	Discovery 2.5% 20/09/2024	588	0.27
GBP	298,000	Time Warner Cable 5.25% 15/07/2042	325	0.15
GBP	460,000	Time Warner Cable 5.75% 02/06/2031	525	0.24
		<b>Total United States of America</b>	<b>28,097</b>	<b>12.68</b>
<b>DERIVATIVES 0.05% (-0.03%)</b>				
<b>Futures and Options 0.10% (0.02%)</b>				
EUR	(7)	UBS EURO-Bobl Future Expiring December 2018	–	–
EUR	(6)	UBS EURO Bond Future Expiring December 2018	1	–
GBP	66	UBS Long Gilt Future Expiring December 2018	24	0.01
USD	(5)	UBS US 10 Year Note Future Expiring December 2018	5	–
USD	(8)	UBS US 10 Year Ultra Future Expiring December 2018	15	0.01
USD	(15)	UBS US Long Bond Future Expiring December 2018	61	0.03
USD	(15)	UBS US Ultra Bond Future Expiring December 2018	104	0.05
<b>Forward Foreign Exchange Contracts -0.05% (-0.05%)</b>				
Sell GBP 13,637				
Buy EUR 15,311 Lloyds				
Sell EUR 3,000,000				
Buy GBP 2,656,557 Lloyds				(17) (0.01)
Sell EUR 400,000				
Buy GBP 357,379 Lloyds				1 –
Sell USD 10,500,000				
Buy GBP 8,092,718 Citigroup				(91) (0.04)
		<b>Total Derivatives</b>	<b>103</b>	<b>0.05</b>
<b>Total value of investments</b>		<b>214,178</b>	<b>96.64</b>	
<b>Net other assets (3.09%)</b>		<b>7,445</b>	<b>3.36</b>	
<b>Net assets</b>		<b>221,623</b>	<b>100.00</b>	

<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>		Value £000
UBS EURO-Bobl Future Expiring December 2018		(817)
UBS EURO Bond Future Expiring December 2018		(854)
UBS Long Gilt Future Expiring December 2018		8,083
UBS US 10 Year Note Future Expiring December 2018		(464)
UBS US 10 Year Ultra Future Expiring December 2018		(784)
UBS US Long Bond Future Expiring December 2018		(1,625)
UBS US Ultra Bond Future Expiring December 2018		(1,757)
<b>Total net exposure</b>		<b>1,782</b>

<b>Total Purchases and Sales</b>		2018 £000	2017 £000
<i>for the accounting period 1 May 2018 to 31 October 2018</i>			
Total purchases for the period		41,434	57,969
Total sales for the period		41,674	58,811

April 2018 comparatives in brackets.

\*Variable rate bonds.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	200,215	93.48
Floating rate notes	13,860	6.47
Derivatives	103	0.05
<b>Total value of investments</b>	<b>214,178</b>	<b>100.00</b>

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

as at 31 October 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 3.53% (3.26%)</b>					<b>CAYMAN ISLANDS 1.62% (1.56%)</b>				
		<b>Aaa 0.51% (0.58%)</b>					<b>A 0.09% (0.11%)</b>		
GBP	6,757,000	Commonwealth Bank of Australia 1.125% 22/12/2021	6,708	0.51	GBP	1,085,000	Dwr Cymru Financing 6.907% 31/03/2021	1,226	0.09
		<b>AA- 0.46% (0.00%)</b>					<b>A- 0.34% (0.11%)</b>		
GBP	6,130,000	Toyota Finance Australia 1.625% 11/07/2022	6,108	0.46	USD	2,000,000	HPHT Finance 15 2.875% 17/03/2020	1,547	0.12
		<b>A 0.68% (0.79%)</b>			USD	2,250,000	Hutchison Port Holding Finance 2.75% 11/09/2022	1,664	0.13
GBP	8,787,000	Scentre Group Trust 2.375% 08/04/2022	8,971	0.68	GBP	1,145,000	Southern Water Services Finance 5% 31/03/2021	1,238	0.09
		<b>A- 0.46% (0.43%)</b>					<b>BBB+ 0.00% (0.26%)</b>		
GBP	5,642,000	SGSP Australia Assets 5.125% 11/02/2021	6,073	0.46	GBP	3,133,000	South East Water Finance 5.6577% 30/09/2019	3,244	0.24
		<b>BBB+ 0.44% (0.33%)</b>			GBP	4,540,000	*Southern Water Services Finance 4.5% 31/03/2038	4,844	0.37
GBP	5,225,000	*BHP Billiton Finance 6.5% 22/10/2077	5,803	0.44			<b>Baa2 0.06% (0.05%)</b>		
		<b>BBB 0.34% (0.37%)</b>			USD	1,100,000	Sunny Optical 3.75% 23/01/2023	824	0.06
USD	5,795,000	Ausgrid Finance 3.85% 01/05/2023	4,494	0.34			<b>BBB- 0.52% (0.60%)</b>		
		<b>BBB- 0.64% (0.64%)</b>			GBP	6,989,000	Thames Water Utilities 2.375% 03/05/2023	6,821	0.52
GBP	6,247,000	Asciano Finance 5% 19/09/2023	6,923	0.53			<b>Total Cayman Islands</b>	<b>21,408</b>	<b>1.62</b>
GBP	1,320,000	*QBE Insurance Group 6.115% 24/05/2042	1,411	0.11			<b>DENMARK 0.00% (0.33%)</b>		
		<b>BB 0.00% (0.12%)</b>					<b>BBB+ 0.00% (0.33%)</b>		
		<b>Total Australia</b>	<b>46,491</b>	<b>3.53</b>			<b>Total Denmark</b>	<b>-</b>	<b>-</b>
<b>BERMUDA 1.08% (0.33%)</b>					<b>FINLAND 0.76% (0.88%)</b>				
		<b>BBB- 1.08% (0.33%)</b>					<b>AA+ 0.76% (0.88%)</b>		
EUR	15,040,000	Bacardi 2.75% 03/07/2023	14,183	1.08	GBP	10,035,000	Municipality Finance 1.25% 07/12/2022	10,029	0.76
		<b>Total Bermuda</b>	<b>14,183</b>	<b>1.08</b>			<b>Total Finland</b>	<b>10,029</b>	<b>0.76</b>
<b>BRITISH VIRGIN ISLANDS 1.66% (1.66%)</b>					<b>FRANCE 4.02% (3.71%)</b>				
		<b>A+ 0.71% (0.77%)</b>					<b>A+ 0.51% (0.59%)</b>		
USD	12,000,000	State Grid Overseas 3.75% 02/05/2023	9,332	0.71	GBP	6,500,000	Total Capital International 2.25% 09/06/2022	6,685	0.51
		<b>BBB 0.95% (0.89%)</b>					<b>A 1.87% (1.37%)</b>		
GBP	11,470,000	Global Switch Holdings 4.375% 13/12/2022	12,490	0.95	GBP	3,500,000	Banque Fédérative du Crédit Mutuel 0.875% 08/06/2020	3,464	0.26
		<b>Total British Virgin Islands</b>	<b>21,822</b>	<b>1.66</b>	GBP	12,300,000	Banque Fédérative du Crédit Mutuel 1.375% 20/12/2021	12,158	0.92
<b>CANADA 1.01% (1.88%)</b>							<b>BBB+ 0.89% (0.48%)</b>		
		<b>AAA 0.00% (0.22%)</b>			USD	11,550,000	*Banque Federative du Credit Mutuel FRN 20/07/2023	9,077	0.69
		<b>Aaa 0.58% (0.67%)</b>					<b>BBB+ 0.89% (0.48%)</b>		
GBP	7,700,000	Royal Bank of Canada 1.125% 22/12/2021	7,651	0.58	GBP	2,200,000	*CNP Assurances 7.375% 30/09/2041	2,432	0.18
		<b>BBB+ 0.30% (0.24%)</b>			GBP	9,000,000	Orange 0.375% 27/06/2021	8,668	0.66
GBP	3,615,000	Xstrata Finance Canada 7.375% 27/05/2020	3,915	0.30	GBP	575,000	Orange 7.25% 10/11/2020	641	0.05
		<b>BBB 0.13% (0.75%)</b>					<b>BBB 0.46% (0.53%)</b>		
USD	540,000	Cenovus Energy 3% 15/08/2022	405	0.03	GBP	2,435,000	*AXA 6.772% 29/10/2049	2,499	0.19
USD	1,773,000	Cenovus Energy 3.8% 15/09/2023	1,357	0.10	GBP	1,400,000	*Engie 4.625% 10/01/2049	1,403	0.11
		<b>Total Canada</b>	<b>13,328</b>	<b>1.01</b>	GBP	2,100,000	RCI Banque 1.875% 08/11/2022	2,068	0.16
							<b>BBB- 0.29% (0.32%)</b>		
					GBP	3,660,000	*Orange 5.875% 29/12/49	3,893	0.29

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>FRANCE 4.02% (3.71%) (continued)</b>					<b>JAPAN 0.00% (0.33%)</b>				
Ba2 0.00% (0.13%)					BB+ 0.00% (0.33%)				
B 0.00% (0.29%)					Total Japan				
Total France					—				
<b>52,988</b>					<b>4.02</b>				
<b>GERMANY 7.52% (5.04%)</b>					<b>JERSEY 1.77% (2.37%)</b>				
AAA 4.79% (2.13%)					A- 0.43% (0.32%)				
GBP	14,700,000	FMS Wertmanagement 0.875% 14/02/2022	14,569	1.11	GBP	4,938,000	Heathrow Funding 5.225% 15/02/2023	5,623	0.43
GBP	30,000,000	FMS Wertmanagement 1.125% 07/09/2023	29,684	2.25	GBP	10,595,000	CPUK Finance 2.666% 28/02/2020	10,714	0.81
GBP	19,000,000	KFW 1% 15/12/2022	18,794	1.43	GBP	4,542,000	Baa2 0.35% (0.00%) Porterbrook Rail Finance 5.5% 20/04/2019	4,624	0.35
GBP	2,165,000	A 0.38% (0.94%) BASF 1.375% 21/06/2022	2,160	0.16	GBP	2,420,000	BBB- 0.18% (0.30%) AA Bond 2.875% 31/01/2022	2,330	0.18
GBP	2,500,000	*Munich Rueckversicherungs 6.625% 26/05/2042	2,830	0.22	GBP		Total Jersey	<b>23,291</b>	<b>1.77</b>
EUR	3,500,000	BBB+ 0.24% (0.00%) Deutsche Bank 1.125% 30/08/2023	3,121	0.24	<b>KAZAKHSTAN 0.00% (0.51%)</b>				
GBP	5,500,000	BBB- 0.41% (0.48%) Deutsche Bank 1.875% 28/02/2020	5,465	0.41	BB- 0.00% (0.51%)				
EUR	2,875,000	BB+ 1.15% (1.16%) ADLER Real Estate 1.5% 06/12/2021	2,552	0.19	Total Kazakhstan				
EUR	13,100,000	ADLER Real Estate 1.875% 27/04/2023	11,258	0.85	—				
EUR	1,642,000	IHO Verwaltungs PIK 2.75% 15/09/2021	1,462	0.11	<b>LUXEMBOURG 3.17% (2.51%)</b>				
EUR	4,400,000	BB- 0.55% (0.33%) Unitymedia Hessen 4% 15/01/2025	4,094	0.31	GBP	1,700,000	BBB+ 0.64% (0.00%) Glencore Finance 6.5% 27/01/2019	1,727	0.13
EUR	3,400,000	Unitymedia NRW 3.5% 15/01/2027	3,171	0.24	GBP	6,081,000	Glencore Finance Europe 6% 03/04/2022	6,774	0.51
Total Germany					EUR	8,480,000	BBB 0.95% (0.74%) Bevco 1.75% 09/02/2023	7,456	0.57
<b>99,160</b>					EUR	5,632,000	CPI Property Group 1.45% 14/04/2022	4,987	0.38
<b>7.52</b>					EUR	7,000,000	Baa2 0.47% (0.54%) SELP Finance 1.25% 25/10/2023	6,174	0.47
<b>GUERNSEY 0.92% (1.07%)</b>					GBP	5,758,000	BBB- 0.71% (1.23%) Gaz Capital 5.338% 25/09/2020	5,994	0.46
GBP	11,796,000	BBB+ 0.92% (1.07%) Credit Suisse 3% 27/05/2022	12,137	0.92	EUR	800,000	*Grand City Properties 3.75% 29/12/2049	728	0.06
Total Guernsey					EUR	3,000,000	*Grand City Properties Variable 24/10/2166	2,515	0.19
<b>12,137</b>					EUR	3,330,000	BB+ 0.21% (0.00%) *CPI Property Group 09/05/2167	2,803	0.21
<b>0.92</b>					EUR	2,786,000	B+ 0.19% (0.00%) LHMC Finco 6.25% 20/12/2023	2,554	0.19
<b>ICELAND 0.58% (0.67%)</b>					Total Luxembourg				
EUR	8,412,000	BBB+ 0.58% (0.67%) Arion Bank 1.625% 01/12/2021	7,612	0.58	<b>41,712</b>				
Total Iceland					<b>3.17</b>				
<b>7,612</b>					<b>MEXICO 0.79% (0.94%)</b>				
<b>0.58</b>					GBP	5,263,000	BBB+ 0.47% (0.56%) Petroleos Mexicanos 8.25% 02/06/2022	6,166	0.47
<b>INDIA 0.29% (0.16%)</b>					GBP	3,995,000	BBB 0.32% (0.38%) *America Movil 6.375% 06/09/2073	4,221	0.32
USD	5,000,000	BBB- 0.29% (0.16%) Adani Ports and Special Economic Zone 3.95% 19/01/2022	3,824	0.29	Total Mexico				
Total India					<b>10,387</b>				
<b>3,824</b>					<b>0.79</b>				
<b>0.29</b>					<b>ITALY 0.34% (0.29%)</b>				
GBP	4,500,000	Baa3 0.00% (0.05%) Ba1 0.34% (0.24%) *Assicurazioni Generali 6.416% 29/12/2049	4,479	0.34					
Total Italy									
<b>4,479</b>									
<b>0.34</b>									



## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 1.42% (1.87%)</b>						GBP	6,715,000		
		<b>A+ 0.85% (0.99%)</b>							
GBP	11,335,000	UBS London 1.25% 10/12/2020	11,272	0.85		GBP	13,889,000	8,001	0.61
		<b>A- 0.00% (0.30%)</b>				USD	5,000,000	3,885	0.29
		<b>BBB+ 0.08% (0.09%)</b>				EUR	9,120,000	7,976	0.61
GBP	978,000	*UBS Jersey 6.375% 19/11/2024	1,020	0.08		EUR	5,080,000	4,515	0.34
		<b>BB+ 0.00% (0.23%)</b>				GBP	1,054,000	1,085	0.08
		<b>BB 0.31% (0.26%)</b>				GBP	1,755,000	2,109	0.16
USD	6,050,000	*UBS Group Funding Perpetual 5% 31/01/2067	4,050	0.31		GBP	3,267,000	3,447	0.26
		<b>BB- 0.18% (0.00%)</b>				GBP	4,000,000	4,374	0.33
USD	3,032,000	*Credit Suisse Group Variable 17/01/2167	2,413	0.18		GBP	18,275,000	18,180	1.38
		<b>Total Switzerland</b>	<b>18,755</b>	<b>1.42</b>		GBP	1,935,000	2,070	0.16
						USD	8,836,000	6,921	0.53
<b>UNITED KINGDOM 39.86% (38.71%)</b>						GBP	5,700,000	6,003	0.46
		<b>AAA 0.61% (0.75%)</b>				GBP	700,000	703	0.05
GBP	6,793,000	*Towd Point Mortgage Funding 2016 FRN 20/04/2045	5,235	0.40		USD	9,895,000	7,733	0.59
GBP	2,560,000	Wellcome Trust Finance 4.75% 28/05/2021	2,786	0.21		GBP	650,000	695	0.05
		<b>Aaa 0.38% (0.00%)</b>				GBP	6,400,000	6,683	0.51
GBP	5,000,000	*Lloyds Bank FRN 13/09/2021	4,999	0.38		GBP	8,045,000	8,685	0.66
		<b>A 1.76% (1.82%)</b>				GBP	3,254,000	3,478	0.26
GBP	10,645,000	*HSBC Holdings Variable 27/06/2023	10,582	0.80					
GBP	125,000	Northern Electric Finance 8.875% 16/10/2020	143	0.01					
GBP	7,300,000	Santander UK 1.625% 10/05/2021	7,261	0.55		GBP	1,440,000	1,532	0.12
GBP	5,000,000	Unite USAF II 3.374% 30/06/2023	5,313	0.40		GBP	12,950,000	14,109	1.07
		<b>A2u 0.17% (0.20%)</b>				GBP	8,388,000	9,033	0.69
GBP	2,175,000	Northern Rock 6.375% 02/12/2019	2,285	0.17		GBP	2,150,000	2,516	0.19
		<b>A- 2.67% (3.02%)</b>				GBP	10,501,000	10,310	0.78
GBP	7,442,000	Eastern Power Network 4.75% 30/09/2021	8,105	0.62		GBP	2,500,000	2,746	0.21
GBP	3,150,000	Experian Finance 2.125% 27/09/2024	3,143	0.24		GBP	5,026,000	5,084	0.39
GBP	3,534,000	Experian Finance 3.5% 15/10/2021	3,714	0.28		GBP	4,570,000	4,529	0.34
GBP	1,278,000	Experian Finance 4.75% 23/11/2018	1,280	0.10		GBP	5,050,000	5,081	0.39
GBP	4,300,000	HSBC Bank 6.5% 07/07/2023	5,073	0.38		GBP	1,330,000	324	0.02
GBP	12,188,000	Western Power Distribution East Midlands 5.25% 17/01/2023	13,807	1.05		GBP	4,873,000	5,063	0.38
		<b>A3 1.11% (0.00%)</b>				GBP	16,803,000	20,460	1.55
GBP	14,003,000	Bupa Finance 3.375% 17/06/2021	14,639	1.11		GBP	2,500,000	2,670	0.20
		<b>BBB+ 11.00% (10.04%)</b>				GBP	5,385,000	5,655	0.43
USD	16,400,000	*AstraZeneca FRN 17/08/2023	12,808	0.97		GBP	3,519,000	4,487	0.34
GBP	8,744,000	BAT International Finance 1.75% 05/07/2021	8,743	0.66		EUR	3,115,000	2,902	0.22
GBP	9,850,000	BAT International Finance 6% 29/06/2022	11,226	0.85		GBP	3,892,000	3,999	0.30
GBP	908,000	*Direct Line Insurance 9.25% 27/04/2042	1,086	0.08		GBP	4,650,000	5,154	0.39
GBP	9,247,000	ENW Finance 6.125% 21/07/2021	10,344	0.79		GBP	6,343,000	6,696	0.51
GBP	2,670,000	*Legal & General Group 5.875% 29/03/2049	2,682	0.20		GBP	5,600,000	5,830	0.44
						GBP	652,000	655	0.05



## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

		Value	% of			Value	% of
		£000	Net Asset Value			£000	Net Asset Value
Holding	Investment			Holding	Investment		
<b>UNITED KINGDOM 39.86% (38.71%) (continued)</b>							
	<b>Baa2 1.35% (1.53%)</b>			GBP	700,000	Segro 5.625% 07/12/2020	0.06
GBP	7,933,000	Eversholt Funding 5.831% 02/12/2020	0.65	GBP	5,076,200	UNITE Group 6.125% 12/06/2020	0.41
GBP	6,811,000	National Express Group 6.625% 17/06/2020	0.56	<b>Total United Kingdom</b>			
GBP	1,700,000	Porterbrook Rail Finance 6.5% 20/10/2020	0.14			<b>525,245</b>	<b>39.86</b>
	<b>BBB- 4.70% (4.16%)</b>			<b>UNITED STATES OF AMERICA 14.53% (15.84%)</b>			
GBP	8,912,000	Barclays Bank 10% 21/05/2021	0.80				
GBP	850,000	Firstgroup 6.125% 18/01/2019	0.07	GBP	2,480,000	New York Life Global Funding 1% 15/12/2021	0.19
GBP	12,586,000	G4S 7.75% 13/05/2019	0.99	GBP	12,295,000	New York Life Global Funding 1.75% 15/12/2022	0.94
EUR	6,377,000	G4S International Finance 1.5% 09/01/2023	0.44				
GBP	11,119,000	GKN Holdings 5.375% 19/09/2022	0.89	GBP	18,235,000	Met Life Global Funding 1.125% 15/12/2021 GBP	1.37
GBP	4,161,000	GKN Holdings 6.75% 28/10/2019	0.33	GBP	3,150,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	0.25
GBP	6,025,000	Marks & Spencer 6.125% 02/12/2019	0.48				
GBP	2,250,000	Marks & Spencer 6.125% 06/12/2021	0.19				
GBP	1,000,000	*Marstons Issuer FRN 15/07/2020	0.01	GBP	558,000	*SLM Student Loan Trusts FRN 15/03/2038	0.04
GBP	1,357,000	Mitchells & Butlers Finance 5.965% 15/12/2023	0.03				
EUR	7,000,000	*Royal Bank of Scotland Group Variable 04/03/2025	0.47				
	<b>Baa3 0.62% (1.19%)</b>						
GBP	7,939,000	*TSB Banking Group 5.75% 06/05/2026	0.62	USD	10,000,000	*Anheuser-Busch InBev FRN 12/01/2024	0.59
	<b>BB+ 1.68% (1.54%)</b>			GBP	7,300,000	Bank of America 6.125% 15/09/2021	0.62
GBP	3,662,000	Daily Mail and General Trust 5.75% 07/12/2018	0.28	USD	10,500,000	*JPMorgan Chase FRN 25/04/2023	0.63
GBP	4,700,000	National Westminster Bank 6.5% 07/09/2021	0.40	USD	12,500,000	*JPMorgan Chase FRN 23/07/2024	0.74
GBP	4,162,000	Tesco 6.125% 24/02/2022	0.36	GBP	4,700,000	Wells Fargo & Company 2.125% 22/04/2022	0.36
EUR	9,535,000	Tesco Corporate Treasury Services 1.375% 24/10/2023	0.64	GBP	6,130,000	Wells Fargo 1.375% 30/06/2022	0.45
	<b>BB 0.63% (0.77%)</b>			GBP	1,500,000	Wells Fargo 2.125% 20/12/2023	0.11
GBP	1,865,000	*Barclays Bank 14% 29/11/2049	0.15	GBP	5,100,000	American International Group 5% 26/04/2023	0.43
GBP	3,909,000	*CYBG 5% 09/02/2026	0.30	GBP	6,360,000	General Electric Capital 5.5% 07/06/2021	0.53
GBP	995,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	0.07	GBP	2,500,000	General Electric Capital 6.44% 15/11/2022	0.02
GBP	3,600,000	Unique Pub Finance 6.542% 30/03/2021	0.11	USD	2,097,000	NiSource Finance 2.65% 17/11/2022	0.12
	<b>BB- 0.33% (0.38%)</b>			USD	4,985,000	RELX Capital 3.5% 16/03/2023	0.29
GBP	1,633,000	Southern Water Greensands Financing 8.5% 15/04/2019	0.13				
GBP	2,355,000	*Virgin Media Secured Finance 6% 15/01/2025	0.20	CAD	7,100,000	AT&T 3.825% 25/11/2020	0.33
	<b>B+ 0.35% (0.00%)</b>			EUR	6,220,000	*AT&T FRN 05/09/2023	0.42
GBP	2,000,000	*Barclays Bank 7.75% 08/03/2075	0.16	USD	18,000,000	*Bayer US Finance II FRN 15/12/2023	1.06
EUR	2,750,000	Synlab 6.25% 01/07/2022	0.19	EUR	6,035,000	Becton Dickinson 1.401% 24/05/2023	0.41
	<b>B1 0.23% (0.28%)</b>			USD	7,750,000	*Becton Dickinson FRN 06/06/2022	0.46
GBP	3,000,000	Thames Water Kemble Finance 7.75% 01/04/2019	0.23	GBP	15,505,000	Digital Stout Holding 4.75% 13/10/2023	1.29
	<b>B 0.00% (0.22%)</b>			USD	5,651,000	MPLX LP 3.375% 15/03/2023	0.33
	<b>Not Rated 2.34% (3.85%)</b>						
GBP	12,890,000	First Hydro Finance 9% 31/07/2021	1.16	GBP	50,000	*American International Group Variable 15/03/2067	–
GBP	9,345,000	*Pennon Group Perpetual Variable 22/05/2066	0.71	USD	13,740,000	*Charter Communications Operating FRN 01/02/2024	0.83
				USD	1,260,000	Continental Resources 5% 15/09/2022	0.08
				USD	6,720,000	Kinder Morgan 3.15% 15/01/2023	0.39
				USD	6,365,000	Plains All American Pipeline 3.65% 01/06/2022	0.37

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000
<b>UNITED STATES OF AMERICA 14.53% (15.84%) (continued)</b>				
<b>BB+ 0.46% (0.86%)</b>				
EUR	5,300,000	Equinix 2.875% 01/10/2025	4,602	0.35
EUR	1,700,000	Equinix 2.875% 01/02/2026	1,471	0.11
<b>BB 0.42% (0.14%)</b>				
EUR	4,225,000	Quintiles IMS 3.25% 15/03/2025	3,794	0.29
USD	2,300,000	Teva Pharmaceutical Finance 2.25% 18/03/2020	1,748	0.13
<b>Total United States of America</b>			<b>191,436</b>	<b>14.53</b>
<b>DERIVATIVES -0.21% (-0.20%)</b>				
<b>Futures and Options 0.02% (0.03%)</b>				
EUR	(549)	UBS EURO-Bobl Future Expiring December 2018	34	-
GBP	109	UBS Long Gilt Future Expiring December 2018	45	-
USD	(599)	UBS US 5 Year Note Future Expiring December 2018	326	0.02
<b>Forward Foreign Exchange Contracts -0.23% (-0.23%)</b>				
Sell GBP 10,036				
Buy EUR 11,317 J.P. Morgan				
Sell GBP 151,288				
Buy EUR 170,000 Lloyds				
Sell GBP 3,148,267				
Buy EUR 3,535,000 Lloyds				
Sell GBP 82,726				
Buy EUR 93,282 J.P. Morgan				
Sell EUR 1,500,000				
Buy GBP 1,340,352 Lloyds				
Sell CAD 7,283,812				
Buy GBP 4,296,833 Citigroup				
Sell USD 106,250,000				
Buy GBP 81,852,478 Lloyds				
Sell USD 106,250,000				
Buy GBP 81,857,302 Citigroup				
Sell EUR 95,000,000				
Buy GBP 84,048,191 Citigroup				
Sell EUR 95,000,000				
Buy GBP 84,089,345 Lloyds				
Sell GBP 381,646				
Buy USD 490,000 Lloyds				
<b>Total Derivatives</b>			<b>(2,707)</b>	<b>(0.21)</b>
<b>Total value of investments</b>		<b>1,279,984</b>	<b>97.14</b>	
<b>Net other assets (1.93%)</b>		<b>37,687</b>	<b>2.86</b>	
<b>Net assets</b>		<b>1,317,671</b>	<b>100.00</b>	

April 2018 comparatives in brackets.

\*Variable rate bonds.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	999,665	78.10
Floating rate notes	283,026	22.11
Derivatives	(2,707)	(0.21)
<b>Total value of investments</b>	<b>1,279,984</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

UBS EURO-Bobl Future Expiring December 2018	(64,093)
UBS Long Gilt Future Expiring December 2018	13,350
UBS US 5 Year Note Future Expiring December 2018	(52,726)
<b>Total net exposure</b>	<b>(103,469)</b>

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	462,713	411,336
Total sales for the period	303,832	273,155

## Threadneedle UK Fixed Interest Fund

### Portfolio Statement

as at 31 October 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>CANADA 1.61% (1.71%)</b>					<b>Not Rated 20.13% (15.10%)</b>				
		<b>AAA 0.88% (0.94%)</b>			GBP	43,667,000	United Kingdom Gilt 1% 22/04/2024	43,427	8.51
GBP	4,550,000	Export Development Canada 0.875% 07/12/2021	4,510	0.88	GBP	24,645,000	United Kingdom Gilt 1.25% 22/07/2027	24,476	4.80
		<b>Aaa 0.73% (0.77%)</b>			GBP	10,890,000	United Kingdom Gilt 1.625% 22/10/2028	11,081	2.17
GBP	3,750,000	Royal Bank of Canada 1.125% 22/12/2021	3,726	0.73	GBP	12,689,000	United Kingdom Gilt 1.625% 22/10/2021	12,159	2.38
		<b>Total Canada</b>	<b>8,236</b>	<b>1.61</b>	GBP	11,850,000	United Kingdom Gilt 1.75% 22/01/2049	11,569	2.27
					<b>Total United Kingdom</b>				
					<b>443,702</b>				
					<b>86.98</b>				
<b>FINLAND 1.45% (1.54%)</b>					<b>Total value of investments</b>				
		<b>AA+ 1.45% (1.54%)</b>			<b>472,668</b>				
GBP	4,190,000	Municipality Finance 1.25% 07/03/2019	4,195	0.82	<b>Net other assets (2.13%)</b>				
GBP	3,195,000	Municipality Finance 1.25% 07/12/2022	3,193	0.63	<b>37,465</b>				
		<b>Total Finland</b>	<b>7,388</b>	<b>1.45</b>	<b>Net assets</b>				
					<b>510,133</b>				
					<b>100.00</b>				
					<i>April 2018 comparatives in brackets.</i>				
<b>GERMANY 1.68% (1.79%)</b>					<b>Total Purchases and Sales</b>				
		<b>AAA 1.68% (1.79%)</b>			<i>for the accounting period 1 May 2018 to 31 October 2018</i>				
GBP	4,300,000	FMS Wertmanagement 1.25% 08/03/2019	4,306	0.84					
GBP	4,235,000	KFW 1.375% 01/02/2021	4,267	0.84					
		<b>Total Germany</b>	<b>8,573</b>	<b>1.68</b>					
					<b>2018</b>				
					<b>£000</b>				
					<b>2017</b>				
					<b>£000</b>				
					Total purchases for the period				
					619,850				
					559,824				
					Total sales for the period				
					616,461				
					559,869				
<b>SUPRANATIONAL 0.94% (0.99%)</b>									
		<b>AAA 0.45% (0.48%)</b>							
GBP	2,295,000	European Investment Bank 0.625% 17/01/2020	2,288	0.45					
		<b>Aaa 0.49% (0.51%)</b>							
GBP	2,600,000	European Investment Bank 1% 21/09/2026	2,481	0.49					
		<b>Total Supranational</b>	<b>4,769</b>	<b>0.94</b>					
<b>UNITED KINGDOM 86.98% (91.84%)</b>									
		<b>AA 1.38% (1.47%)</b>							
GBP	1,775,000	LCR Finance 4.5% 07/12/2028	2,230	0.44					
GBP	4,500,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	4,781	0.94					
		<b>Aa2u 64.91% (74.84%)</b>							
GBP	48,664,000	United Kingdom Gilt 1.5% 22/07/2026	49,646	9.73					
GBP	17,299,000	United Kingdom Gilt 1.5% 22/07/2047	15,954	3.13					
GBP	56,335,000	United Kingdom Gilt 1.75% 22/07/2019	56,738	11.12					
GBP	37,275,000	United Kingdom Gilt 1.75% 07/09/2037	36,925	7.24					
GBP	20,021,000	United Kingdom Gilt 1.75% 22/07/2057	19,873	3.89					
GBP	4,380,000	United Kingdom Gilt 2% 22/07/2020	4,474	0.88					
GBP	22,210,000	United Kingdom Gilt 2% 07/09/2025	23,457	4.60					
GBP	17,632,000	United Kingdom Gilt 2.5% 22/07/2065	21,817	4.28					
GBP	19,238,000	United Kingdom Gilt 3.75% 07/09/2021	20,831	4.08					
GBP	19,519,000	United Kingdom Gilt 3.75% 22/07/2052	29,075	5.70					
GBP	11,238,000	United Kingdom Gilt 4.25% 07/03/2036	15,444	3.03					
GBP	4,394,000	United Kingdom Gilt 4.25% 07/09/2039	6,250	1.22					
GBP	15,712,000	United Kingdom Gilt 4.25% 07/12/2040	22,629	4.44					
GBP	5,272,000	United Kingdom Gilt 4.25% 07/12/2046	8,017	1.57					
		<b>AA- 0.56% (0.43%)</b>							
GBP	2,800,000	Transport for London 2.125% 24/04/2025	2,849	0.56					

## Threadneedle UK Index Linked Fund

### Portfolio Statement

as at 31 October 2018

	Value £000	% of Net Asset Value
<b>FIXED INTEREST 99.08% (98.39%)</b>		
<b>AA 3.59% (3.57%)</b>		
GBP 500,000 Network Rail Infrastructure Finance 1.375% 22/11/2037	1,132	1.66
GBP 510,000 Network Rail Infrastructure Finance Index-Linked 1.125% 22/11/2047	1,313	1.93
<b>Aa2u 95.06% (94.82%)</b>		
GBP 1,800,000 United Kingdom Index-Linked Gilt 0.125% 22/11/2019	2,099	3.08
GBP 3,202,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2024	4,208	6.18
GBP 1,515,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2026	1,934	2.84
GBP 6,141,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2029	8,958	13.15
GBP 1,138,000 United Kingdom Index-Linked Gilt 0.125% 22/11/2036	1,734	2.54
GBP 1,854,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2046	3,266	4.79
GBP 1,508,667 United Kingdom Index-Linked Gilt 0.125% 22/03/2058	3,258	4.78
GBP 1,271,000 United Kingdom Index-Linked Gilt 0.25% 22/03/2052	2,723	4.00
GBP 3,629,000 United Kingdom Index-Linked Gilt 0.375% 22/03/2062	9,800	14.39
GBP 1,543,000 United Kingdom Index-Linked Gilt 0.5% 22/03/2050	3,828	5.62
GBP 3,268,000 United Kingdom Index-Linked Gilt 0.625% 22/03/2040	6,843	10.05
GBP 918,000 United Kingdom Index-Linked Gilt 0.75% 22/03/2034	1,618	2.37
GBP 1,582,000 United Kingdom Index-Linked Gilt 0.75% 22/11/2047	4,060	5.96
GBP 1,834,000 United Kingdom Index-Linked Gilt 1.125% 22/11/2037	4,235	6.22
GBP 1,855,000 United Kingdom Index-Linked Gilt 1.875% 22/11/2022	3,003	4.41
GBP 200,000 United Kingdom Index-Linked Gilt 2.5% 16/04/2020	722	1.06
GBP 1,008,000 United Kingdom Index-Linked Gilt 8% 22/11/2065	2,463	3.62
<b>Not Rated 0.43% (0.00%)</b>		
GBP 306,000 United Kingdom Gilt 1.625% 22/10/2071	293	0.43
<b>Total Fixed Interest</b>	<b>67,490</b>	<b>99.08</b>
<b>Total value of investments</b>	<b>67,490</b>	<b>99.08</b>
<b>Net other assets (1.61%)</b>	<b>629</b>	<b>0.92</b>
<b>Net assets</b>	<b>68,119</b>	<b>100.00</b>

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	28,580	28,518
Total sales for the period	28,443	54,100

## Threadneedle Pan European Focus Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 0.00% (1.96%)</b>				<b>ITALY 10.29% (13.60%)</b>			
	Pharmaceuticals & Biotechnology		0.00% (1.37%)		Electronic & Electrical Equipment		0.00% (3.91%)
	Media		0.00% (0.59%)		Beverages		5.20% (4.35%)
	<b>Total Belgium</b>	<b>—</b>	<b>—</b>	597,083	Davide Campari-Milano	3,569	5.20
<b>DENMARK 5.25% (5.76%)</b>					Mobile Telecommunications		5.09% (5.34%)
	Pharmaceuticals & Biotechnology		0.16% (4.44%)	634,898	Infrastructure Wireless Italia	3,491	5.09
3,203	Novo Nordisk	109	0.16		<b>Total Italy</b>	<b>7,060</b>	<b>10.29</b>
	Nonlife Insurance		5.09% (1.32%)	<b>NETHERLANDS 7.99% (5.69%)</b>			
186,597	Tryg	3,489	5.09		Chemicals		3.00% (0.00%)
	<b>Total Denmark</b>	<b>3,598</b>	<b>5.25</b>	31,319	Akzo Nobel	2,061	3.00
<b>FINLAND 0.15% (2.11%)</b>					Personal Goods		0.17% (0.16%)
	Nonlife Insurance		0.15% (2.11%)	2,768	Unilever (EUR)	117	0.17
2,802	Sampo	101	0.15		Media		0.00% (0.16%)
	<b>Total Finland</b>	<b>101</b>	<b>0.15</b>		Technology Hardware & Equipment		4.82% (5.37%)
<b>FRANCE 24.30% (20.51%)</b>				24,501	ASML	3,304	4.82
	Electronic & Electrical Equipment		0.51% (5.45%)		<b>Total Netherlands</b>	<b>5,482</b>	<b>7.99</b>
6,882	Legrand	352	0.51	<b>NORWAY 0.47% (1.57%)</b>			
	Support Services		0.00% (3.25%)		Banks		0.47% (1.57%)
	Beverages		5.07% (0.49%)	22,485	DNB Bank	321	0.47
29,312	Pernod Ricard	3,479	5.07		<b>Total Norway</b>	<b>321</b>	<b>0.47</b>
	Personal Goods		6.33% (4.83%)	<b>REPUBLIC OF IRELAND 0.00% (3.31%)</b>			
20,606	L'Oreal	3,641	5.31		Travel & Leisure		0.00% (3.31%)
2,942	LVMH Moet Hennessy Vuitton	699	1.02		<b>Total Republic of Ireland</b>	<b>—</b>	<b>—</b>
	Health Care Equipment & Services		5.09% (0.00%)	<b>SPAIN 5.36% (5.21%)</b>			
32,658	Essilor International	3,488	5.09		Mobile Telecommunications		5.36% (5.21%)
	Software & Computer Services		7.30% (6.49%)	189,950	Cellnex Telecom	3,678	5.36
50,699	Dassault Systems	5,003	7.30		<b>Total Spain</b>	<b>3,678</b>	<b>5.36</b>
	<b>Total France</b>	<b>16,662</b>	<b>24.30</b>	<b>SWEDEN 7.97% (12.37%)</b>			
<b>GERMANY 14.59% (6.79%)</b>					Industrial Engineering		3.19% (4.48%)
	Chemicals		3.01% (0.00%)	322,996	Epiroc B	2,087	3.04
50,319	Brenntag	2,061	3.01	8,893	Volvo	103	0.15
	Automobiles & Parts		0.99% (0.00%)		Banks		0.00% (1.98%)
9,502	Knorr-Bremse	680	0.99		Software & Computer Services		4.78% (5.91%)
	Personal Goods		5.64% (0.70%)	84,843	Hexagon	3,274	4.78
21,017	Adidas	3,868	5.64		<b>Total Sweden</b>	<b>5,464</b>	<b>7.97</b>
	Mobile Telecommunications		0.00% (1.11%)	<b>SWITZERLAND 6.11% (5.05%)</b>			
	Software & Computer Services		4.95% (4.98%)		Construction & Materials		6.11% (5.05%)
40,680	SAP	3,393	4.95	41,880	Sika	4,188	6.11
	<b>Total Germany</b>	<b>10,002</b>	<b>14.59</b>		<b>Total Switzerland</b>	<b>4,188</b>	<b>6.11</b>

## Threadneedle Pan European Focus Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 12.44% (13.83%)</b>			
<b>Household Goods &amp; Home Construction 0.09% (0.70%)</b>			
1,000	Reckitt Benckiser Group	63	0.09
<b>Personal Goods 1.10% (1.63%)</b>			
18,153	Unilever	757	1.10
<b>Health Care Equipment &amp; Services 0.00% (0.73%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.73%)</b>			
<b>Media 1.37% (0.67%)</b>			
44,990	RELX (Amsterdam Listing)	692	1.01
7,103	RELX (London Listing)	109	0.16
30,000	Rightmove	135	0.20
<b>Life Insurance 0.00% (3.22%)</b>			
<b>Financial Services 4.97% (4.71%)</b>			
78,970	London Stock Exchange Group	3,408	4.97
<b>Software &amp; Computer Services 4.91% (1.44%)</b>			
130,653	AVEVA Group	3,366	4.91
<b>Total United Kingdom</b>		<b>8,530</b>	<b>12.44</b>
<b>UNITED STATES OF AMERICA 4.95% (0.55%)</b>			
<b>Software &amp; Computer Services 4.95% (0.55%)</b>			
75,782	InterXion Holding	3,398	4.95
<b>Total United States of America</b>		<b>3,398</b>	<b>4.95</b>
<b>Total value of investments</b>		<b>68,484</b>	<b>99.87</b>
<b>Net other assets (1.69%)</b>		<b>92</b>	<b>0.13</b>
<b>Net assets</b>		<b>68,576</b>	<b>100.00</b>

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	36,150	50,306
Total sales for the period	39,400	48,450

## Threadneedle Pan European Equity Dividend Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 0.00%</b>	<b>(8.04%)</b>			<b>SPAIN 0.00%</b>	<b>(1.75%)</b>		
	Industrial Transportation 0.00%		(1.77%)		General Retailers 0.00%		(1.75%)
	Beverages 0.00%		(3.81%)		<b>Total Spain</b>	<b>–</b>	<b>–</b>
	Banks 0.00%		(2.46%)	<b>SWEDEN 0.00%</b>	<b>(5.58%)</b>		
	<b>Total Belgium</b>	<b>–</b>	<b>–</b>		Industrial Engineering 0.00%		(3.10%)
<b>DENMARK 0.00%</b>	<b>(3.84%)</b>				Banks 0.00%		(2.48%)
	Nonlife Insurance 0.00%		(3.84%)		<b>Total Sweden</b>	<b>–</b>	<b>–</b>
	<b>Total Denmark</b>	<b>–</b>	<b>–</b>	<b>SWITZERLAND 0.00%</b>	<b>(3.64%)</b>		
<b>FINLAND 0.00%</b>	<b>(6.36%)</b>				Chemicals 0.00%		(1.53%)
	Industrial Engineering 0.00%		(1.54%)		Personal Goods 0.00%		(2.11%)
	Nonlife Insurance 0.00%		(4.82%)		<b>Total Switzerland</b>	<b>–</b>	<b>–</b>
	<b>Total Finland</b>	<b>–</b>	<b>–</b>	<b>UNITED KINGDOM 0.00%</b>	<b>(24.13%)</b>		
<b>FRANCE 0.00%</b>	<b>(6.71%)</b>				Oil & Gas Producers 0.00%		(2.48%)
	Chemicals 0.00%		(2.38%)		General Industrials 0.00%		(2.49%)
	Electronic & Electrical Equipment 0.00%		(1.96%)		Beverages 0.00%		(2.13%)
	Beverages 0.00%		(2.37%)		Tobacco 0.00%		(4.87%)
	<b>Total France</b>	<b>–</b>	<b>–</b>		Pharmaceuticals & Biotechnology 0.00%		(5.60%)
<b>GERMANY 0.00%</b>	<b>(11.19%)</b>				Media 0.00%		(2.22%)
	Chemicals 0.00%		(4.31%)		Fixed Line Telecommunications 0.00%		(1.37%)
	Automobiles & Parts 0.00%		(1.59%)		Life Insurance 0.00%		(2.97%)
	Mobile Telecommunications 0.00%		(2.77%)		<b>Total United Kingdom</b>	<b>–</b>	<b>–</b>
	Nonlife Insurance 0.00%		(2.52%)	<b>Total value of investments</b>		<b>–</b>	<b>–</b>
	<b>Total Germany</b>	<b>–</b>	<b>–</b>	<b>Net other assets (0.30%)</b>		<b>–</b>	<b>–</b>
<b>ITALY 0.00%</b>	<b>(9.34%)</b>			<b>Net assets</b>		<b>–</b>	<b>–</b>
	Food & Drug Retailers 0.00%		(3.05%)				
	Mobile Telecommunications 0.00%		(3.10%)				
	Gas, Water & Multiutilities 0.00%		(3.19%)				
	<b>Total Italy</b>	<b>–</b>	<b>–</b>				
<b>NETHERLANDS 0.00%</b>	<b>(14.59%)</b>						
	Chemicals 0.00%		(1.52%)				
	Personal Goods 0.00%		(5.54%)				
	Media 0.00%		(7.53%)				
	<b>Total Netherlands</b>	<b>–</b>	<b>–</b>				
<b>NORWAY 0.00%</b>	<b>(2.50%)</b>						
	Banks 0.00%		(2.50%)				
	<b>Total Norway</b>	<b>–</b>	<b>–</b>				
<b>REPUBLIC OF IRELAND 0.00%</b>	<b>(2.03%)</b>						
	Construction & Materials 0.00%		(2.03%)				
	<b>Total Republic of Ireland</b>	<b>–</b>	<b>–</b>				

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	3,915	13,636
Total sales for the period	66,255	8,094

## Threadneedle American Extended Alpha Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>CAYMAN ISLANDS 0.00% (0.90%)</b>				<b>Banks 9.35% (9.83%)</b>			
	Support Services 0.00% (0.90%)			389,588	Bank of America	8,167	4.57
	<b>Total Cayman Islands</b>	<b>–</b>	<b>–</b>	102,080	JPMorgan Chase	8,529	4.78
<b>NETHERLANDS 1.62% (0.00%)</b>				<b>Nonlife Insurance 6.54% (6.47%)</b>			
	Technology Hardware & Equipment 1.62% (0.00%)			73,322	Berkshire Hathaway	11,678	6.54
48,856	NXP Semiconductors	2,887	1.62	<b>Financial Services 8.15% (10.72%)</b>			
	<b>Total Netherlands</b>	<b>2,887</b>	<b>1.62</b>	43,637	MasterCard Class A	6,411	3.59
				78,398	Visa 'A' Shares	8,147	4.56
<b>REPUBLIC OF IRELAND 0.92% (3.02%)</b>				<b>Software &amp; Computer Services 19.13% (17.40%)</b>			
	Liquidity Funds 0.92% (3.02%) <sup>1</sup>			17,502	Alphabet Class A	14,376	8.05
2,096,306	BlackRock Institutional Cash Series			53,462	Facebook	6,120	3.43
	US Dollar Liquidity Platinum	1,641	0.92	142,711	Microsoft	11,590	6.49
	<b>Total Republic of Ireland</b>	<b>1,641</b>	<b>0.92</b>	34,173	Nutanix	1,053	0.59
				7,632	Red Hat	1,018	0.57
<b>UNITED STATES OF AMERICA 89.74% (90.83%)</b>				<b>Technology Hardware &amp; Equipment 8.02% (10.12%)</b>			
	Oil & Gas Producers 3.95% (4.40%)			25,593	Analog Devices	1,659	0.93
65,920	Phillips 66	5,267	2.95	9,220	Broadcom	1,596	0.89
145,633	WPX Energy	1,784	1.00	101,583	Lam Research	11,074	6.20
	<b>Chemicals 2.27% (2.71%)</b>			<b>Total United States of America</b>			
98,321	Dowdupont	4,051	2.27			<b>160,269</b>	<b>89.74</b>
	<b>Aerospace &amp; Defence 2.46% (3.02%)</b>			<b>DERIVATIVES 0.26% (-0.77%)</b>			
5,305	Boeing	1,453	0.81	<b>Forward Foreign Exchange Contracts -0.01% (-0.02%)</b>			
8,043	L3 Technologies	1,208	0.68	Sell USD 1,251			
7,593	Lockheed Martin	1,730	0.97	Buy CHF 1,250 J.P. Morgan			
	<b>Electronic &amp; Electrical Equipment 0.24% (0.50%)</b>			Sell USD 1,245			
39,288	Macom Technology Solutions	426	0.24	Buy EUR 1,091 J.P. Morgan			
	<b>Industrial Transportation 3.15% (2.92%)</b>			Sell USD 1,245			
43,257	Norfolk Southern	5,632	3.15	Buy EUR 1,091 J.P. Morgan			
	<b>Food Producers 1.27% (0.00%)</b>			Sell USD 5,118,057			
13,409	Elanco Animal Health	324	0.18	Buy EUR 4,486,108 J.P. Morgan			
59,312	Mondelez International	1,955	1.09	Sell USD 509,946			
	<b>Leisure Goods 0.48% (0.00%)</b>			Buy EUR 446,101 J.P. Morgan			
11,587	Electronic Arts	857	0.48	Sell USD 464,000			
	<b>Health Care Equipment &amp; Services 6.53% (7.11%)</b>			Buy GBP 362,264 Barclays			
40,327	Edwards Lifesciences	4,501	2.52	Sell EUR 9,859			
35,446	UnitedHealth Group	7,169	4.01	Buy USD 11,213 J.P. Morgan			
	<b>Pharmaceuticals &amp; Biotechnology 9.25% (9.86%)</b>			Sell EUR 97,889			
33,034	Alexion Pharmaceuticals	2,953	1.65	Buy USD 111,792 J.P. Morgan			
11,297	Biogen	2,708	1.52	<b>Portfolio Swap 0.27% (-0.75%)</b>			
45,789	Biomarin Pharmaceutical	3,299	1.85	UBS Portfolio Swap			
79,480	Celgene	4,502	2.52	<b>Total Derivatives</b>			
1,952	Illumina	464	0.26			<b>479</b>	<b>0.27</b>
19,294	Vertex Pharmaceuticals	2,590	1.45	<b>Total value of investments<sup>2</sup></b>			
	<b>General Retailers 7.50% (4.37%)</b>			<b>Net other assets (6.02%)</b>			
5,510	Amazon.com	6,600	3.70	<b>Net assets</b>			
315,537	Ebay	6,788	3.80			<b>165,261</b>	<b>92.54</b>
	<b>Media 0.00% (0.87%)</b>			<b>13,332</b>			
	<b>Travel &amp; Leisure 1.45% (0.53%)</b>			<b>178,593</b>			
1,802	Booking Holdings	2,590	1.45	<b>100.00</b>			

April 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	54,350	32,287
Total sales for the period	59,303	47,171



## Threadneedle US Equity Income Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value		
<b>OIL &amp; GAS 7.53% (9.61%)</b>				<b>Pharmaceuticals &amp; Biotechnology 12.04% (11.46%)</b>					
	<b>Oil &amp; Gas Producers 5.46% (7.43%)</b>			14,261	AbbVie	910	1.25		
16,641	Chevron	1,444	1.98	15,821	Bristol-Myers Squibb	619	0.85		
15,300	Hess	757	1.04	18,346	Gilead Sciences	1,034	1.42		
33,345	Suncor Energy (USD)	865	1.19	21,030	Johnson & Johnson	2,318	3.18		
12,908	Valero Energy	910	1.25	29,272	Merck & Co	1,670	2.29		
	<b>Oil Equipment, Services &amp; Distribution 2.07% (2.18%)</b>			66,184	Pfizer	2,222	3.05		
14,271	Helmerich & Payne	692	0.95	<b>Total Health Care</b>			<b>10,097</b>	<b>13.86</b>	
19,983	Schlumberger	818	1.12						
	<b>Total Oil &amp; Gas</b>	<b>5,486</b>	<b>7.53</b>	<b>CONSUMER SERVICES 7.11% (6.91%)</b>					
<b>BASIC MATERIALS 2.80% (3.28%)</b>				<b>General Retailers 2.18% (1.94%)</b>					
	<b>Chemicals 1.49% (1.85%)</b>			43,274	American Eagle Outfitters	808	1.11		
26,272	Dowdupont	1,082	1.49	4,362	Costco Wholesale	778	1.07		
	<b>Industrial Metals &amp; Mining 1.31% (1.43%)</b>			<b>Media 2.11% (0.00%)</b>					
21,141	Nucor	958	1.31	52,191	Comcast Corporation	1,540	2.11		
	<b>Total Basic Materials</b>	<b>2,040</b>	<b>2.80</b>	<b>Travel &amp; Leisure 2.82% (4.97%)</b>					
<b>INDUSTRIALS 7.68% (8.31%)</b>				<b>Extended Stay America</b>				1,070	1.47
	<b>Construction &amp; Materials 1.25% (1.54%)</b>			23,539	Six Flags Entertainment	987	1.35		
8,261	Watsco	914	1.25	<b>Total Consumer Services</b>			<b>5,183</b>	<b>7.11</b>	
	<b>Aerospace &amp; Defence 1.89% (2.13%)</b>			<b>TELECOMMUNICATIONS 1.27% (1.27%)</b>					
6,047	Lockheed Martin	1,378	1.89	<b>Fixed Line Telecommunications 1.27% (1.27%)</b>					
	<b>General Industrials 1.83% (2.02%)</b>			19,090	AT&T	455	0.62		
24,225	Eaton	1,334	1.83	10,379	Verizon Communications	473	0.65		
	<b>Industrial Transportation 1.28% (1.35%)</b>			<b>Total Telecommunications</b>			<b>928</b>	<b>1.27</b>	
8,119	Union Pacific	930	1.28	<b>UTILITIES 6.49% (6.26%)</b>					
	<b>Support Services 1.43% (1.27%)</b>			<b>Electricity 4.97% (4.79%)</b>					
9,719	Automatic Data Processing	1,041	1.43	13,850	American Electric Power	805	1.11		
	<b>Total Industrials</b>	<b>5,597</b>	<b>7.68</b>	16,923	Edison International	921	1.26		
<b>CONSUMER GOODS 8.42% (8.53%)</b>				7,217	FPL Group	980	1.35		
	<b>Automobiles &amp; Parts 0.89% (0.00%)</b>			23,473	Xcel Energy	913	1.25		
21,948	Harley Davidson	649	0.89	<b>Gas, Water &amp; Multiutilities 1.52% (1.47%)</b>					
	<b>Food Producers 2.07% (2.85%)</b>			54,800	Nisource	1,110	1.52		
26,748	Kellogg	1,505	2.07	<b>Total Utilities</b>			<b>4,729</b>	<b>6.49</b>	
	<b>Leisure Goods 0.00% (1.18%)</b>			<b>FINANCIALS 22.94% (23.62%)</b>					
	<b>Personal Goods 1.07% (1.48%)</b>			<b>Banks 9.33% (10.57%)</b>					
24,719	Tapestry	780	1.07	38,942	BB&T	1,472	2.02		
	<b>Tobacco 4.39% (3.02%)</b>			28,003	JPMorgan Chase	2,340	3.21		
32,040	Altria Group	1,652	2.27	16,013	Pacwest Bancorp	488	0.67		
21,857	Philip Morris International	1,548	2.12	15,060	PNC Financials	1,471	2.02		
	<b>Total Consumer Goods</b>	<b>6,134</b>	<b>8.42</b>	21,183	Suntrust Banks	1,027	1.41		
<b>HEALTH CARE 13.86% (13.13%)</b>				<b>Nonlife Insurance 1.32% (1.46%)</b>					
	<b>Health Care Equipment &amp; Services 1.82% (1.67%)</b>			9,760	Chubb	958	1.32		
18,738	Medtronic	1,324	1.82	<b>Life Insurance 2.48% (2.84%)</b>					
				24,708	Aflac	834	1.15		
				30,292	Metlife	966	1.33		

## Threadneedle US Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>FINANCIALS 22.94% (23.62%) (continued)</b>			
<b>Real Estate Investment Trusts 7.57% (6.78%)</b>			
7,823	Alexandria Real Estate Equities	759	1.04
11,621	Amer Tower Corporation	1,464	2.01
8,525	CoreSite Realty	611	0.84
10,451	Equity LifeStyle Properties	790	1.08
19,868	Prologis REIT	1,020	1.40
37,743	STORE Capital	876	1.20
<b>Financial Services 2.24% (1.97%)</b>			
11,446	CME Group	1,635	2.24
<b>Total Financials</b>		<b>16,711</b>	<b>22.94</b>
<b>TECHNOLOGY 20.71% (18.39%)</b>			
<b>Software &amp; Computer Services 5.36% (4.75%)</b>			
48,049	Microsoft	3,902	5.36
<b>Technology Hardware &amp; Equipment 15.35% (13.64%)</b>			
26,526	Apple	4,430	6.08
6,636	Broadcom	1,149	1.58
61,636	Cisco Systems	2,151	2.95
72,716	Cypress Semiconductor	727	1.00
11,378	KLA-Tencor	816	1.12
23,012	Maxim Integrated Products	897	1.23
13,926	Texas Instruments	1,014	1.39
<b>Total Technology</b>		<b>15,086</b>	<b>20.71</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
Sell USD 12,906			
Buy CHF 12,895 J.P. Morgan		–	–
Sell USD 13,909			
Buy CHF 13,897 J.P. Morgan		–	–
Sell USD 15,106			
Buy EUR 13,240 J.P. Morgan		–	–
Sell USD 15,274			
Buy EUR 13,388 J.P. Morgan		–	–
Sell USD 15,324			
Buy EUR 13,432 J.P. Morgan		–	–
Sell USD 16,945			
Buy EUR 14,853 J.P. Morgan		–	–
<b>Total Derivatives</b>		<b>–</b>	<b>–</b>
<b>Total value of investments</b>		<b>71,991</b>	<b>98.81</b>
<b>Net other assets (0.69%)</b>		<b>865</b>	<b>1.19</b>
<b>Net assets</b>		<b>72,856</b>	<b>100.00</b>

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	12,290	28,016
Total sales for the period	33,594	44,108

## Threadneedle China Opportunities Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BERMUDA 0.00% (0.76%)</b>				<b>Beverages 0.20% (0.65%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 0.00% (0.76%)</b>			700	Kweichow Moutai	43	0.05
	<b>Total Bermuda</b>	–	–	40,000	Tsingtao Brewery	123	0.13
				4,300	Wuliangye Yibin	23	0.02
<b>CAYMAN ISLANDS 39.69% (40.34%)</b>				<b>Food Producers 0.69% (0.00%)</b>			
	<b>Construction &amp; Materials 1.14% (0.72%)</b>			260,274	Angel Yeast	631	0.69
1,516,000	China Resources Cement Holdings	1,044	1.14		<b>Pharmaceuticals &amp; Biotechnology 0.64% (0.00%)</b>		
	<b>Electronic &amp; Electrical Equipment 1.38% (1.83%)</b>			86,900	BeiGene (Hong Kong Listing)	585	0.64
187,300	Sunny Optical Technology Group	1,270	1.38		<b>General Retailers 2.63% (1.20%)</b>		
	<b>Support Services 0.49% (0.00%)</b>			54,209	New Oriental Education & Technology Group ADR	2,414	2.63
10,140	51job	451	0.49		<b>Banks 17.16% (19.33%)</b>		
	<b>Automobiles &amp; Parts 0.00% (0.43%)</b>			12,213,000	China Construction Bank	7,568	8.23
	<b>Food Producers 1.94% (1.55%)</b>			1,125,000	China Merchants Bank	3,385	3.68
552,000	China Mengniu Dairy	1,270	1.38	9,125,000	Industrial & Commercial Bank of China	4,826	5.25
444,000	Tingyi (Cayman Islands) Holdings	514	0.56		<b>Life Insurance 5.54% (4.11%)</b>		
	<b>Personal Goods 1.55% (1.11%)</b>			691,500	Ping An Insurance Group	5,093	5.54
47,000	Anta Sports Products	151	0.16		<b>Real Estate Investment &amp; Services 0.00% (1.06%)</b>		
148,000	Shenzhen International Group Holdings	1,278	1.39		<b>Technology Hardware &amp; Equipment 1.01% (0.00%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 1.61% (2.41%)</b>			500,420	Luxshare Precision	932	1.01
1,511,000	Sino Biopharmaceutical	1,058	1.15		<b>Total China</b>	<b>33,712</b>	<b>36.68</b>
76,500	Wuxi Biologics Cayman	426	0.46				
	<b>General Retailers 13.64% (11.81%)</b>			<b>HONG KONG 19.17% (15.58%)</b>			
47,874	58.Com ADR	2,267	2.47		<b>Oil &amp; Gas Producers 4.36% (3.51%)</b>		
83,023	Alibaba Group ADR	8,855	9.63	2,986,000	CNOOC	4,005	4.36
33,415	JD.com ADR	585	0.64		<b>General Industrials 0.00% (1.25%)</b>		
38,429	TAL Education Group ADR	830	0.90		<b>Automobiles &amp; Parts 0.57% (0.87%)</b>		
	<b>Travel &amp; Leisure 0.84% (2.56%)</b>			766,000	Brilliance China Automotive	522	0.57
23,919	Ctrip.Com International ADS	584	0.64		<b>Beverages 0.08% (0.00%)</b>		
59,200	Sands China	182	0.20	26,000	China Resources Enterprise	71	0.08
	<b>Real Estate Investment &amp; Services 2.22% (1.06%)</b>				<b>Personal Goods 0.00% (0.45%)</b>		
770,000	China Resources Land	2,036	2.22		<b>Pharmaceuticals &amp; Biotechnology 2.66% (2.65%)</b>		
	<b>Software &amp; Computer Services 14.88% (16.86%)</b>			1,486,000	CSPC Pharmaceutical Group	2,450	2.66
30,592	Baidu ADR	4,392	4.78		<b>General Retailers 2.16% (0.72%)</b>		
8,167	Baozun	244	0.27	2,325,000	Sun Art Retail Group	1,986	2.16
159,000	Kingdee International Software Group	101	0.11		<b>Travel &amp; Leisure 0.16% (0.00%)</b>		
20,372	Momo ADR	489	0.53	35,000	Galaxy Entertainment Group	148	0.16
3,228	Netease	506	0.55		<b>Mobile Telecommunications 7.03% (2.33%)</b>		
299,100	Tencent Holdings	7,945	8.64	691,500	China Mobile	5,041	5.48
	<b>Total Cayman Islands</b>	<b>36,478</b>	<b>39.69</b>	1,752,000	China Unicom	1,421	1.55
					<b>Life Insurance 2.15% (2.18%)</b>		
<b>CHINA 36.68% (30.27%)</b>				333,600	AIA Group	1,976	2.15
	<b>Oil &amp; Gas Producers 3.65% (1.92%)</b>				<b>Real Estate Investment &amp; Services 0.00% (0.57%)</b>		
5,290,000	China Petroleum & Chemical	3,352	3.65		<b>Financial Services 0.00% (1.05%)</b>		
	<b>Industrial Metals &amp; Mining 0.05% (0.00%)</b>				<b>Total Hong Kong</b>	<b>17,620</b>	<b>19.17</b>
50,000	Baoshan Iron & Steel	43	0.05				
	<b>Construction &amp; Materials 1.87% (0.86%)</b>						
425,500	Anhui Conch Cement	1,718	1.87				
	<b>Industrial Engineering 3.24% (1.14%)</b>						
712,700	Zhuzhou CRRC Times Electric	2,976	3.24				

## Threadneedle China Opportunities Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 2.42% (8.90%)</b>			
<b>Industrial Metals &amp; Mining 0.59% (1.48%)</b>			
628,468	JP Morgan Structured Notes Warrant (Baoshan Iron & Steel) 28/04/2020	540	0.59
<b>Electronic &amp; Electrical Equipment 0.00% (0.85%)</b>			
<b>Beverages 0.26% (1.88%)</b>			
44,875	JP Morgan Structured Notes Warrant (Wuliangye Yibin) 30/06/2020	242	0.26
<b>Food Producers 0.85% (1.51%)</b>			
322,132	JP Morgan Structured Notes Warrant (Angel Yeast) 26/04/2021	781	0.85
<b>Household Goods &amp; Home Construction 0.00% (0.97%)</b>			
<b>Life Insurance 0.72% (1.76%)</b>			
93,211	JP Morgan Structured Notes Warrant (Ping An of China) 12/04/2021	666	0.72
<b>Technology Hardware &amp; Equipment 0.00% (0.45%)</b>			
<b>Total Luxembourg</b>		<b>2,229</b>	<b>2.42</b>
<b>UNITED STATES OF AMERICA 0.00% (0.86%)</b>			
<b>Travel &amp; Leisure 0.00% (0.86%)</b>			
<b>Total United States of America</b>		<b>–</b>	<b>–</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
Sell USD 2,000,000			
Buy GBP 1,561,483 Barclays		(4)	–
Sell GBP 1,275,232			
Buy USD 1,635,000 Barclays		4	–
<b>Total Derivatives</b>		<b>–</b>	<b>–</b>
<b>Total value of investments</b>		<b>90,039</b>	<b>97.96</b>
<b>Net other assets (3.29%)</b>		<b>1,875</b>	<b>2.04</b>
<b>Net assets</b>		<b>91,914</b>	<b>100.00</b>

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	43,957	34,019
Total sales for the period	46,985	28,308

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.13% (0.85%)</b>				<b>CAYMAN ISLANDS 17.91% (18.05%)</b>			
	<b>Construction &amp; Materials 0.00% (0.61%)</b>				<b>Electronic &amp; Electrical Equipment 0.33% (0.49%)</b>		
	<b>Banks 0.13% (0.24%)</b>			132,400	Sunny Optical Technology Group	898	0.33
10,857	Banco Macro ADR	366	0.13		<b>Support Services 1.17% (1.14%)</b>		
	<b>Total Argentina</b>	<b>366</b>	<b>0.13</b>	157,779	PagSeguro Digital	3,204	1.17
<b>BERMUDA 1.30% (1.07%)</b>					<b>Automobiles &amp; Parts 0.73% (0.72%)</b>		
	<b>Banks 1.30% (1.07%)</b>			1,834,000	Nexteer Automotive Group	2,006	0.73
20,590	Credicorp	3,549	1.30		<b>Pharmaceuticals &amp; Biotechnology 0.79% (0.95%)</b>		
	<b>Total Bermuda</b>	<b>3,549</b>	<b>1.30</b>	389,000	Wuxi Biologics Cayman	2,166	0.79
<b>BRAZIL 9.47% (6.27%)</b>					<b>General Retailers 6.50% (6.36%)</b>		
	<b>Oil &amp; Gas Producers 1.42% (2.13%)</b>			27,987	58.Com ADR	1,325	0.49
62,335	Petrol Brasileiros ADS	801	0.29	153,779	Alibaba Group ADR	16,402	6.01
260,471	Petroleo Brasileiro ADR	3,075	1.13		<b>Travel &amp; Leisure 0.63% (0.53%)</b>		
	<b>Industrial Metals &amp; Mining 1.63% (0.00%)</b>			133,002	Melco Resorts & Entertainment ADR	1,729	0.63
390,493	Vale ADR	4,460	1.63		<b>Banks 0.68% (0.66%)</b>		
	<b>Support Services 0.58% (0.00%)</b>			145,014	TCS Group Holding	1,850	0.68
70,895	StoneCo	1,591	0.58		<b>Software &amp; Computer Services 7.08% (7.20%)</b>		
	<b>Health Care Equipment &amp; Services 1.07% (0.45%)</b>			5,274	Baidu ADR	757	0.28
649,540	Fleury SA	2,921	1.07	1,594,000	Kingdee International Software Group	1,016	0.37
	<b>General Retailers 1.43% (0.64%)</b>			18,994	Netease	2,975	1.09
50,663	Arco Platform 'A' Shares	843	0.31	548,900	Tencent Holdings	14,581	5.34
348,316	Localiza Rent a Car	2,042	0.75		<b>Total Cayman Islands</b>	<b>48,909</b>	<b>17.91</b>
257,451	Lojas Americanas	995	0.37				
	<b>Travel &amp; Leisure 0.75% (0.63%)</b>			<b>CHINA 6.62% (7.38%)</b>			
314,114	Azul	2,049	0.75		<b>Electronic &amp; Electrical Equipment 0.40% (0.00%)</b>		
	<b>Banks 1.93% (1.52%)</b>			110,000	Silergy	1,096	0.40
502,842	Itau Unibanco ADR	5,275	1.93		<b>Beverages 0.75% (0.00%)</b>		
	<b>Real Estate Investment &amp; Services 0.00% (0.56%)</b>			186,710	Jiangsu Yanghe Brewery 'A' Shares	1,852	0.68
	<b>Financial Services 0.66% (0.34%)</b>			935	Kweichow Moutai	58	0.02
321,837	B3 SA Brasil Bolsa Balcao	1,802	0.66	23,600	Wuliangye Yibin	128	0.05
	<b>Total Brazil</b>	<b>25,854</b>	<b>9.47</b>		<b>Household Goods &amp; Home Construction 0.02% (0.00%)</b>		
<b>BRITISH VIRGIN ISLANDS 1.36% (1.16%)</b>				16,300	Midea Group	68	0.02
	<b>Travel &amp; Leisure 0.00% (0.45%)</b>				<b>Pharmaceuticals &amp; Biotechnology 0.56% (0.00%)</b>		
	<b>Software &amp; Computer Services 1.36% (0.71%)</b>			17,539	BeiGene	1,520	0.56
43,044	Luxoft Holding	1,351	0.50		<b>General Retailers 1.33% (1.21%)</b>		
114,711	Mail.Ru Group GDR	2,355	0.86	81,584	New Oriental Education & Technology Group ADR	3,633	1.33
	<b>Total British Virgin Islands</b>	<b>3,706</b>	<b>1.36</b>		<b>Banks 1.86% (4.32%)</b>		
<b>CANADA 1.03% (1.08%)</b>				634,000	China Merchants Bank	1,907	0.70
	<b>Oil &amp; Gas Producers 0.58% (0.53%)</b>			5,969,000	Industrial & Commercial Bank of China	3,157	1.16
139,497	Parex Resources	1,575	0.58		<b>Life Insurance 1.70% (1.85%)</b>		
	<b>Industrial Metals &amp; Mining 0.45% (0.55%)</b>			631,500	Ping An Insurance Group	4,651	1.70
178,222	First Quantum Minerals	1,241	0.45		<b>Total China</b>	<b>18,070</b>	<b>6.62</b>
	<b>Total Canada</b>	<b>2,816</b>	<b>1.03</b>	<b>COLOMBIA 0.00% (0.88%)</b>			
					<b>Banks 0.00% (0.88%)</b>		
					<b>Total Colombia</b>	<b>-</b>	<b>-</b>

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>CZECH REPUBLIC 0.00% (1.00%)</b>				<b>INDONESIA 5.82% (1.54%)</b>			
	<b>Banks 0.00% (1.00%)</b>				<b>Automobiles &amp; Parts 0.80% (0.00%)</b>		
	<b>Total Czech Republic</b>	–	–	5,348,500	Astra International	2,169	0.80
<b>HONG KONG 6.12% (4.99%)</b>					<b>General Retailers 0.72% (0.00%)</b>		
	<b>Automobiles &amp; Parts 0.35% (0.27%)</b>			28,127,600	Ace Hardware Indonesia	1,977	0.72
1,418,000	Brilliance China Automotive	966	0.35		<b>Banks 3.76% (1.54%)</b>		
	<b>Household Goods &amp; Home Construction 1.99% (2.02%)</b>			4,039,800	Bank Central Asia	4,915	1.80
1,486,000	Techtronic Industries	5,435	1.99	33,066,100	Bank Rakyat Indonesia	5,364	1.96
	<b>Personal Goods 0.00% (0.55%)</b>				<b>Real Estate Investment &amp; Services 0.54% (0.00%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.67% (0.50%)</b>			60,440,800	Pakuwon Jati	1,482	0.54
1,106,000	CSPC Pharmaceutical Group	1,823	0.67		<b>Total Indonesia</b>	<b>15,907</b>	<b>5.82</b>
	<b>Travel &amp; Leisure 0.99% (0.62%)</b>			<b>ITALY 0.00% (0.29%)</b>			
636,000	Galaxy Entertainment Group	2,688	0.99		<b>Personal Goods 0.00% (0.29%)</b>		
	<b>Life Insurance 2.12% (1.03%)</b>				<b>Total Italy</b>	–	–
977,200	AIA Group	5,788	2.12	<b>LUXEMBOURG 2.39% (2.82%)</b>			
	<b>Total Hong Kong</b>	<b>16,700</b>	<b>6.12</b>		<b>Beverages 1.59% (1.92%)</b>		
<b>INDIA 10.23% (10.98%)</b>				30,842	JP Morgan Structured Note Warrant (Kweichow Moutai) 10/07/2020	1,900	0.70
	<b>Oil &amp; Gas Producers 1.11% (0.00%)</b>			447,914	JP Morgan Structured Notes Warrant (Wuliangye Yibin) 30/06/2020	2,421	0.89
270,144	Reliance Industries	3,027	1.11		<b>Household Goods &amp; Home Construction 0.80% (0.90%)</b>		
	<b>Chemicals 0.00% (0.78%)</b>			529,266	JP Morgan Structured Notes Warrant (Midea Group) 16/04/2020	2,200	0.80
	<b>Construction &amp; Materials 0.00% (1.13%)</b>				<b>Total Luxembourg</b>	<b>6,521</b>	<b>2.39</b>
	<b>Industrial Engineering 1.95% (2.40%)</b>			<b>MEXICO 2.16% (1.85%)</b>			
23,137	Eicher Motors	5,318	1.95		<b>Chemicals 0.92% (0.00%)</b>		
	<b>Industrial Transportation 0.39% (0.71%)</b>			1,197,109	Mexichem	2,526	0.92
316,270	Adani Ports And Special Economic Zone	1,065	0.39		<b>Construction &amp; Materials 0.00% (0.23%)</b>		
	<b>Automobiles &amp; Parts 0.56% (0.42%)</b>				<b>Travel &amp; Leisure 0.00% (0.53%)</b>		
132,802	Balkrishna Industries	1,535	0.56		<b>Banks 1.24% (1.09%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.72% (0.00%)</b>			792,561	Grupo Financiero Banorte	3,377	1.24
112,687	Biocon	783	0.29		<b>Total Mexico</b>	<b>5,903</b>	<b>2.16</b>
148,769	Natco Pharma	1,187	0.43	<b>NETHERLANDS 1.21% (1.27%)</b>			
	<b>General Retailers 0.00% (0.52%)</b>				<b>Travel &amp; Leisure 0.00% (0.17%)</b>		
	<b>Gas, Water &amp; Multiutilities 0.95% (0.88%)</b>			152,965	Yandex	3,299	1.21
926,509	Indraprastha Gas	2,606	0.95		<b>Total Netherlands</b>	<b>3,299</b>	<b>1.21</b>
	<b>Banks 2.78% (3.02%)</b>			<b>PANAMA 0.51% (0.00%)</b>			
62,075	HDFC Bank ADR	4,268	1.56		<b>Travel &amp; Leisure 0.51% (0.00%)</b>		
141,517	IndusInd Bank	2,128	0.78	24,850	Copa Holdings	1,398	0.51
218,113	RBL Bank	1,204	0.44		<b>Total Panama</b>	<b>1,398</b>	<b>0.51</b>
	<b>Life Insurance 0.78% (0.00%)</b>			<b>PHILIPPINES 0.00% (0.64%)</b>			
536,106	HDFC Stand Life Insurance	2,117	0.78		<b>Gas, Water &amp; Multiutilities 0.00% (0.16%)</b>		
	<b>Financial Services 0.99% (0.53%)</b>				<b>Banks 0.00% (0.48%)</b>		
34,248	Bajaj Finance	859	0.31		<b>Total Philippines</b>	–	–
124,872	HDFC Asset Management	1,851	0.68				
	<b>Software &amp; Computer Services 0.00% (0.59%)</b>						
	<b>Total India</b>	<b>27,948</b>	<b>10.23</b>				

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>POLAND 1.41% (1.10%)</b>							
	<b>Food &amp; Drug Retailers 0.36% (0.89%)</b>						
56,465	Dino Polska	987	0.36				
	<b>Banks 0.00% (0.21%)</b>						
	<b>Financial Services 1.05% (0.00%)</b>						
75,300	Kruk	2,853	1.05				
	<b>Total Poland</b>	<b>3,840</b>	<b>1.41</b>				
<b>REPUBLIC OF IRELAND 0.00% (0.00%)</b>							
	<b>Liquidity Funds 0.00% (0.00%)<sup>1</sup></b>						
7,640	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	6	–				
	<b>Total Republic of Ireland</b>	<b>6</b>	<b>–</b>				
<b>RUSSIA 0.65% (2.43%)</b>							
	<b>Industrial Metals &amp; Mining 0.00% (0.54%)</b>						
	<b>Food &amp; Drug Retailers 0.00% (0.18%)</b>						
	<b>Travel &amp; Leisure 0.00% (0.35%)</b>						
	<b>Banks 0.65% (1.36%)</b>						
198,252	Sberbank of Russia	1,780	0.65				
	<b>Total Russia</b>	<b>1,780</b>	<b>0.65</b>				
<b>SOUTH AFRICA 6.81% (6.66%)</b>							
	<b>Chemicals 0.84% (0.00%)</b>						
89,160	Sasol	2,280	0.84				
	<b>Industrial Transportation 0.00% (0.53%)</b>						
	<b>Food Producers 0.64% (0.66%)</b>						
327,781	AVI	1,737	0.64				
	<b>General Retailers 0.17% (0.56%)</b>						
37,935	Mr Price Group	469	0.17				
	<b>Media 4.04% (3.80%)</b>						
80,651	Naspers	11,028	4.04				
	<b>Banks 0.97% (0.64%)</b>						
32,504	Capitec Bank Holdings	1,718	0.63				
272,458	FirstRand	940	0.34				
	<b>Life Insurance 0.15% (0.47%)</b>						
49,829	Discovery	417	0.15				
	<b>Total South Africa</b>	<b>18,589</b>	<b>6.81</b>				
<b>SOUTH KOREA 11.06% (14.34%)</b>							
	<b>Industrial Metals &amp; Mining 0.26% (0.93%)</b>						
4,025	POSCO	712	0.26				
	<b>Electronic &amp; Electrical Equipment 0.00% (0.74%)</b>						
	<b>Leisure Goods 0.00% (6.80%)</b>						
	<b>General Retailers 0.00% (0.62%)</b>						
	<b>Mobile Telecommunications 0.81% (0.00%)</b>						
12,076	SK Telecom	2,219	0.81				
	<b>Banks 0.94% (1.27%)</b>						
78,806	KB Financial Group	2,566	0.94				
	<b>Software &amp; Computer Services 0.94% (1.04%)</b>						
				13,641	Cafe24	1,035	0.38
				19,460	NAVER	1,524	0.56
	<b>Technology Hardware &amp; Equipment 8.11% (2.94%)</b>						
				607,218	Samsung Electronics	17,666	6.47
				95,789	SK Hynix	4,481	1.64
					<b>Total South Korea</b>	<b>30,203</b>	<b>11.06</b>
<b>TAIWAN 5.31% (6.13%)</b>							
	<b>Electronic &amp; Electrical Equipment 0.00% (0.59%)</b>						
	<b>Food &amp; Drug Retailers 0.00% (0.30%)</b>						
	<b>Banks 0.00% (0.72%)</b>						
	<b>Life Insurance 1.11% (1.01%)</b>						
				2,444,000	Cathay Financial Holdings	3,024	1.11
	<b>Technology Hardware &amp; Equipment 4.20% (3.51%)</b>						
				93,000	ASMedia Technology	1,005	0.37
				354,238	Taiwan Semiconductor Manufacturing ADR	10,477	3.83
					<b>Total Taiwan</b>	<b>14,506</b>	<b>5.31</b>
<b>THAILAND 3.43% (3.79%)</b>							
	<b>Oil &amp; Gas Producers 0.52% (0.63%)</b>						
				1,181,600	PTT	1,423	0.52
	<b>Banks 0.43% (0.98%)</b>						
				628,700	TISCO Financial Group	1,165	0.43
	<b>Real Estate Investment &amp; Services 0.00% (1.36%)</b>						
	<b>Financial Services 2.48% (0.82%)</b>						
				5,514,700	Muangthai Capital	6,772	2.48
					<b>Total Thailand</b>	<b>9,360</b>	<b>3.43</b>
<b>TURKEY 0.00% (0.15%)</b>							
	<b>Automobiles &amp; Parts 0.00% (0.15%)</b>						
	<b>Total Turkey</b>						
<b>UNITED STATES OF AMERICA 0.80% (0.89%)</b>							
	<b>Electronic &amp; Electrical Equipment 0.80% (0.51%)</b>						
				25,900	Universal Display	2,193	0.80
	<b>Banks 0.00% (0.38%)</b>						
	<b>Total United States of America</b>					<b>2,193</b>	<b>0.80</b>
	<b>Total value of investments<sup>2</sup></b>					<b>261,423</b>	<b>95.73</b>
	<b>Net other assets (2.39%)</b>					<b>11,660</b>	<b>4.27</b>
	<b>Net assets</b>					<b>273,083</b>	<b>100.00</b>
	<i>April 2018 comparatives in brackets.</i>						
	<sup>1</sup> Cash equivalents.						
	<sup>2</sup> Includes Cash equivalents.						
	<b>Total Purchases and Sales</b>						
	<i>for the accounting period 1 May 2018 to 31 October 2018</i>						
						<b>2018</b>	<b>2017</b>
						<b>£000</b>	<b>£000</b>
	Total purchases for the period					128,154	170,746
	Total sales for the period					138,385	153,154

## Threadneedle Emerging Market Local Fund

### Portfolio Statement

as at 31 October 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 2.24% (1.74%)</b>					<b>GEORGIA 1.25% (0.00%)</b>				
		<b>B+ 1.16% (1.01%)</b>					<b>BB- 1.25% (0.00%)</b>		
USD	1,100,000	Provincia de Buenos Aires 9.95% 09/06/2021	841	1.16	USD	1,100,000	Georgia Government International Bond 6.875% 12/04/2021	904	1.25
		<b>B2 0.25% (0.73%)</b>					<b>Total Georgia</b>	<b>904</b>	<b>1.25</b>
ARS	10,000,000	Republic of Argentina 15.5% 17/10/2026	179	0.25					
		<b>Not Rated 0.83% (0.00%)</b>					<b>HONG KONG 1.33% (1.02%)</b>		
ARS	27,000,000	Republic of Argentina 0% 28/02/2019	604	0.83	USD	1,235,000	China National Chemical Corporation 4.625% 14/03/2023	963	1.33
		<b>Total Argentina</b>	<b>1,624</b>	<b>2.24</b>			<b>Total Hong Kong</b>	<b>963</b>	<b>1.33</b>
<b>BRAZIL 15.50% (13.47%)</b>					<b>HUNGARY 0.72% (0.00%)</b>				
		<b>BB- 15.50% (13.47%)</b>					<b>BBB- 0.72% (0.00%)</b>		
BRL	8,225	Brazil Government International Bond 10% 01/01/2021	1,861	2.57	HUF	200,000,000	Hungary Government International Bond 3% 27/10/2027	520	0.72
BRL	10,063	Brazil Government International Bond 10% 01/01/2023	2,272	3.13			<b>Total Hungary</b>	<b>520</b>	<b>0.72</b>
BRL	11,784	Brazil Government International Bond 10% 01/01/2025	2,620	3.62			<b>INDONESIA 9.25% (8.68%)</b>		
BRL	7,755	Brazil Government International Bond 10% 01/01/2027	1,702	2.35			<b>Baa2 6.27% (5.92%)</b>		
BRL	14,803	Brazil Letras do Tesouro Nacional 0% 01/07/2020	2,774	3.83	IDR	29,996,000,000	Indonesia Government International Bond 6.625% 15/05/2033	1,271	1.75
		<b>Total Brazil</b>	<b>11,229</b>	<b>15.50</b>	IDR	27,600,000,000	Indonesia Government International Bond 7% 15/05/2027	1,284	1.77
<b>COLOMBIA 7.20% (6.42%)</b>					<b>INDONESIA 9.25% (8.68%)</b>				
		<b>Baa2 3.34% (2.95%)</b>					<b>BBB- 0.72% (0.00%)</b>		
COP	10,482,000,000	Colombia Government International Bond 4.375% 21/03/2023	2,420	3.34	IDR	14,200,000,000	Indonesia Government International Bond 9% 15/03/2029	745	1.03
		<b>BBB- 3.86% (3.47%)</b>			IDR	23,125,000,000	Indonesia Government International Bond 9.5% 15/07/2031	1,246	1.72
COP	797,000,000	Colombia Government International Bond 7.75% 14/04/2021	203	0.28			<b>Not Rated 2.98% (2.76%)</b>		
COP	8,663,000,000	Colombia Government International Bond 9.85% 28/06/2027	2,598	3.58	IDR	34,257,000,000	Indonesia Government International Bond 8.375% 15/09/2026	1,737	2.40
		<b>Total Colombia</b>	<b>5,221</b>	<b>7.20</b>	IDR	8,194,000,000	Indonesia Government International Bond 8.75% 15/05/2031	419	0.58
<b>CROATIA 2.91% (1.39%)</b>					<b>INDONESIA 9.25% (8.68%)</b>				
		<b>BB+ 2.91% (1.39%)</b>					<b>Total Indonesia</b>	<b>6,702</b>	<b>9.25</b>
USD	1,000,000	Croatia Government International Bond 6.375% 24/03/2021	822	1.13			<b>IVORY COAST 1.06% (0.98%)</b>		
		<b>BBB- 3.86% (3.47%)</b>					<b>Ba3 1.06% (0.98%)</b>		
USD	1,600,000	Croatia Government International Bond 6.75% 05/11/2019	1,290	1.78	EUR	970,000	Ivory Coast 6.625% 22/03/2048	768	1.06
		<b>Total Croatia</b>	<b>2,112</b>	<b>2.91</b>			<b>Total Ivory Coast</b>	<b>768</b>	<b>1.06</b>
<b>DOMINICAN REPUBLIC 3.20% (4.67%)</b>					<b>KAZAKHSTAN 0.00% (1.95%)</b>				
		<b>BB- 0.00% (1.61%)</b>					<b>BB- 0.00% (1.95%)</b>		
		<b>Not Rated 3.20% (3.06%)</b>					<b>Total Kazakhstan</b>	<b>-</b>	<b>-</b>
DOP	130,700,000	Dominican Republic International Bond 15.95% 04/06/2021	2,316	3.20			<b>LUXEMBOURG 0.00% (1.33%)</b>		
		<b>Total Dominican Republic</b>	<b>2,316</b>	<b>3.20</b>			<b>BBB- 0.00% (1.33%)</b>		
		<b>Not Rated 3.66% (4.77%)</b>					<b>Total Luxembourg</b>	<b>-</b>	<b>-</b>
		<b>Not Rated 3.66% (4.77%)</b>					<b>MALAYSIA 2.95% (2.40%)</b>		
EGP	38,150,000	Egypt Treasury Bill 0% 22/01/2019	1,596	2.20	MYR	6,253,000	Malaysian Government Bond 3.84% 15/04/2033	1,074	1.48
EGP	25,375,000	Egypt Treasury Bill 0% 05/02/2019	1,054	1.46	MYR	5,601,000	Malaysian Government Bond 4.392% 15/04/2026	1,063	1.47
		<b>Total Egypt</b>	<b>2,650</b>	<b>3.66</b>			<b>Total Malaysia</b>	<b>2,137</b>	<b>2.95</b>



## Threadneedle Emerging Market Local Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>MEXICO 4.47% (4.76%)</b>					<b>ROMANIA 7.35% (0.00%)</b>				
<b>A- 4.02% (4.36%)</b>					<b>Not Rated 7.35% (0.00%)</b>				
MXN	11,593,500	Mexican Bonos 7.5% 03/06/2027	418	0.58	RON	6,800,000	Romania Government Bond 3.25% 29/04/2024	1,201	1.66
MXN	2,044,100	Mexican Bonos 7.75% 29/05/2031	73	0.10	RON	9,000,000	Romania Government Bond 4.75% 24/02/2025	1,708	2.36
MXN	24,000,000	Mexican Bonos 8.5% 31/05/2029	918	1.27	RON	12,000,000	Romania Government Bond 5.8% 26/07/2027	2,418	3.33
MXN	8,000,000	Mexican Bonos 8.5% 18/11/2038	301	0.41	<b>Total Romania</b>				
MXN	29,003,900	Mexican Bonos 10% 05/12/2024	1,202	1.66	<b>5,327 7.35</b>				
<b>A3 0.45% (0.40%)</b>					<b>RUSSIA 2.98% (9.15%)</b>				
MXN	10,000,000	Mexican Bonos 5.75% 05/03/2026	329	0.45	<b>BBB 1.00% (5.09%)</b>				
<b>Total Mexico</b>					<b>RUB 34,000 Russian Federal Bond 7% 25/01/2023</b>				
<b>3,241 4.47</b>					<b>RUB 61,993,000 Russian Federal Bond 8.15% 03/02/2027</b>				
<b>NETHERLANDS 0.00% (0.77%)</b>					<b>Not Rated 1.98% (4.06%)</b>				
<b>BBB 0.00% (0.77%)</b>					<b>RUB 112,000,000 Russian Federal Bond 7.7% 23/03/2033</b>				
<b>Total Netherlands</b>					<b>RUB 15,787,000 Russian Federal Bond 8.5% 17/09/2031</b>				
<b>- -</b>					<b>Total Russia</b>				
<b>NIGERIA 2.90% (2.13%)</b>					<b>2,161 2.98</b>				
<b>Not Rated 2.90% (2.13%)</b>					<b>SENEGAL 1.04% (0.00%)</b>				
NGN	250,000,000	Nigeria Government Treasury Bill (OMO) 0% 13/12/2018	531	0.73	<b>B+ 1.04% (0.00%)</b>				
NGN	250,000,000	Nigeria Government Treasury Bill 0% 17/01/2019	524	0.73	<b>USD 900,000 Senegal Government International Bond 8.75% 13/05/2021</b>				
NGN	500,000,000	Nigeria Government Treasury Bill 0% 31/01/2019	1,044	1.44	<b>Total Senegal</b>				
<b>Total Nigeria</b>					<b>751 1.04</b>				
<b>2,099 2.90</b>					<b>751 1.04</b>				
<b>OMAN 1.31% (1.00%)</b>					<b>SOUTH AFRICA 12.48% (12.78%)</b>				
<b>BB 1.31% (1.00%)</b>					<b>BB+ 11.27% (12.78%)</b>				
USD	1,250,000	Oman Government International 3.625% 15/06/2021	952	1.31	ZAR	1,801,941	South Africa Government Bond 6.25% 31/03/2036	66	0.09
<b>Total Oman</b>					ZAR	33,802,420	South Africa Government Bond 6.5% 28/02/2041 R214	1,210	1.67
<b>952 1.31</b>					ZAR	52,000,000	South Africa Government Bond 7% 28/02/2031	2,206	3.04
<b>PERU 3.85% (3.21%)</b>					ZAR	25,875,932	South Africa Government Bond 8% 31/01/2030	1,209	1.67
<b>A- 3.85% (3.21%)</b>					ZAR	14,096,413	South Africa Government Bond 8.25% 31/03/2032	654	0.90
PEN	10,300,000	Peruvian Government International Bond 8.2% 12/08/2026	2,789	3.85	ZAR	22,979,512	South Africa Government Bond 8.5% 31/01/2037	1,054	1.46
<b>Total Peru</b>					ZAR	31,256,203	South Africa Government Bond 10.5% 21/12/2026	1,770	2.44
<b>2,789 3.85</b>					<b>BB 1.21% (0.00%)</b>				
<b>PHILIPPINES 0.28% (0.22%)</b>					<b>USD 1,200,000 Transnet SOC 4% 26/07/2022</b>				
<b>BBB 0.28% (0.22%)</b>					<b>Total South Africa</b>				
PHP	14,000,000	Philippine Government International Bond 4.95% 15/01/2021	201	0.28	<b>9,044 12.48</b>				
<b>Total Philippines</b>					<b>SUPRANATIONAL 3.00% (1.43%)</b>				
<b>201 0.28</b>					<b>BB 3.00% (1.43%)</b>				
<b>POLAND 0.92% (0.77%)</b>					<b>USD 1,700,000 Republic of Serbia 5.875% 03/12/2018</b>				
<b>A 0.92% (0.00%)</b>					<b>USD 1,000,000 Republic of Serbia 7.25% 28/09/2021</b>				
PLN	3,400,000	Poland Government Bond 2.5% 25/07/2027	664	0.92	<b>Total Supranational</b>				
<b>Total Poland</b>					<b>2,177 3.00</b>				
<b>664 0.92</b>					<b>TURKEY 3.68% (4.36%)</b>				
<b>REPUBLIC OF IRELAND 0.32% (0.26%)</b>					<b>Not Rated 3.68% (4.36%)</b>				
<b>BBB- 0.32% (0.26%)</b>					<b>TRY 6,240,000 Turkey Government Bond 10.6% 11/02/2026</b>				
RUB	19,500,000	Russian Railways via RZD Capital 8.3% 02/04/2019	232	0.32	<b>TRY 20,400,000 Turkey Government Bond 11% 24/02/2027</b>				
<b>Total Republic of Ireland</b>					<b>Total Turkey</b>				
<b>232 0.32</b>					<b>2,669 3.68</b>				



## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 1.13% (1.39%)</b>				<b>INDIA 2.71% (3.19%)</b>			
	<b>Beverages 1.13% (1.39%)</b>				<b>Media 0.00% (0.34%)</b>		
51,594	Anheuser-Busch InBev	3,069	1.13		<b>Banks 2.57% (2.59%)</b>		
	<b>Total Belgium</b>	<b>3,069</b>	<b>1.13</b>	345,876	HDFC Bank	6,977	2.57
<b>BERMUDA 0.72% (1.57%)</b>					<b>Financial Services 0.01% (0.00%)</b>		
	<b>Financial Services 0.72% (1.57%)</b>			1,572	HDFC Asset Management	23	0.01
48,281	Ihs Markit	1,944	0.72		<b>Software &amp; Computer Services 0.13% (0.26%)</b>		
	<b>Total Bermuda</b>	<b>1,944</b>	<b>0.72</b>	76,755	Matrimony.Com	369	0.13
<b>CANADA 1.38% (1.47%)</b>					<b>Total India</b>	<b>7,369</b>	<b>2.71</b>
	<b>Oil &amp; Gas Producers 1.38% (1.47%)</b>			<b>INDONESIA 2.12% (1.43%)</b>			
144,358	Suncor Energy (USD)	3,744	1.38		<b>Banks 2.12% (1.43%)</b>		
	<b>Total Canada</b>	<b>3,744</b>	<b>1.38</b>	35,541,500	Bank Rakyat Indonesia	5,765	2.12
<b>CAYMAN ISLANDS 6.39% (4.70%)</b>					<b>Total Indonesia</b>	<b>5,765</b>	<b>2.12</b>
	<b>Support Services 1.03% (1.21%)</b>			<b>JAPAN 2.48% (4.32%)</b>			
137,699	PagSeguro Digital	2,796	1.03		<b>Electronic &amp; Electrical Equipment 0.76% (0.00%)</b>		
	<b>General Retailers 3.65% (3.49%)</b>			5,400	Keyence	2,062	0.76
92,908	Alibaba Group ADR	9,910	3.65		<b>Industrial Engineering 0.00% (1.16%)</b>		
	<b>Software &amp; Computer Services 1.71% (0.00%)</b>				<b>Automobiles &amp; Parts 0.00% (0.95%)</b>		
174,900	Tencent Holdings	4,646	1.71		<b>Household Goods &amp; Home Construction 0.98% (1.27%)</b>		
	<b>Total Cayman Islands</b>	<b>17,352</b>	<b>6.39</b>	216,600	Sekisui Chemical	2,656	0.98
<b>CHINA 2.73% (1.61%)</b>					<b>Leisure Goods 0.74% (0.94%)</b>		
	<b>Life Insurance 2.73% (1.61%)</b>			8,300	Nintendo	2,017	0.74
1,006,500	Ping An Insurance Group	7,412	2.73		<b>Total Japan</b>	<b>6,735</b>	<b>2.48</b>
	<b>Total China</b>	<b>7,412</b>	<b>2.73</b>	<b>JERSEY 0.00% (0.81%)</b>			
<b>DENMARK 0.81% (0.82%)</b>					<b>Support Services 0.00% (0.81%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.81% (0.82%)</b>				<b>Total Jersey</b>	<b>-</b>	<b>-</b>
65,021	Novo Nordisk	2,206	0.81	<b>NETHERLANDS 0.00% (1.25%)</b>			
	<b>Total Denmark</b>	<b>2,206</b>	<b>0.81</b>		<b>Media 0.00% (1.25%)</b>		
<b>FRANCE 1.04% (0.00%)</b>					<b>Total Netherlands</b>	<b>-</b>	<b>-</b>
	<b>Health Care Equipment &amp; Services 1.04% (0.00%)</b>			<b>REPUBLIC OF IRELAND 3.02% (3.49%)</b>			
26,465	Essilor International	2,827	1.04		<b>Construction &amp; Materials 1.65% (2.03%)</b>		
	<b>Total France</b>	<b>2,827</b>	<b>1.04</b>	191,943	CRH (Dublin Listing)	4,492	1.65
<b>GERMANY 2.77% (0.91%)</b>					<b>Industrial Engineering 1.37% (1.15%)</b>		
	<b>Electronic &amp; Electrical Equipment 0.70% (0.00%)</b>			49,619	Ingersoll-Rand	3,727	1.37
59,465	Osram	1,898	0.70		<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.31%)</b>		
	<b>Household Goods &amp; Home Construction 0.00% (0.91%)</b>				<b>Total Republic of Ireland</b>	<b>8,219</b>	<b>3.02</b>
	<b>Personal Goods 2.07% (0.00%)</b>			<b>SPAIN 0.28% (0.28%)</b>			
30,543	Adidas	5,621	2.07		<b>General Retailers 0.28% (0.28%)</b>		
	<b>Total Germany</b>	<b>7,519</b>	<b>2.77</b>	33,797	Inditex	748	0.28
<b>HONG KONG 1.74% (1.93%)</b>					<b>Total Spain</b>	<b>748</b>	<b>0.28</b>
	<b>Life Insurance 1.74% (1.93%)</b>						
800,600	AIA Group	4,742	1.74				
	<b>Total Hong Kong</b>	<b>4,742</b>	<b>1.74</b>				

## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 1.36% (0.92%)</b>				<b>General Retailers 3.03% (3.81%)</b>			
	<b>Electronic &amp; Electrical Equipment 0.65% (0.92%)</b>			6,870	Amazon.com	8,229	3.03
28,932	TE Connectivity	1,769	0.65		<b>Media 2.07% (1.83%)</b>		
	<b>Support Services 0.71% (0.00%)</b>			4,399	Charter Communications	1,089	0.40
36,886	Ferguson	1,937	0.71	153,985	Comcast Corporation	4,545	1.67
	<b>Total Switzerland</b>	<b>3,706</b>	<b>1.36</b>		<b>Banks 4.67% (6.48%)</b>		
<b>UNITED KINGDOM 9.21% (5.74%)</b>				383,623	Bank of America	8,042	2.96
	<b>Mining 1.46% (1.54%)</b>			55,615	JPMorgan Chase	4,647	1.71
104,660	Rio Tinto	3,977	1.46		<b>Real Estate Investment Trusts 0.93% (0.00%)</b>		
	<b>Personal Goods 1.29% (0.70%)</b>			8,539	Equinix	2,519	0.93
83,827	Unilever	3,496	1.29		<b>Financial Services 8.61% (7.80%)</b>		
	<b>Tobacco 2.42% (1.77%)</b>			152,297	Charles Schwab	5,433	2.00
190,002	British American Tobacco	6,566	2.42	42,221	Goldman Sachs Group	7,248	2.67
	<b>Media 2.00% (0.00%)</b>			30,059	MasterCard Class A	4,416	1.62
354,541	RELX (Amsterdam Listing)	5,451	2.00	60,804	Visa 'A' Shares	6,318	2.32
	<b>Nonlife Insurance 2.04% (1.73%)</b>				<b>Software &amp; Computer Services 4.09% (4.23%)</b>		
44,627	Aon	5,545	2.04	9,304	Alphabet Class A	7,642	2.81
	<b>Total United Kingdom</b>	<b>25,035</b>	<b>9.21</b>	19,405	Facebook	2,221	0.82
				7,680	Tyler Technologies	1,252	0.46
<b>UNITED STATES OF AMERICA 44.15% (52.99%)</b>					<b>Technology Hardware &amp; Equipment 0.00% (0.90%)</b>		
	<b>Oil &amp; Gas Producers 4.09% (5.22%)</b>				<b>Total United States of America</b>	<b>119,974</b>	<b>44.15</b>
69,678	Diamondback Energy	5,994	2.20				
62,188	EOG Resources	5,138	1.89		<b>DERIVATIVES -2.45% (-0.75%)</b>		
	<b>Oil Equipment, Services &amp; Distribution 1.70% (2.39%)</b>				<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
168,599	Halliburton	4,627	1.70		Sell USD 181,799		
	<b>Chemicals 1.26% (1.16%)</b>				Buy SGD 250,764 J.P. Morgan	-	-
29,390	ECOLAB	3,428	1.26		Sell GBP 3,881,852		
	<b>Electronic &amp; Electrical Equipment 1.28% (1.53%)</b>				Buy USD 4,977,000 Barclays	14	-
41,504	Amphenol	2,875	1.06		<b>Portfolio Swap -2.45% (-0.75%)</b>		
54,464	Macom Technology Solutions	591	0.22		UBS Portfolio Swap	(6,659)	(2.45)
	<b>Industrial Transportation 2.68% (2.08%)</b>				<b>Total Derivatives</b>	<b>(6,645)</b>	<b>(2.45)</b>
63,495	Union Pacific	7,274	2.68				
	<b>Support Services 0.00% (0.67%)</b>				<b>Total value of investments</b>	<b>221,721</b>	<b>81.59</b>
	<b>Food Producers 0.09% (0.00%)</b>				<b>Net other assets (11.93%)</b>	<b>50,025</b>	<b>18.41</b>
9,854	Elanco Animal Health	238	0.09		<b>Net assets</b>	<b>271,746</b>	<b>100.00</b>
	<b>Leisure Goods 1.24% (1.12%)</b>						
63,704	Activision Blizzard	3,365	1.24				
	<b>Personal Goods 1.09% (3.29%)</b>						
28,813	Estee Lauder Companies Class A	2,958	1.09				
	<b>Health Care Equipment &amp; Services 3.64% (4.33%)</b>						
7,806	Becton Dickinson	1,409	0.52				
46,169	Centene	4,632	1.70				
19,330	Cooper Cos	3,848	1.42				
	<b>Pharmaceuticals &amp; Biotechnology 3.68% (6.15%)</b>						
33,629	Celgene	1,905	0.70				
96,419	Gilead Sciences	5,436	2.00				
3,326	Illumina	791	0.29				
13,887	Vertex Pharmaceuticals	1,864	0.69				

April 2018 comparatives in brackets.

#### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	44,010	73,273
Total sales for the period	55,903	54,730

## Threadneedle Global Equity Income Fund

### Portfolio Statement

as at 31 October 2018

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>AUSTRALIA 5.38% (5.27%)</b>				<b>FINLAND 1.21% (1.33%)</b>			
	<b>Industrial Metals &amp; Mining 0.49% (0.00%)</b>				<b>Nonlife Insurance 1.21% (1.33%)</b>		
5,458,857	Alumina	7,682	0.49	523,600	Sampo	18,806	1.21
	<b>Construction &amp; Materials 0.77% (1.15%)</b>				<b>Total Finland</b>	<b>18,806</b>	<b>1.21</b>
2,920,401	Dulux Group	11,924	0.77				
	<b>General Industrials 1.19% (0.73%)</b>			<b>FRANCE 1.24% (1.88%)</b>			
2,522,367	Amcor	18,577	1.19		<b>Banks 1.24% (1.88%)</b>		
	<b>Industrial Transportation 2.13% (2.27%)</b>			470,695	BNP Paribas	19,310	1.24
3,638,185	Sydney Airport	12,952	0.83		<b>Total France</b>	<b>19,310</b>	<b>1.24</b>
3,220,055	Transurban	20,204	1.30				
	<b>Real Estate Investment Trusts 0.80% (1.12%)</b>			<b>GERMANY 5.53% (5.76%)</b>			
2,187,189	Goodman Group	12,483	0.80		<b>Chemicals 0.98% (1.06%)</b>		
	<b>Total Australia</b>	<b>83,822</b>	<b>5.38</b>	633,060	Evonik Industries	15,204	0.98
					<b>Media 1.18% (1.37%)</b>		
				357,329	Axel Springer	18,392	1.18
					<b>Mobile Telecommunications 3.37% (3.33%)</b>		
<b>AUSTRIA 1.37% (1.20%)</b>				166,330	1&1 Drillisch Group	5,782	0.37
	<b>Banks 1.37% (1.20%)</b>			3,660,150	Deutsche Telekom	46,828	3.00
657,414	Erste Group Bank	21,318	1.37		<b>Total Germany</b>	<b>86,206</b>	<b>5.53</b>
	<b>Total Austria</b>	<b>21,318</b>	<b>1.37</b>				
				<b>HONG KONG 1.71% (2.06%)</b>			
					<b>Fixed Line Telecommunications 1.71% (1.52%)</b>		
<b>BRAZIL 1.51% (2.82%)</b>				24,781,000	HKT Trust & HKT	26,608	1.71
	<b>Beverages 0.88% (1.26%)</b>				<b>Banks 0.00% (0.54%)</b>		
4,041,834	Ambev	13,751	0.88		<b>Total Hong Kong</b>	<b>26,608</b>	<b>1.71</b>
	<b>General Retailers 0.63% (0.80%)</b>						
4,159,993	Kroton Educacional	9,794	0.63		<b>INDONESIA 2.17% (1.39%)</b>		
	<b>Financial Services 0.00% (0.76%)</b>				<b>Fixed Line Telecommunications 1.39% (1.39%)</b>		
	<b>Total Brazil</b>	<b>23,545</b>	<b>1.51</b>	109,804,400	Telekomunikasi Indonesia	21,656	1.39
					<b>Banks 0.78% (0.00%)</b>		
<b>CANADA 6.59% (6.04%)</b>				75,207,100	Bank Rakyat Indonesia	12,199	0.78
	<b>Oil &amp; Gas Producers 1.16% (1.47%)</b>				<b>Total Indonesia</b>	<b>33,855</b>	<b>2.17</b>
697,878	Suncor Energy CAD	18,097	1.16				
	<b>Oil Equipment, Services &amp; Distribution 1.25% (1.30%)</b>			<b>ISLE OF MAN 0.68% (0.99%)</b>			
657,220	TransCanada	19,464	1.25		<b>Travel &amp; Leisure 0.68% (0.99%)</b>		
	<b>Chemicals 2.14% (1.02%)</b>			1,120,219	GVC Holdings	10,558	0.68
820,681	Nutrien	33,267	2.14		<b>Total Isle of Man</b>	<b>10,558</b>	<b>0.68</b>
	<b>Life Insurance 2.04% (2.25%)</b>						
2,540,912	Manulife Financial	31,809	2.04		<b>JAPAN 6.56% (5.30%)</b>		
	<b>Total Canada</b>	<b>102,637</b>	<b>6.59</b>		<b>Automobiles &amp; Parts 1.75% (1.48%)</b>		
				902,400	Bridgestone	27,238	1.75
<b>CAYMAN ISLANDS 1.07% (1.40%)</b>					<b>Leisure Goods 1.39% (0.00%)</b>		
	<b>Personal Goods 1.07% (1.40%)</b>			88,800	Nintendo	21,579	1.39
5,204,000	Anta Sports Products	16,670	1.07		<b>Real Estate Investment Trusts 0.64% (0.63%)</b>		
	<b>Total Cayman Islands</b>	<b>16,670</b>	<b>1.07</b>	17,885	Japan Hotel Investment REIT	9,928	0.64
					<b>Financial Services 1.52% (2.22%)</b>		
<b>CHINA 1.29% (0.00%)</b>				5,314,100	Daiwa Securities Group	23,746	1.52
	<b>Life Insurance 1.29% (0.00%)</b>				<b>Technology Hardware &amp; Equipment 1.26% (0.97%)</b>		
2,726,000	Ping An Insurance Group	20,076	1.29	181,200	Tokyo Electron	19,640	1.26
	<b>Total China</b>	<b>20,076</b>	<b>1.29</b>		<b>Total Japan</b>	<b>102,131</b>	<b>6.56</b>
<b>DENMARK 0.00% (1.07%)</b>							
	<b>Health Care Equipment &amp; Services 0.00% (1.07%)</b>						
	<b>Total Denmark</b>	<b>-</b>	<b>-</b>				

## Threadneedle Global Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>MEXICO 0.00% (0.56%)</b>				<b>UNITED KINGDOM 13.74% (13.87%)</b>			
	General Retailers 0.00% (0.56%)				Oil & Gas Producers 2.43% (2.44%)		
	<b>Total Mexico</b>	<b>–</b>	<b>–</b>	1,514,227	Royal Dutch Shell 'A' Shares (London Listing)	37,780	2.43
<b>NETHERLANDS 2.04% (4.71%)</b>					Mining 1.94% (2.03%)		
	Chemicals 0.00% (0.93%)			663,701	Anglo American	11,082	0.71
	Personal Goods 2.04% (2.79%)			505,841	Rio Tinto	19,219	1.23
747,615	Unilever (EUR)	31,713	2.04		Aerospace & Defence 0.91% (0.84%)		
	Media 0.00% (0.99%)			2,716,436	BAE Systems	14,180	0.91
	<b>Total Netherlands</b>	<b>31,713</b>	<b>2.04</b>		Tobacco 2.44% (2.85%)		
				1,099,904	British American Tobacco	38,013	2.44
<b>REPUBLIC OF IRELAND 0.96% (0.00%)</b>					Pharmaceuticals & Biotechnology 1.60% (1.52%)		
	Liquidity Funds 0.96% (0.00%) <sup>1</sup>			1,609,405	GlaxoSmithKline	24,984	1.60
19,064,451	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	14,924	0.96		Media 1.81% (0.92%)		
	<b>Total Republic of Ireland</b>	<b>14,924</b>	<b>0.96</b>	1,832,781	RELX (Amsterdam Listing)	28,178	1.81
<b>SOUTH AFRICA 0.36% (0.48%)</b>					Fixed Line Telecommunications 1.09% (1.16%)		
	Food & Drug Retailers 0.36% (0.48%)			7,216,862	BT Group	16,952	1.09
604,124	SPAR Group	5,655	0.36		Banks 0.00% (0.53%)		
	<b>Total South Africa</b>	<b>5,655</b>	<b>0.36</b>		Life Insurance 1.52% (1.58%)		
<b>SOUTH KOREA 1.24% (0.00%)</b>					Legal & General Group	11,600	0.74
	Technology Hardware & Equipment 1.24% (0.00%)			774,143	Prudential	12,084	0.78
664,057	Samsung Electronics	19,320	1.24		<b>Total United Kingdom</b>	<b>214,072</b>	<b>13.74</b>
	<b>Total South Korea</b>	<b>19,320</b>	<b>1.24</b>	<b>UNITED STATES OF AMERICA 33.76% (32.48%)</b>			
<b>SPAIN 2.08% (1.61%)</b>					Oil & Gas Producers 1.36% (2.44%)		
	Construction & Materials 2.08% (1.61%)			215,217	Occidental Petroleum	11,371	0.73
2,036,021	Ferrovial	32,342	2.08	140,033	Valero Energy	9,877	0.63
	<b>Total Spain</b>	<b>32,342</b>	<b>2.08</b>		Oil Equipment, Services & Distribution 2.99% (2.41%)		
<b>SWITZERLAND 4.01% (3.31%)</b>					Enterprise Products Partners	30,707	1.97
	Pharmaceuticals & Biotechnology 2.14% (1.77%)			390,072	Schlumberger	15,974	1.02
490,630	Novartis	33,290	2.14		Construction & Materials 0.90% (0.91%)		
	Banks 1.87% (1.54%)			126,076	Watsco	13,958	0.90
2,705,094	UBS Group	29,232	1.87		Aerospace & Defence 1.44% (0.00%)		
	<b>Total Switzerland</b>	<b>62,522</b>	<b>4.01</b>	98,465	Lockheed Martin	22,436	1.44
<b>TAIWAN 3.43% (3.04%)</b>					General Industrials 1.23% (0.00%)		
	Personal Goods 1.56% (0.74%)			128,589	3M	19,108	1.23
2,628,000	Eclat Textile Company	24,367	1.56		Electronic & Electrical Equipment 1.56% (0.73%)		
	Technology Hardware & Equipment 1.87% (2.30%)			456,547	Emerson Electric	24,236	1.56
4,946,000	Taiwan Semiconductor Manufacturing	29,155	1.87		Support Services 1.73% (1.53%)		
	<b>Total Taiwan</b>	<b>53,522</b>	<b>3.43</b>	532,732	Paychex	26,954	1.73
<b>THAILAND 1.20% (1.97%)</b>					Automobiles & Parts 1.44% (1.38%)		
	Beverages 0.46% (0.61%)			855,631	General Motors	22,452	1.44
20,521,100	Thai Beverage	7,250	0.46		Beverages 2.32% (1.96%)		
	Banks 0.74% (1.36%)			967,936	Coca-Cola	36,084	2.32
3,537,900	Siam Commercial Bank	11,488	0.74				
	<b>Total Thailand</b>	<b>18,738</b>	<b>1.20</b>				

## Threadneedle Global Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Total Purchases and Sales for the accounting period 1 May 2018 to 31 October 2018	2018 £000	2017 £000
<b>UNITED STATES OF AMERICA 33.76% (32.48%) (continued)</b>						
<b>Personal Goods 0.00% (1.05%)</b>						
<b>Tobacco 3.02% (2.26%)</b>						
610,923	Altria Group	31,498	2.02			
219,379	Philip Morris International	15,541	1.00			
<b>Pharmaceuticals &amp; Biotechnology 4.36% (4.05%)</b>						
428,197	Merck & Co	24,423	1.57			
1,294,686	Pfizer	43,460	2.79			
<b>General Retailers 0.00% (0.75%)</b>						
<b>Travel &amp; Leisure 0.62% (0.81%)</b>						
228,767	Six Flags Entertainment	9,590	0.62			
<b>Banks 5.60% (4.42%)</b>						
607,915	BB&T	22,976	1.47			
625,551	Pacwest Bancorp	19,064	1.22			
1,099,305	Wells Fargo	45,344	2.91			
<b>Real Estate Investment Trusts 0.00% (0.60%)</b>						
<b>Financial Services 1.56% (2.44%)</b>						
60,825	Apollo Global Management - A	1,426	0.09			
160,369	CME Group	22,907	1.47			
<b>Equity Investment Instruments 0.00% (1.04%)</b>						
<b>Technology Hardware &amp; Equipment 3.63% (3.70%)</b>						
987,483	Cisco Systems	34,462	2.21			
330,661	Corning	8,084	0.52			
361,216	Maxim Integrated Products	14,077	0.90			
	<b>Total United States of America</b>	<b>526,009</b>	<b>33.76</b>			
<b>DERIVATIVES 0.00% (0.00%)</b>						
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>						
	Sell USD 105					
	Buy AUD 149 J.P. Morgan	–	–			
	Sell USD 234,114					
	Buy AUD 330,394 J.P. Morgan	1	–			
	Sell USD 13,955					
	Buy CHF 13,943 J.P. Morgan	–	–			
	Sell USD 14,313					
	Buy CHF 14,300 J.P. Morgan	–	–			
	Sell USD 10,391					
	Buy EUR 9,108 J.P. Morgan	–	–			
	Sell USD 1,118,139					
	Buy SGD 1,542,557 J.P. Morgan	(3)	–			
	Sell USD 3,334,322					
	Buy SGD 4,599,947 J.P. Morgan	(8)	–			
	Sell USD 6,477,100					
	Buy SGD 8,935,645 J.P. Morgan	(17)	–			
	<b>Total Derivatives</b>	<b>(27)</b>	<b>–</b>			
	<b>Total value of investments<sup>2</sup></b>	<b>1,544,332</b>	<b>99.13</b>			
	<b>Net other assets (1.46%)</b>	<b>13,610</b>	<b>0.87</b>			
	<b>Net assets</b>	<b>1,557,942</b>	<b>100.00</b>			

April 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

## Threadneedle Global Focus Fund

### Portfolio Statement

as at 31 October 2018

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>AUSTRALIA 0.00% (0.73%)</b>				<b>NETHERLANDS 2.99% (6.60%)</b>			
	Pharmaceuticals & Biotechnology 0.00% (0.73%)				Personal Goods 2.99% (2.61%)		
	<b>Total Australia</b>	–	–	2,003	Unilever (EUR)	85	2.99
<b>BELGIUM 0.00% (1.33%)</b>					Media 0.00% (3.99%)		
	Beverages 0.00% (1.33%)				<b>Total Netherlands</b>	<b>85</b>	<b>2.99</b>
	<b>Total Belgium</b>	–	–	<b>REPUBLIC OF IRELAND 2.08% (0.85%)</b>			
<b>CAYMAN ISLANDS 0.99% (1.64%)</b>					Industrial Engineering 2.08% (0.00%)		
	Support Services 0.00% (0.61%)			790	Ingersoll-Rand	59	2.08
	General Retailers 0.99% (1.03%)				Travel & Leisure 0.00% (0.85%)		
258	Alibaba Group ADR	28	0.99		<b>Total Republic of Ireland</b>	<b>59</b>	<b>2.08</b>
	<b>Total Cayman Islands</b>	<b>28</b>	<b>0.99</b>	<b>SOUTH KOREA 0.00% (1.88%)</b>			
<b>CHINA 0.91% (0.00%)</b>					Leisure Goods 0.00% (1.88%)		
	Life Insurance 0.91% (0.00%)				<b>Total South Korea</b>	–	–
3,500	Ping An Insurance Group	26	0.91	<b>SPAIN 2.11% (1.82%)</b>			
	<b>Total China</b>	<b>26</b>	<b>0.91</b>		Mobile Telecommunications 2.11% (1.82%)		
<b>FRANCE 2.89% (2.30%)</b>				3,092	Cellnex Telecom	60	2.11
	Support Services 1.87% (2.30%)				<b>Total Spain</b>	<b>60</b>	<b>2.11</b>
3,377	Elis	53	1.87	<b>SWEDEN 1.87% (1.09%)</b>			
	Beverages 1.02% (0.00%)				Industrial Engineering 1.87% (1.09%)		
248	Pernod Ricard	29	1.02	2,000	Atlas Copco 'B' Shares	36	1.27
	<b>Total France</b>	<b>82</b>	<b>2.89</b>	2,601	Epiroc B	17	0.60
<b>GERMANY 2.96% (1.94%)</b>					<b>Total Sweden</b>	<b>53</b>	<b>1.87</b>
	Personal Goods 2.96% (1.94%)			<b>TAIWAN 1.02% (0.00%)</b>			
456	Adidas	84	2.96		Technology Hardware & Equipment 1.02% (0.00%)		
	<b>Total Germany</b>	<b>84</b>	<b>2.96</b>	979	Taiwan Semiconductor Manufacturing ADR	29	1.02
<b>HONG KONG 4.82% (4.85%)</b>					<b>Total Taiwan</b>	<b>29</b>	<b>1.02</b>
	Life Insurance 4.82% (4.85%)			<b>UNITED KINGDOM 10.21% (7.94%)</b>			
23,200	AIA Group	137	4.82		General Industrials 1.16% (0.00%)		
	<b>Total Hong Kong</b>	<b>137</b>	<b>4.82</b>	8,200	DS Smith	33	1.16
<b>INDIA 6.05% (3.64%)</b>					Tobacco 2.15% (4.24%)		
	Banks 6.05% (3.64%)			1,752	British American Tobacco	61	2.15
3,829	HDFC Bank	77	2.71		Pharmaceuticals & Biotechnology 0.00% (0.30%)		
8,075	Kotak Mahindra Bank	95	3.34		Media 3.63% (0.00%)		
	<b>Total India</b>	<b>172</b>	<b>6.05</b>	6,718	RELX (Amsterdam Listing)	103	3.63
<b>INDONESIA 0.53% (0.54%)</b>					Travel & Leisure 0.81% (0.97%)		
	Banks 0.53% (0.54%)			569	InterContinental Hotels Group	23	0.81
12,600	Bank Central Asia	15	0.53		Nonlife Insurance 2.46% (2.43%)		
	<b>Total Indonesia</b>	<b>15</b>	<b>0.53</b>	563	Aon	70	2.46
<b>JAPAN 2.67% (3.88%)</b>					<b>Total United Kingdom</b>	<b>290</b>	<b>10.21</b>
	Electronic & Electrical Equipment 2.67% (2.73%)			200	Keyence	76	2.67
	Financial Services 0.00% (1.15%)				<b>Total Japan</b>	<b>76</b>	<b>2.67</b>



## Threadneedle Global Focus Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 56.28% (52.73%)</b>			
<b>Electronic &amp; Electrical Equipment 1.09% (0.91%)</b>			
623	Agilent Technologies	31	1.09
<b>Support Services 4.29% (0.91%)</b>			
607	Automatic Data Processing	65	2.29
1,151	TransUnion	57	2.00
<b>Beverages 0.00% (0.85%)</b>			
<b>Leisure Goods 0.91% (1.94%)</b>			
494	Activision Blizzard	26	0.91
<b>Health Care Equipment &amp; Services 15.66% (11.58%)</b>			
371	Becton Dickinson	67	2.36
3,157	Boston Scientific	89	3.13
637	Centene	64	2.25
259	Cooper Cos	52	1.83
470	Thermo Fisher Scientific	86	3.03
429	UnitedHealth Group	87	3.06
<b>Pharmaceuticals &amp; Biotechnology 1.78% (0.00%)</b>			
214	Illumina	51	1.78
<b>General Retailers 2.53% (2.97%)</b>			
60	Amazon.com	72	2.53
<b>Media 0.00% (0.85%)</b>			
<b>Real Estate Investment Trusts 1.37% (1.94%)</b>			
133	Equinix	39	1.37
<b>Financial Services 12.79% (13.88%)</b>			
1,007	Charles Schwab	36	1.27
666	InterContinental Exchange	38	1.34
938	MasterCard Class A	138	4.86
413	S&P Global	57	2.01
902	Visa 'A' Shares	94	3.31
<b>Software &amp; Computer Services 14.37% (13.39%)</b>			
461	Adobe Systems	86	3.03
161	Alphabet Class A	132	4.65
2,344	Microsoft	190	6.69
<b>Technology Hardware &amp; Equipment 1.49% (3.51%)</b>			
1,666	Applied Materials	42	1.49
<b>Total United States of America</b>		<b>1,599</b>	<b>56.28</b>
<b>Total value of investments</b>		<b>2,795</b>	<b>98.38</b>
<b>Net other assets (6.24%)</b>		<b>46</b>	<b>1.62</b>
<b>Net assets</b>		<b>2,841</b>	<b>100.00</b>

April 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000
Total purchases for the period	1,658
Total sales for the period	416

## Threadneedle Global Opportunities Bond Fund

### Portfolio Statement

as at 31 October 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.00%</b>	<b>(1.09%)</b>			<b>GERMANY 0.00%</b>	<b>(3.78%)</b>		
	B+ 0.00% (1.09%)				Aaa 0.00% (2.81%)		
	<b>Total Argentina</b>	–	–		A 0.00% (0.05%)		
<b>AUSTRALIA 0.00%</b>	<b>(1.76%)</b>				BB+ 0.00% (0.42%)		
	A- 0.00% (0.89%)				Ba2 0.00% (0.50%)		
	BBB+ 0.00% (0.45%)				<b>Total Germany</b>	–	–
	BBB 0.00% (0.17%)			<b>HONDURAS 0.00%</b>	<b>(1.50%)</b>		
	BBB- 0.00% (0.25%)				BB- 0.00% (1.50%)		
	<b>Total Australia</b>	–	–		<b>Total Honduras</b>	–	–
<b>AUSTRIA 0.00%</b>	<b>(0.37%)</b>			<b>ICELAND 0.00%</b>	<b>(0.71%)</b>		
	Baa2 0.00% (0.37%)				BBB+ 0.00% (0.71%)		
	<b>Total Austria</b>	–	–		<b>Total Iceland</b>	–	–
<b>BELGIUM 0.00%</b>	<b>(0.42%)</b>			<b>ITALY 0.00%</b>	<b>(0.67%)</b>		
	A- 0.00% (0.42%)				BBB- 0.00% (0.45%)		
	<b>Total Belgium</b>	–	–		BB+ 0.00% (0.22%)		
<b>BERMUDA 0.00%</b>	<b>(0.84%)</b>				<b>Total Italy</b>	–	–
	BBB- 0.00% (0.84%)			<b>IVORY COAST 0.00%</b>	<b>(1.37%)</b>		
	<b>Total Bermuda</b>	–	–		Ba3 0.00% (1.37%)		
<b>BRITISH VIRGIN ISLANDS 0.00%</b>	<b>(0.27%)</b>				<b>Total Ivory Coast</b>	–	–
	BBB 0.00% (0.27%)			<b>JAPAN 0.00%</b>	<b>(0.39%)</b>		
	<b>Total British Virgin Islands</b>	–	–		BB+ 0.00% (0.39%)		
<b>CANADA 0.00%</b>	<b>(1.09%)</b>				<b>Total Japan</b>	–	–
	BBB 0.00% (0.51%)			<b>JERSEY 0.00%</b>	<b>(1.70%)</b>		
	BB- 0.00% (0.58%)				(P)Ba2 0.00% (0.40%)		
	<b>Total Canada</b>	–	–		B 0.00% (0.90%)		
<b>CAYMAN ISLANDS 0.00%</b>	<b>(0.96%)</b>				B- 0.00% (0.40%)		
	A+ 0.00% (0.44%)				<b>Total Jersey</b>	–	–
	B 0.00% (0.52%)			<b>LUXEMBOURG 0.00%</b>	<b>(3.92%)</b>		
	<b>Total Cayman Islands</b>	–	–		BBB+ 0.00% (0.85%)		
<b>DOMINICAN REPUBLIC 0.00%</b>	<b>(1.23%)</b>				Baa2 0.00% (0.64%)		
	BB- 0.00% (1.23%)				BBB- 0.00% (0.28%)		
	<b>Total Dominican Republic</b>	–	–		BB 0.00% (0.45%)		
<b>EGYPT 0.00%</b>	<b>(1.35%)</b>				B+ 0.00% (0.12%)		
	B3 0.00% (1.35%)				B 0.00% (0.95%)		
	<b>Total Egypt</b>	–	–		B- 0.00% (0.61%)		
<b>FRANCE 0.00%</b>	<b>(1.30%)</b>				Collective Investment Schemes 0.00% (0.02%)		
	BBB 0.00% (0.52%)				<b>Total Luxembourg</b>	–	–
	BB 0.00% (0.29%)			<b>MEXICO 0.00%</b>	<b>(0.60%)</b>		
	B+ 0.00% (0.49%)				BBB+ 0.00% (0.60%)		
	<b>Total France</b>	–	–		<b>Total Mexico</b>	–	–

## Threadneedle Global Opportunities Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 0.00% (5.36%)</b>							
	A 0.00% (0.14%)				BBB 0.00% (1.58%)		
	BBB+ 0.00% (0.51%)				BB+ 0.00% (0.79%)		
	BBB 0.00% (0.46%)				<b>Total Switzerland</b>	<b>–</b>	<b>–</b>
	BBB- 0.00% (1.05%)			<b>UNITED KINGDOM 0.00% (13.17%)</b>			
	BB+ 0.00% (0.72%)				AAA 0.00% (0.61%)		
	BB 0.00% (0.68%)				AA 0.00% (0.33%)		
	Ba2 0.00% (0.39%)				A- 0.00% (0.28%)		
	BB- 0.00% (0.93%)				BBB+ 0.00% (2.80%)		
	B 0.00% (0.48%)				Baa1 0.00% (0.22%)		
	<b>Total Netherlands</b>	<b>–</b>	<b>–</b>		BBB 0.00% (0.25%)		
<b>NORWAY 0.00% (0.25%)</b>					Baa2 0.00% (0.85%)		
	A+ 0.00% (0.25%)				BBB- 0.00% (3.33%)		
	<b>Total Norway</b>	<b>–</b>	<b>–</b>		Baa3 0.00% (0.67%)		
<b>PORTUGAL 0.00% (0.67%)</b>					BB+ 0.00% (0.70%)		
	Not Rated 0.00% (0.67%)				BB 0.00% (0.46%)		
	<b>Total Portugal</b>	<b>–</b>	<b>–</b>		BB- 0.00% (0.33%)		
<b>REPUBLIC OF IRELAND 0.00% (0.89%)</b>					B 0.00% (0.83%)		
	BB- 0.00% (0.41%)				B- 0.00% (0.56%)		
	B- 0.00% (0.48%)				B3 0.00% (0.48%)		
	<b>Total Republic of Ireland</b>	<b>–</b>	<b>–</b>		Not Rated 0.00% (0.47%)		
<b>RUSSIA 0.00% (9.29%)</b>					<b>Total United Kingdom</b>	<b>–</b>	<b>–</b>
	Not Rated 0.00% (9.29%)			<b>UNITED STATES OF AMERICA 0.00% (22.91%)</b>			
	<b>Total Russia</b>	<b>–</b>	<b>–</b>		Aaa 0.00% (10.38%)		
<b>SENEGAL 0.00% (1.37%)</b>					A 0.00% (0.24%)		
	B+ 0.00% (1.37%)				A- 0.00% (0.43%)		
	<b>Total Senegal</b>	<b>–</b>	<b>–</b>		BBB+ 0.00% (3.24%)		
<b>SOUTH AFRICA 0.00% (5.89%)</b>					BBB 0.00% (1.90%)		
	BB+ 0.00% (5.89%)				BBB- 0.00% (3.28%)		
	<b>Total South Africa</b>	<b>–</b>	<b>–</b>		BB+ 0.00% (2.17%)		
<b>SPAIN 0.00% (0.25%)</b>					BB 0.00% (0.51%)		
	BBB- 0.00% (0.25%)				BB- 0.00% (0.27%)		
	<b>Total Spain</b>	<b>–</b>	<b>–</b>		B+ 0.00% (0.15%)		
<b>SWEDEN 0.00% (1.71%)</b>					B 0.00% (0.34%)		
	BBB 0.00% (1.71%)				<b>Total United States of America</b>	<b>–</b>	<b>–</b>
	<b>Total Sweden</b>	<b>–</b>	<b>–</b>				
<b>SWITZERLAND 0.00% (3.57%)</b>							
	A- 0.00% (0.36%)						
	BBB+ 0.00% (0.84%)						

## Threadneedle Global Opportunities Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 5.75% (-4.14%)</b>							
	<b>Credit Default Swaps 0.00% (-3.80%)</b>				Sell USD 17,832		
					Buy MXN 337,274 HSBC	(1)	(0.38)
					Sell USD 4,532		
	<b>Futures and Options 0.00% (-0.27%)</b>				Buy MXN 85,667 Bank of Scotland	–	–
					Sell USD 2,886,827		
	<b>Forward Foreign Exchange Contracts 5.75% (-0.07%)</b>				Buy NOK 23,505,195 J.P. Morgan	(73)	(27.97)
	Sell JPY 155,065,977				Sell USD 1,305		
	Buy AUD 1,908,494 HSBC	(13)	(4.98)		Buy NZD 1,996 Goldman Sachs	–	–
	Sell USD 8,601				Sell USD 16,183		
	Buy AUD 12,043 J.P. Morgan	–	–		Buy NZD 24,698 J.P. Morgan	–	–
	Sell USD 137,147				Sell USD 107,941		
	Buy AUD 193,740 HSBC	–	–		Buy SEK 962,381 Citigroup	(2)	(0.77)
	Sell USD 17,132				Sell AUD 1,488,110		
	Buy CAD 22,205 Bank of Scotland	–	–		Buy USD 1,062,715 Citigroup	4	1.53
	Sell GBP 178				Sell GBP 857,065		
	Buy CAD 303 HSBC	–	–		Buy USD 1,133,376 Citigroup	29	11.11
	Sell USD 16,946				Sell EUR 1,084,127		
	Buy CHF 16,671 J.P. Morgan	–	–		Buy USD 1,259,055 Bank of Scotland	21	8.05
	Sell USD 8,650				Sell GBP 8,038		
	Buy CHF 8,495 UBS	–	–		Buy USD 10,500 UBS	–	–
	Sell USD 574,244				Sell SEK 914,336		
	Buy COP 1,732,745,350 Goldman Sachs	(27)	(10.34)		Buy USD 103,456 HSBC	3	1.15
	Sell GBP 1,037,151				Sell GBP 9,890,370		
	Buy EUR 1,168,884 HSBC	2	0.77		Buy USD 13,035,769 J.P. Morgan	306	117.24
	Sell USD 2,090,534				Sell COP 428,054,005		
	Buy EUR 1,797,630 UBS	(37)	(14.18)		Buy USD 142,339 HSBC	7	2.68
	Sell GBP 9,283,168				Sell ZAR 2,223,283		
	Buy EUR 10,529,037 UBS	76	29.12		Buy USD 153,527 Goldman Sachs	2	0.77
	Sell GBP 159,718				Sell GBP 119,554		
	Buy EUR 179,970 J.P. Morgan	–	–		Buy USD 159,163 J.P. Morgan	5	1.92
	Sell GBP 2,341,238				Sell EUR 14,545,711		
	Buy EUR 2,652,037 Citigroup	16	6.13		Buy USD 17,098,847 UBS	445	170.50
	Sell NOK 5,948,725				Sell CAD 22,508		
	Buy EUR 628,883 Citigroup	6	2.30		Buy USD 17,404 Citigroup	–	–
	Sell USD 99,127				Sell JPY 1,948,272		
	Buy EUR 85,306 Barclays	(2)	(0.77)		Buy USD 17,421 J.P. Morgan	–	–
	Sell USD 159,502				Sell NZD 26,694		
	Buy GBP 121,273 Barclays	(4)	(1.53)		Buy USD 17,653 HSBC	–	–
	Sell EUR 197,896				Sell NOK 17,556,470		
	Buy GBP 174,231 Bank of Scotland	(2)	(0.77)		Buy USD 2,157,838 J.P. Morgan	56	21.46
	Sell AUD 37,008				Sell MXN 422,941		
	Buy GBP 20,076 Bank of Scotland	–	–		Buy USD 22,351 Barclays	1	0.38
	Sell USD 32,931,199				Sell CHF 25,166		
	Buy GBP 24,916,996 HSBC	(841)	(322.22)		Buy USD 26,187 UBS	1	0.38
	Sell EUR 301,833				Sell EUR 259,466		
	Buy GBP 269,092 Bank of Scotland	1	0.38		Buy USD 307,031 J.P. Morgan	10	3.83
	Sell USD 38,262				Sell EUR 280,534		
	Buy GBP 28,984 Citigroup	(1)	(0.38)		Buy USD 322,788 J.P. Morgan	3	1.15
	Sell USD 79,091				Sell EUR 291,881		
	Buy GBP 60,243 Barclays	(2)	(0.77)		Buy USD 345,146 HSBC	11	4.22
	Sell USD 901,609				Sell GBP 3,293,657		
	Buy GBP 684,067 Bank of Scotland	(21)	(8.04)		Buy USD 4,279,707 HSBC	54	20.69
	Sell USD 1,059,816				Sell COP 1,305,285,351		
	Buy GBP 806,922 HSBC	(22)	(8.43)		Buy USD 421,604 HSBC	12	4.60
	Sell USD 17,531				Sell ZAR 6,185,103		
	Buy JPY 1,955,338 Bank of Scotland	–	–		Buy USD 426,618 Citigroup	6	2.30
	Sell USD 1,112,884				Sell SEK 48,045		
	Buy JPY 124,023,467 J.P. Morgan	(12)	(4.60)		Buy USD 5,380 UBS	–	–
	Sell GBP 19				Sell AUD 95,317		
	Buy JPY 2,756 J.P. Morgan	–	–		Buy USD 69,149 Goldman Sachs	1	0.38
	Sell AUD 493,842				Sell JPY 9,186,420		
	Buy JPY 40,219,109 J.P. Morgan	4	1.53		Buy USD 81,561 J.P. Morgan	–	–

## Threadneedle Global Opportunities Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 5.75% (-4.14%) (continued)</b>			
	Sell EUR 80,300		
	Buy USD 92,623 Bank of Scotland	1	0.38
	Sell GBP 76,069		
	Buy USD 98,795 Barclays	1	0.38
	Sell USD 2,546		
	Buy ZAR 36,752 J.P. Morgan	–	–
	Sell USD 578,364		
	Buy ZAR 8,371,634 Barclays	(9)	(3.45)
	<b>Total Derivatives</b>	<b>15</b>	<b>5.75</b>
<b>Total value of investments</b>		<b>15</b>	<b>5.75</b>
<b>Net other assets (13.49%)</b>		<b>246</b>	<b>94.25</b>
<b>Net assets</b>		<b>261</b>	<b>100.00</b>

April 2018 comparatives in brackets.

(P) refers to provisional rating.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Derivatives	15	100.00
<b>Total value of investments</b>	<b>15</b>	<b>100.00</b>

### Total Purchases and Sales

for the accounting period 1 May 2018 to 31 October 2018

	2018 £000	2017 £000
Total purchases for the period	31,679	15,618
Total sales for the period	88,720	35,923

## Performance Summary for the six months ended 31 October 2018 – UK Universe

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
UK Mid 250 Fund	(IA) UK All Companies	FTSE 250 x Investment Trusts*	-8.80	-8.53	-5.13	-7.86	-6.68
Ethical UK Equity Fund <sup>1</sup>	(IA) UK All Companies	MSCI UK IMI extended SRI	-4.50	-4.31	-5.13	-3.72	-5.02
UK Extended Alpha Fund	(IA) UK All Companies	FTSE All-Share*	-5.96	-5.70	-5.13	-5.14	-3.52
UK Equity Alpha Income Fund	(IA) UK Equity Income*	FTSE All-Share	-0.08	+0.21	-4.94	+1.01	-3.52
UK Absolute Alpha Fund	(IA) Absolute Return	UK LIBOR 3 Month	-3.73	-3.46	-1.85	-3.04	+0.36
Absolute Return Bond Fund	(IA) Absolute Return	UK LIBOR 3 Month	-1.89	-1.68	-1.85	-1.50	+0.37
Pan European Focus Fund	(IA) Europe Including UK	MSCI Europe*	-2.05	-1.77	-4.22	-0.29	-3.29
Pan European Equity Dividend Fund <sup>2</sup>	(IA) Europe Including UK*	MSCI Europe	+2.91	+3.21	+4.23	+2.82	+4.49
American Extended Alpha Fund	(IA) North America*	S&P 500	+6.17	+6.93	+8.10	+9.91	+11.46
US Equity Income Fund	(IA) North America	S&P 500*	+9.15	+9.48	+8.10	+11.09	+11.46
China Opportunities Fund	(IA) China – Greater China	MSCI China*	-16.53	-16.28	-15.44	-14.83	-13.78
Global Emerging Markets Equity Fund	(IA) Global Emerging Markets	MSCI EM (Emerging Markets)*	-15.58	-15.33	-10.71	-13.79	-9.79
Emerging Market Local Fund <sup>1</sup>	(IA) Global Emerging Markets Bond	JPM GBI-EM Global Diversified Composite*	-5.84	-5.51	-4.27	-4.94	-4.23
Global Extended Alpha Fund	(IA) Global Growth	MSCI AC World*	+0.09	+0.51	+0.79	+2.53	+3.82
Global Equity Income Fund	(IA) Global Equity Income	MSCI AC World*	+0.93	+1.17	+1.29	+3.07	+3.82
Global Opportunities Bond	(IA) Absolute Return	Citigroup GBP 1 Month Euro deposit	+1.65	–	-1.85	–	+0.32
Global Focus <sup>3</sup>	(IA) Global	MSCI AC World	+2.99	+3.07	+0.79	+5.84	+3.82
UK Index Linked Fund <sup>4</sup>	(IA) UK Index Linked Gilts	FTSE UK Gilts Index Linked Government (All stocks)	+4.83	+4.92	+4.46	+3.38	+3.24
Sterling Medium and Long-Dated Corporate Bond Fund <sup>5</sup>	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (5+ Y)	–	-0.07	-0.06	-0.09	-0.10
Sterling Short-Dated Corporate Bond Fund <sup>5</sup>	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (1-5 Y)	+0.36	+0.42	-0.06	+0.70	+0.43
UK Fixed Interest Fund <sup>5</sup>	(IA) UK Gilt	FTSE UK Gilts Government (All stocks)	+0.64	+0.71	+0.45	+0.55	+0.35

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.

<sup>1</sup>These funds do not currently display a sector median return because the Fund Sector (as defined by the Investment Association) is not felt to be representative.

\*Denotes official benchmark of the fund.

<sup>1</sup>Shown is the Net T Income and Z accumulation shareclass.

<sup>2</sup>Fund closed on 5 October 2018.

<sup>3</sup>Class 1 is Gross Accumulation Class Z.

<sup>4</sup>Fund launched on 25 November 2016.

<sup>5</sup>Fund launched on 9 December 2016. Z Accumulation Shareclass.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in GBP.

## Performance Summary for the six months ended 31 October 2018 – Offshore Universe

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
UK Mid 250 Fund	GIFS Offshore – UK Mid Cap Equity	FTSE 250 x Investment Trusts*	-8.80	-8.53	-5.57	-7.86	-6.68	GBP
Ethical UK Equity Fund**	GIFS Offshore – UK Large Cap Blend	MSCI UK IMI extended SRI	-4.50	-4.31	-4.11	-3.72	-5.02	GBP
UK Extended Alpha Fund	GIFS Offshore – UK Large Cap Blend	FTSE All-Share*	-5.96	-5.70	-4.11	-5.14	-3.52	GBP
UK Equity Alpha Income Fund***	GIFS Offshore – UK Equity Income	FTSE All-Share	-0.08	+0.21	-4.91	+1.01	-3.52	GBP
UK Absolute Alpha Fund	GIFS Offshore – Alternative Long/Short UK	UK LIBOR 3 Month	-3.73	-3.46	-1.79	-3.04	+0.36	GBP
Absolute Return Bond Fund	GIFS Offshore – Alternative Long/Short Debt	UK LIBOR 3 Month	-1.89	-1.68	+0.12	-1.50	+0.37	GBP
Pan European Focus Fund	GIFS Offshore – Europe Large Cap Growth	MSCI Europe*	-2.81	-2.53	-4.06	-1.37	-4.33	EUR
Pan European Equity Dividend Fund <sup>1</sup>	GIFS Offshore – Europe Large Cap Value	MSCI Europe	+2.25	+2.55	+2.54	+2.41	+4.08	EUR
American Extended Alpha Fund	GIFS Offshore – US Large Cap Growth	S&P 500	-1.18	-0.51	+1.52	+1.96	+3.40	USD
US Equity Income Fund <sup>2</sup>	GIFS Offshore – US Large Cap Value	S&P 500*	+1.56	+1.88	-0.10	+3.06	+3.40	USD
China Opportunities Fund	GIFS Offshore – China Equity	MSCI China*	-22.31	-22.09	-21.14	-20.99	-20.02	USD
Global Emerging Markets Equity Fund	GIFS Offshore – Global Emerging Markets Equity	MSCI EM (Emerging Markets)*	-21.43	-21.20	-16.99	-20.02	-16.31	USD
Emerging Market Local Fund	GIFS Offshore – Global Emerging Markets Bond Local	JPM GBI-EM Global Diversified Composite*	-12.69	-12.34	-12.14	-11.81	-11.51	USD
Global Extended Alpha Fund	GIFS Offshore – Global Large Cap Blend	MSCI AC World*	-6.84	-6.45	-5.83	-4.88	-3.68	USD
Global Equity Income Fund	GIFS Offshore – Global Large Cap Value	MSCI AC World*	-6.10	-5.86	-7.06	-4.39	-3.68	USD
Global Opportunities Bond	–	Citigroup GBP 1 Month Euro deposit	+1.65	–	–	–	+0.32	GBP
Global Focus <sup>3</sup>	GIFS Offshore - Global Large Cap Value	MSCI AC World*	+2.99	+3.07	-0.19	+5.84	+3.82	GBP

Morningstar changed its definition of the GIFS Offshore Universe as at February 2011. This resulted in Threadneedle OEIC Funds being removed from it. For the purposes of comparison, Threadneedle continues to use this Universe with its OEICs included.

Performance data is shown on a gross of tax basis.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with unadjusted income and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in Fund Currency.

\*Denotes official benchmark of the fund.

\*\*Shown is the Net T Income and Z accumulation shareclass.

<sup>1</sup>Fund Closed on 5 October 2018.

<sup>2</sup>Fund launched 20 May 2017.

<sup>3</sup>Class 1 is Gross Accumulation Class Z.

\*\*\*UK Equity Alpha Income changed from GIFS Offshore UK Large Cap Value to GIFS Offshore UK Equity Income.

\*\*\*\*Global Equity Income changed from GIFS Offshore Global Large Cap Value to GIFS Offshore Global Equity Income.

## Risk and Reward Profiles

Fund	Share Class	SRRI*
<b>UK Mid 250 Fund</b>	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
<b>Ethical UK Equity Fund</b>	Class T – Income shares	5
	Class Z – Accumulation shares	5
<b>UK Extended Alpha Fund</b>	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
<b>UK Equity Alpha Income Fund</b>	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
<b>UK Absolute Alpha Fund</b>	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5
<b>Absolute Return Bond Fund</b>	Class 1 – Accumulation shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Accumulation shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross accumulation shares	3
<b>Sterling Medium and Long-Dated Corporate Bond Fund</b>	Class 2 – Gross income shares	4
	Class X – Gross accumulation shares	4
<b>Sterling Short-Dated Corporate Bond Fund</b>	Class 1 – Accumulation shares	2
	Class 1 – Gross accumulation shares	2
	Class 1 EUR Hedged – Gross accumulation shares	2
	Class 2 – Income shares	2
	Class 2 – Gross income shares	2
	Class 2 – Gross accumulation shares	2
	Class 2 EUR Hedged – Gross accumulation shares	2
	Class X – Gross income shares	2
	Class X – Gross accumulation shares	2
Class Y – Gross income shares	2	
<b>UK Fixed Interest Fund</b>	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	Class Z – Accumulation shares	4
<b>UK Index Linked Fund</b>	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 – Gross income shares	5
	Class D – Accumulation shares	5
	Class X – Gross accumulation shares	5
<b>Pan European Focus Fund</b>	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5



## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>American Extended Alpha Fund</b>	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	**Class 2 USD – Accumulation shares	5
	**Class 2 EUR Hedged – Gross income shares	6
	Class Z – Accumulation shares	5
	**Class Z USD – Accumulation shares	5
	**Class Z EUR Hedged – Gross accumulation shares	5
	**Class Z CHF Hedged – Gross accumulation shares	5
<b>US Equity Income Fund</b>	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class L – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z CHF Hedged – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
Class Z EUR Hedged – Accumulation shares	5	
<b>China Opportunities Fund</b>	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class Z – Accumulation shares	6
<b>Global Emerging Markets Equity Fund</b>	Class 1 – Accumulation shares	6
	**Class 1 EUR – Accumulation shares	6
	**Class 1 USD – Accumulation shares	6
	Class 2 – Accumulation shares	6
	**Class 2 EUR – Accumulation shares	6
	**Class 2 USD – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
<b>Emerging Market Local Fund</b>	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross income shares	5
	Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Gross accumulation shares	5
<b>Global Extended Alpha Fund</b>	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	**Class A – Accumulation shares	5
	**Class A SGD Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	**Class 2 USD – Accumulation shares	5
	Class P – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
<b>Global Equity Income Fund</b>	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	**Class 1 USD – Income shares	5
	Class 1 – Monthly Income shares	5

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>Global Equity Income Fund (continued)</b>	Class 1 SGD Hedged – Income shares	5
	Class 1 AUD Hedged – Monthly Income shares	5
	Class 1 SGD Hedged – Monthly Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 1 SGD Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	**Class 2 EUR – Income shares	5
	**Class 2 USD – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	**Class 2 USD – Accumulation shares	5
	Class W – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	**Class Z EUR – Income shares	5
**Class Z USD – Income shares	5	
Class Z – Accumulation shares	5	
**Class Z EUR – Accumulation shares	5	
**Class Z USD – Accumulation shares	5	
Class Z CHF Hedged – Accumulation shares	5	
<b>Global Focus Fund</b>	Class 2 – Gross accumulation shares	5
	Class Q – Gross accumulation shares	5
	Class Z – Gross accumulation shares	5
<b>Global Opportunities Bond Fund</b>	Class 1 – Accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
	Class Z – Gross accumulation shares	4

\*As at 31 October 2018 the synthetic risk and reward indicator (SRRI) is explained in the table below:

\*\*For launch dates, refer to the footnotes after the fund's comparative table.

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

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

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

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The KIID contains the current SRRI.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

## Important Information

Threadneedle Specialist Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

### Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, DST Financial Services Europe Limited, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FCA rules).

Other funds may be launched in the future.

### Key Investor Information Document – Subscription requirements

The KIID is a pre-contractual document and investors have to confirm that they have read the latest KIID before making a subscription. Threadneedle has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID from [columbiathreadneedle.com](http://columbiathreadneedle.com).

### Changes to the management of the ACD

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

- Resignation of Don Jordison on 1 May 2018;
- Appointment of Peter Stone on 5 September 2018.

### Changes to the Prospectus

During the period from 1 May 2018 to 31 October 2018 the following changes were made to the Prospectus of the Threadneedle Specialist Investment Funds ICVC (the Company):

- Inclusion of a note regarding the winding up of one sub-fund following successful votes in favour of cross-border mergers;
- Increase to the initial investment minimum for L Shares;
- Update to the list of directors of, and funds managed by the ACD;
- Update to the list of countries where the funds are registered;
- Update to dilution and performance figures.

### Changes to the Instrument of Incorporation

There were no changes to the Instrument of Incorporation during the period from 1 May 2018 to 31 October 2018.

### Brexit

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

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

The ACD has considered the impact of Brexit for investors in its funds and made a recommendation to investors in the Pan European Equity Dividend Fund that they should vote in favour of a resolution to transfer the fund, using a cross-border UCITS merger, to an equivalent Luxembourg-based fund, in order to provide continuity and certainty for investors. For EU investors, the transfer will remove uncertainty regarding the future status of their investment in their home country. Shareholders voted in favour of the proposal at a meeting of shareholders held on 24 August 2018. Following the merger the Pan European Equity Dividend Fund has been closed and is in the process of being wound up. Further information, including a Q&A document is available at [www.columbiathreadneedle.com/changes](http://www.columbiathreadneedle.com/changes).

### Closure of the Global Opportunities Bond Fund

The Global Opportunities Bond Fund will be closed on 9 January 2019. Further information, including a Q&A document is available at [www.columbiathreadneedle.com/changes](http://www.columbiathreadneedle.com/changes).

### Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 20 different sub-funds. Several classes of share may be issued in respect of the fund, distinguished by their criteria for subscription and fee structure.

Share Class	Currency	Minimum Investment	Eligibility
Class 1	Class 1 GBP	GBP 2,000	Available to retail and institutional investors seeking income or growth (or a combination of both) over the medium to long-term
	Class 1 EUR (including Class 1 Hedged Shares)	EUR 2,500 – EUR 3,000	
	Class 1 USD (including Class 1 Hedged Shares)	USD 2,500 – USD 3,000	
	Class 1 CHF (Hedged Shares)	CHF 4,000	

## Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
	Class 1 SGD (including Class 1 Hedged Shares)	SGD 4,000	
	Class 1 SEK (Hedged Shares)	SEK 25,000	
Class 2	Class 2 GBP	GBP 50,000 – GBP 500,000	Available to non-retail investors
	Class 2 EUR (including Class 2 Hedged Shares)	EUR 100,000 – EUR 800,000	
	Class 2 USD (including Class 1 Hedged Shares)	USD 750,000 – USD 800,000	
	Class 2 SEK (Hedged Shares)	SEK 6 – 7 million	
	Class 2 CHF (Hedged Share Class)	CHF 1,200,000	
Class A	Class A GBP	GBP 2,000	Available to retail and institutional investors in the Global Extended Alpha Fund seeking income or growth (or a combination of both) over the medium to long term (no performance fee)
	Class A USD	USD 3,000	
	Class A SGD	SGD 4,000	
Class D	Class D GBP	GBP 2,000	Available only to certain investors in the UK Index Linked Fund
Class L	Class L GBP	GBP 100 million	Available only to certain investors in the US Equity Income Fund
Class M	Class M GBP	GBP 2,000	Available to retail and institutional investors (distributions paid monthly) seeking income or growth (or a combination of both) over the medium to long-term
	Class M AUD (including Class M Hedge Shares)	AUD 3,000	
	Class M SGD (including Class M Hedge Shares)	SGD 4,000	
	Class M USD (including Class M Hedge Shares)	USD 3,000	
Class P	Class P GBP	GBP 50 million	Available to non-retail investors in the Global Extended Alpha Fund (no performance fee)
	Class P USD	USD 80 million	

Share Class	Currency	Minimum Investment	Eligibility
Class Q	Class Q GBP	GBP 3 million	Available only to Eligible Shareholders in the Global Focus Fund
Class T	Class T GBP	GBP 2,000	Available only to certain investors in the Ethical UK Equity Fund
Class W	Class W GBP Class W EUR	GBP 80 million EUR 100 million	Available only to Eligible Shareholders in the Global Equity Income Fund
Class X	Class X GBP Class X EUR Class X USD Class X JPY Class X AUD (Hedged Share Class)	GBP 3 million EUR 5 million USD 5 million JPY 420 million AUD 5 million	Available only to Eligible Shareholders
Class Y	Class Y GBP	GBP 150 million	Available to Eligible Shareholders in the Sterling Short-Dated Corporate Bond Fund
Class Z*	Class Z GBP Class Z EUR (including Class Z Hedged Shares) Class Z USD (including Class Z Hedged Shares) Class Z JPY  Class Z CHF (including Class Z Hedged Shares) Class Z SGD (including Class Z Hedged Shares)	GBP 1 million EUR 1.5 million  USD 1.5 million  JPY 140 million  CHF 1.5 million  SGD 2 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients

\*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

## Important Information

(continued)

### Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- “Reference Currency” or “Reference Currencies” means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- “Portfolio Currency” or “Portfolio Currencies” means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- “Hedged Currency” is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

### Income Equalisation

The first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

### Investor Reports

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

The annual accounting period for the Company ends on 30 April and the interim reporting period ends on 31 October.

Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

The 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)

### Securities Financing Transaction Regulation

The Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps. A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 31 October 2018 the ICVC held Portfolio Swaps which are a type of instrument in scope of the SFTR.

### Global data

Name of Portfolio	Type of asset	Unrealised gain and loss in the portfolio base currency and in absolute value	% of Net Assets
Threadneedle UK Extended Alpha Fund	Portfolio Swap	617,794	0.50
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	4,368,621	0.81
Threadneedle American Extended Alpha Fund	Portfolio Swap	479,065	0.27
Threadneedle Global Extended Alpha Fund	Portfolio Swap	6,658,623	2.45

### Data on collateral reuse

There was no collateral reuse during the period ended 31 October 2018.

### Concentration data

All collateral received in respect of Portfolio Swaps as at 31 October 2018 is cash collateral. The ten largest issuers disclosure is therefore not applicable.

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions) in respect of the Portfolio Swaps held per portfolio as at 31 October 2018:

Name of Portfolio	Type of asset	Counterparty	Unrealised gain and loss in the portfolio base currency and in absolute value
Threadneedle UK Extended Alpha Fund	Portfolio Swap	UBS	617,794
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	UBS	4,368,621
Threadneedle American Extended Alpha Fund	Portfolio Swap	Merill Lynch	479,065
Threadneedle Global Extended Alpha Fund	Portfolio Swap	UBS	6,658,623

### Safekeeping of collateral received

Cash collateral is received on each Portfolio's cash account at Citibank Europe plc, London Branch.

The amount of collateral received for Portfolio Swaps as at 31 October 2018 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral*
Threadneedle UK Absolute Alpha Fund	Cash	UBS	GBP	7,620,000
		<b>Total</b>	<b>GBP</b>	<b>7,620,000</b>
Threadneedle American Extended Alpha Fund	Cash	Merill Lynch	USD	690,000
		<b>Total</b>	<b>USD</b>	<b>690,000</b>

## Important Information

(continued)

### Aggregate transaction data

Name of Portfolio	Type of collateral	Maturity tenor (collateral)	Currency of collateral	Maturity tenor (SFT/TRS)	Country of establishment (counterparty)	Settlement and clearing	Quality of collateral
Threadneedle UK Extended Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle UK Absolute Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle American Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle Global Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash

### Safekeeping of collateral granted

Cash and security collateral paid to the counterparties is delivered to segregated accounts at the counterparty.

The amount of collateral granted for Portfolio Swaps as at 31 October 2018 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral*	% of collateral held at year-end by category
Threadneedle UK Extended Alpha Fund	Cash	UBS	GBP	420,000	0.34
		<b>Total</b>	<b>GBP</b>	<b>420,000</b>	<b>0.34</b>
Threadneedle UK Absolute Alpha Fund	Cash	JPM	GBP	1,000,000	0.18
		<b>Total</b>	<b>GBP</b>	<b>1,000,000</b>	<b>0.18</b>
Threadneedle American Extended Alpha Fund	Cash	JPM	USD	240,000	0.13
		<b>Total</b>	<b>USD</b>	<b>240,000</b>	<b>0.13</b>
Threadneedle Global Extended Alpha Fund	Cash	UBS	USD	8,210,000	2.37
		<b>Total</b>	<b>USD</b>	<b>8,210,000</b>	<b>2.37</b>

### Return/Costs

Return and costs of Portfolio Swap transactions for the period ended 31 October 2018 are disclosed in the Statement of Total Return of the relevant Fund under the headings, "Net capital gains/(losses)", "Revenue" and "Interest payable and similar charges".

\*This collateral amount may be related to transactions other than TRS which are not covered by SFTR disclosure.

## Important Information

(continued)

### Key Risks of the Fund:

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

Funds/ Key risks	Investment	Currency	No Capital Guarantee	Counterparty	Issuer	Political and Financial	Liquidity	Effect of Portfolio Concentration	Inflation	Interest Rate	Valuation	Active Currency Investment	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM/Hedging	Volatility	High Volatility	China-Hong Kong Stock Connect
UK Mid 250 Fund	X	X														X	X		
Ethical UK Equity	X							X								X	X		
UK Extended Alpha Fund	X	X		X							X		X	X	X		X		
UK Equity Alpha Income Fund	X	X						X								X	X		
UK Absolute Alpha Fund	X	X	X	X							X		X	X	X		X		
Absolute Return Bond Fund	X	X	X	X	X		X		X	X	X	X	X	X	X				
Sterling Medium and Long-Dated Corporate Bond Fund	X	X			X		X		X	X						X			
Sterling Short-Dated Corporate Bond Fund	X	X			X		X		X	X						X			
UK Fixed Interest Fund	X	X			X		X		X	X						X			
UK Index Linked Fund	X	X			X					X						X			
Pan European Focus Fund	X	X						X								X		X	
Pan European Equity Dividend Fund	X	X														X	X		
American Extended Alpha Fund	X	X		X							X		X	X	X		X		
US Equity Income Fund	X	X														X		X	
China Opportunities Fund	X	X				X	X									X		X	X
Global Emerging Markets Equity Fund	X	X				X	X									X		X	X
Emerging Market Local Fund	X	X		X	X	X	X		X	X	X		X	X	X		X		
Global Extended Alpha Fund	X	X		X		X					X		X	X	X		X		
Global Equity Income Fund	X	X														X	X		
Global Focus Fund	X	X						X								X	X		
Global Opportunities Bond Fund	X	X	X	X	X		X		X	X	X		X	X	X		X		

#### Description of the Key Risks:

**Investment Risk:** The value of investments can fall as well as rise and investors might not get back the sum originally invested.

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

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

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

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

**Political and Financial Risk:** The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

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



## Important Information

*(continued)*

**Effect of Portfolio Concentration Risk:** The Fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

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

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

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

**Active Currency Investment Risk:** The fund actively invests directly in foreign currency instruments. Currency markets are complex and exchange rates are sensitive to political and market events. This aspect of the fund's investment policy may affect the value of your investments.

**Short Selling Risk:** Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

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

**Leverage Risk:** Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

**Derivatives for EPM/Hedging Risk:** The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

**Volatility Risk:** The fund may exhibit significant price volatility.

**High Volatility Risk:** The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

**China-Hong Kong Stock Connect Risk:** The Fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk.

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

## Directory

### Registered Office

Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Authorised Corporate Director (ACD)

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

### Registrar

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

### Investment Manager

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

### Depository

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

### Legal Advisers

Eversheds Sutherland (International) LLP  
One Wood Street  
London EC2V 7WS  
Baum Financial Services Law Team  
Grosser Burstah 42  
20457 Hamburg  
Germany

### Independent Auditor

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### Authorised Corporate Director Client Services Details

#### UK Investors

**Address:** Threadneedle Investment Services Limited  
PO Box 10033  
Chelmsford  
Essex CM99 2AL  
**Telephone** (dealing & customer enquiries): 0800 953 0134\*  
**Fax** (dealing): 0845 113 0274  
**Email** (enquiries): questions@service.columbiathreadneedle.co.uk

#### Asian Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +852 3667 7111\*  
**Fax** (dealing): +352 2452 9817  
**Email** (enquiries): threadneedleenquiries@statestreet.com

### All Other Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +352 464 010 7020\*  
**Fax** (dealing): +352 2452 9807  
**Email** (enquiries): questions@service.columbiathreadneedle.co.uk  
**Website:** columbiathreadneedle.com

### Paying and Information Agent in Austria

Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna  
Austria

### Paying and Information Agent in Belgium

CACEIS Belgium S.A.  
avenue du Port 86 C b 320  
1000 Brussels  
Belgium

### Paying and Information Agent in France

BNP Paribas Securities Services  
66 rue de la Victoire  
75009 Paris  
France

### Paying and Information Agent in Germany

J.P. Morgan AG  
Jungthofstr. 14  
60311 Frankfurt am Main  
Germany

### Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited  
Services Transfer Agency, Fund Services  
1 Queen's Road Central  
Hong Kong

### Paying and Information Agent in Ireland

J.P. Morgan Bank Administration Services (Ireland) Limited  
J.P. Morgan House, International Financial Services Centre  
Dublin 1  
Ireland

### Paying and Information Agent in Italy

Allfunds Bank S.A. (filiale di Milano)  
Via Bocchetto, 6  
20123 Milan  
Italy  
Via Ansperto 5  
20123 Milan  
Italy  
Société Générale Securities Services S.p.A. con sede legale in Milano  
via Benigno Crespi 19/A – MAC2  
20159 Milan  
Italy  
State Street Bank S.p.A.  
via Bocchetto, 6  
20125 Milan  
Italy  
BNP Paribas Securities Services  
via Bocchetto, 6  
20123 Milan  
Italy

### Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.  
49 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

\*Calls will be recorded.

## Directory

*(continued)*

### **Information Agent in Spain**

Threadneedle Specialist Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 481 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15.2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended. A list of the appointed local distributors and Funds and share classes available for public distribution in Spain is available at the CNMV web page ([www.cnmv.es](http://www.cnmv.es)).

### **Paying and Information Agent in Sweden**

Skandinaviska Enskilda Banken AB  
Kungsträdgårdsgatan  
SE - 10640  
Stockholm  
Sweden

### **Representative and Paying Agent in Switzerland**

BNP Paribas Securities Services, Paris, succursale de Zurich  
BNP PARIBAS Securities Services, succursale di Milano  
Piazza Lina Bo Bardi, 3  
20124 Milan  
Italy

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



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