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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC
APRIL 2018

THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC

Contents

Company Information*	2	Portfolio Statements*:	
Authorised Corporate Director's Report	3	UK Mid 250 Fund	165
Notes to the Annual Report and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC	4 – 5	Ethical UK Equity Fund	166
UK Mid 250 Fund	6 – 11	UK Extended Alpha Fund	167 – 168
Ethical UK Equity Fund	12 – 17	UK Equity Alpha Income Fund	169
UK Extended Alpha Fund	18 – 23	UK Absolute Alpha Fund	170 – 171
UK Equity Alpha Income Fund	24 – 29	Absolute Return Bond Fund	172 – 173
UK Absolute Alpha Fund	30 – 38	Sterling Medium and Long-Dated Corporate Bond Fund	174 – 178
Absolute Return Bond Fund	39 – 47	Sterling Short-Dated Corporate Bond Fund	179 – 185
Sterling Medium and Long-Dated Corporate Bond Fund	48 – 53	UK Fixed Interest Fund	186
Sterling Short-Dated Corporate Bond Fund	54 – 63	UK Index Linked Fund	187
UK Fixed Interest Fund	64 – 69	Pan European Focus Fund	188 – 189
UK Index Linked Fund	70 – 76	Pan European Equity Dividend Fund	190 – 191
Pan European Focus Fund	77 – 83	American Extended Alpha Fund	192
Pan European Equity Dividend Fund	84 – 90	US Equity Income Fund	193 – 194
American Extended Alpha Fund	91 – 95	China Opportunities Fund	195 – 196
US Equity Income Fund	96 – 105	Global Emerging Markets Equity Fund	197 – 200
China Opportunities Fund	106 – 111	Emerging Market Local Fund	201 – 203
Global Emerging Markets Equity Fund	112 – 119	Global Extended Alpha Fund	204 – 205
Emerging Market Local Fund	120 – 127	Global Equity Income Fund	206 – 208
Global Extended Alpha Fund	128 – 135	Global Focus Fund	209 – 210
Global Equity Income Fund	136 – 148	Global Opportunities Bond Fund	211 – 216
Global Focus Fund	149 – 154	Performance Summary*	217 – 218
Global Opportunities Bond Fund	155 – 162	Risk and Reward Profiles*	219 – 221
Statement of Authorised Corporate Director's (ACD) Responsibilities	163	Important Information*	222 – 229
Statement of the Depositary's Responsibilities and Report of the Depositary	163	Directory*	230 – 231
Independent Auditors' Report	164		

**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 (Appointed to the Board on 14 August 2017)
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC for the 12 months to 30 April 2018.

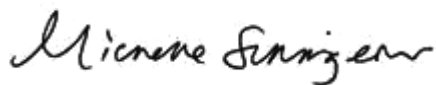
In June 2016 the United Kingdom voted to leave the European Union. This is known as "Brexit". While negotiations progress, there is significant uncertainty relating to the UK's withdrawal from the EU, the potential consequences and precise timeframe. It is expected that the UK will exit from the EU on 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 has considered the impact of Brexit for investors in its funds and has made a recommendation that investors in the Pan European Equity Dividend Fund 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 in our funds. For EU investors, the transfer will remove uncertainty regarding the future status of their investment in their home country. The outcome of the vote due to take place on 24 August 2018 is not yet known. The ACD is monitoring the situation and will keep shareholders informed.

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

Thank you for your continued support.



M Scrimgeour
Director

DIRECTORS' STATEMENTS

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

L Weatherup
Director

10 August 2018

M Scrimgeour
Director

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

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 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.

(b) Basis of valuation of investments

The investments of the funds are valued at fair market prices at 12 noon of the accounting period (UK time). Investments are stated at their fair value which generally is the bid valuation of each security.

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

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

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

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

(c) Exchange rates

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

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

(d) Derivatives

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

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

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

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

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

(e) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases: Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.

Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Stock dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.

Interest on debt securities and bank and short-term deposits is recognised on an earned basis.

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

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

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

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

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

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

(f) Treatment of expenses (including management expenses)

All expenses other than those relating to the purchase and sale of investments, are included in expenses, in the Statement of Total Return. Expenses are recognised on an accrual basis and include irrecoverable VAT where appropriate. In addition, the ACD is entitled to receive a performance fee in the event of the NAV per share of the Fund outperforming the relevant benchmark index, in respect of the following funds:

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

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

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

(g) Fee rebate

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

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

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

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

(i) Equalisation policy

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

(j) Allocation of return on hedged share classes

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Reference Currency or Reference Currencies and the Hedged Currency (for further definitions refer to page 224). Where undertaken, the allocation of return in relation to hedging transactions is applied in respect of that hedged share class only.

(k) Deferred tax

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

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

2 DISTRIBUTION POLICIES

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

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

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

Notes to the financial statements

(continued)

- (b) Where distributions are unclaimed for a period of six years these are brought back into the relevant fund as capital.
- (c) The ACD's charges in respect of the following funds are added back for the purpose of determining the amount available for distribution:
 - Emerging Market Local Fund
 - Global Equity Income Fund
 - Pan European Equity Dividend Fund
 - UK Equity Alpha Income Fund
 - US Equity Income Fund
- (d) In addition to the ACD charge, all other expenses of the US Equity Income Fund are added back for the purpose of determining the amount available for distribution.
- (e) When a transfer is made between the revenue and capital of the same share class marginal tax relief is not taken into account when determining the distribution. Marginal tax relief is only taken into account where the transfer of benefit is between the revenue and capital property of at least two different share classes of a fund.
- (f) Any fees arising as a result of outperformance are added back for the purpose of determining the amount for distribution.

3 RISK MANAGEMENT POLICIES

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

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

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

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

Market price risk

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

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

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

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

Liquidity risk

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

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

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

*The RMP available on request from the client services team contact details on page 230.

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

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

Credit risk/Counterparty risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the funds may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the funds suffering a loss. In order to manage credit risk the funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

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

Interest rate risk

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

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

Currency risk

Foreign currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. Where a portion of the net assets of the fund are denominated in currencies other than the fund's base currency, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies. Hedged Share Classes are available to investors as set out in the Important Information – Characteristics of Shares section on page 222. The currency risk profile for the relevant funds is shown in their notes to the financial statements, contained within the full financial statements.

4 CROSS HOLDINGS

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

Threadneedle UK Mid 250 Fund

Investment Report

Investment Objective

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

Investment Policy

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 - accumulation shares in the Threadneedle UK Mid 250 Fund has risen from 252.41p to 267.27p.

For comparison, using noon prices, the performance of the Class 1 share class was +5.89% and +6.51% for the Class 2 share class compared to a return of +7.72% 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 +6.49%.

Market Overview and Portfolio Activity

Within UK mid-caps, stocks of companies exposed to new markets or technologies; and of firms with very strong business models that enable them to increase market share, performed particularly well over the review period. While the FTSE 250 lagged the broader market, both advanced despite uncertainty around Brexit, the UK's domestic political

and economic prospects, the approaching end of "easy money" and President Trump's protectionist measures.

In political news, Prime Minister Theresa May's aim to secure a stronger electoral mandate to pursue a "soft Brexit" backfired as the Conservatives lost their parliamentary majority in June's snap general election. This, along with resignations of some high-profile members from the Cabinet, fed speculation that "hard Brexiters" could launch a leadership challenge against May. When it came to the Brexit negotiations, the review period saw the UK and the EU reach agreement on the so-called "divorce settlement" and some elements of a post-Brexit transition period. However, the Irish border issue remained unresolved.

On the economic front, high inflation prompted a quarter-point rate hike from the Bank of England in November. The rise in inflation, along with sluggish wage growth, has impacted growth and created a challenging environment for retailers. But the end of the review period saw signs that the contraction in real-wage growth could ease as wage growth picked up, while inflation appears to have peaked. Less positively, severe weather in February and March impacted retail sales and constructions, although we feel that this is only temporary.

There were several new additions over the review period; notably, Coats Group, Ibstock, Britvic, DS Smith, Cobham and Electrocomponents. For thread manufacturer Coats, we are positive on its expansion into technical fibres, a segment with high margins and high barriers to entry. UK-based building materials firm Ibstock also benefits from a market with these attributes, and is well-placed to seize market share from international competitors. Packaging firm DS Smith is progressing effectively with the integration of its latest acquisition – US-based Interstate Resources. We expect management to create good shareholder value from bolting on more overseas assets. Defence manufacturer Cobham has a resilient

underlying business, offering multiple opportunities for value creation. Soft drinks manufacturer Britvic is well-placed to gain market share as the UK government's 'sugar tax' is implemented. We also expect improved cash generation to support future growth. For industrial electronics distributor Electrocomponents, we are positive about the company's management and its ongoing turnaround.

We closed our positions in Paysafe, Senior, Rentokil and Countryside Properties profitably over the period; these stocks enjoyed stellar runs in 2017. We also exited WS Atkins, Market Tech and Amec Foster Wheeler following takeover bids for these companies. The latter was acquired by John Wood, in which we retained a position.

Just Eat was another exit. Although the stock has proved to be highly profitable for the fund, our original investment thesis is no longer applicable. We foresee challenges ahead for the firm and we felt that we could find better risk-adjusted returns elsewhere.

We are positive about the outlook for UK mid-caps. We feel that moderating input cost inflation should benefit firms as we move through 2018. While lower inflation combined with high employment, should also lead to real wage growth, consumer spending may be slow to pick up.

Despite perceptions that UK mid-caps are largely domestic-oriented, the UK economy is not the sole driver of the index as many firms are seeing growth opportunities overseas. Moreover, the fund has less exposure than the index to UK domestic names.

UK mid-caps still appear to be more attractively valued than the broader market, although the relative valuation gap has shrunk somewhat over the course of the last year. We continue to believe that there are areas of significant value in this part of the market; this, along with a strong global economy, should allow the asset class to continue to perform well in 2018.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	5,598	15,407
Revenue	3	2,031	2,372
Expenses	4	(1,126)	(1,072)
Interest payable and similar charges	5	(1)	–
Net revenue before taxation		904	1,300
Taxation	6	–	–
Net revenue after taxation		904	1,300
Total return before distributions		6,502	16,707
Distributions	7	(904)	(1,302)
Change in net assets attributable to shareholders from investment activities		5,598	15,405

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		92,316	111,192
Current assets:			
Debtors	8	4,553	2,270
Cash and bank balances		980	4,318
Total assets		97,849	117,780
Liabilities:			
Creditors:			
Other creditors	9	(1,353)	(1,498)
Total liabilities		(1,353)	(1,498)
Net assets attributable to shareholders		96,496	116,282

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	116,282	104,659
Amounts receivable on the issue of shares	12,663	20,680
Amounts payable on the cancellation of shares	(38,932)	(25,852)
	(26,269)	(5,172)
Dilution adjustment	80	79
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,598	15,405
Retained distribution on accumulation shares	805	1,311
Closing net assets attributable to shareholders	96,496	116,282

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	0.7092	–	0.7092	1.5378
Group 2				
01/05/17 to 30/04/18	0.1995	0.5097	0.7092	1.5378
Total distributions in the period			0.7092	1.5378

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.4189	–	2.4189	3.0352
Group 2				
01/05/17 to 30/04/18	0.3643	2.0546	2.4189	3.0352
Total distributions in the period			2.4189	3.0352

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle UK Mid 250 Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.2320	–	2.2320	2.2503
Group 2				
01/05/17 to 30/04/18	2.2320	–	2.2320	2.2503
Total distributions in the period			2.2320	2.2503

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.0248	–	2.0248	2.3913
Group 2				
01/05/17 to 30/04/18	0.8298	1.1950	2.0248	2.3913
Total distributions in the period			2.0248	2.3913

Group 2: shares purchased during a distribution period.

Threadneedle UK Mid 250 Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	252.12	215.87	213.97	272.68	232.13	228.77
Return before operating charges (p)	19.14	39.91	5.54	20.77	43.14	5.91
Operating charges (p)	(4.37)	(3.66)	(3.64)	(3.10)	(2.59)	(2.55)
Return after operating charges (p)*	14.77	36.25	1.90	17.67	40.55	3.36
Distributions (p)	(0.71)	(1.54)	(1.60)	(2.42)	(3.04)	(3.08)
Retained distributions on accumulation shares (p)	0.71	1.54	1.60	2.42	3.04	3.08
Closing net asset value per share (p)	266.89	252.12	215.87	290.35	272.68	232.13
*after direct transaction costs of (p)	0.85	0.80	0.79	0.92	0.87	0.85
Performance						
Return after charges (%)	5.86	16.79	0.89	6.48	17.47	1.47
Other information						
Closing net asset value (£000)	15,605	14,959	17,692	28,923	41,427	27,386
Closing number of shares	5,847,185	5,933,290	8,196,031	9,961,319	15,192,158	11,797,761
Operating charges (%)**	1.65	1.65	1.64	1.08	1.08	1.07
Direct transaction costs (%)***	0.32	0.36	0.36	0.32	0.36	0.36
Prices						
Highest share price (p)	285.04	252.41	231.84	309.51	272.98	248.72
Lowest share price (p)	250.98	189.90	204.01	271.77	204.41	219.11

	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ¹	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	112.16	94.50	100.00	188.90	160.53	157.92
Return before operating charges (p)	8.54	17.69	(5.50)	14.36	29.86	4.07
Operating charges (p)	(0.04)	(0.03)	–	(1.79)	(1.49)	(1.46)
Return after operating charges (p)*	8.50	17.66	(5.50)	12.57	28.37	2.61
Distributions (p)	(2.23)	(2.25)	(1.03)	(2.02)	(2.39)	(2.42)
Retained distributions on accumulation shares (p)	2.23	2.25	1.03	2.02	2.39	2.42
Closing net asset value per share (p)	120.66	112.16	94.50	201.47	188.90	160.53
*after direct transaction costs of (p)	0.38	0.35	0.14	0.64	0.60	0.59
Performance						
Return after charges (%)	7.58	18.69	(5.50)	6.65	17.67	1.65
Other information						
Closing net asset value (£000)	4	3	3	51,964	59,893	59,578
Closing number of shares	3,000	3,000	3,000	25,793,053	31,707,053	37,114,309
Operating charges (%)**	0.03	0.03	0.01 ¹	0.90	0.90	0.89
Direct transaction costs (%)***	0.32	0.36	0.36	0.32	0.36	0.36
Prices						
Highest share price (p)	128.21	112.27	100.90	214.66	189.10	171.88
Lowest share price (p)	111.96	83.37	89.01	188.33	141.41	151.46

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

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

¹Commenced 2 December 2015.

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

Threadneedle UK Mid 250 Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	5,600	15,409
Transaction costs	(2)	(2)
Net capital gains	5,598	15,407

3 REVENUE

	2018 £000	2017 £000
UK dividends	1,895	2,212
Overseas dividends	129	125
Bank interest	7	6
Underwriting commission	—	29
Total revenue	2,031	2,372

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(994)	(945)
Registration fees	(92)	(90)
	(1,086)	(1,035)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(13)	(11)
Safe custody fees	(11)	(11)
	(24)	(22)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(9)	(8)
Professional fees	—	(2)
	(16)	(15)
Total expenses*	(1,126)	(1,072)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	—
Total interest payable & similar charges	(1)	—

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	904	1,300
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(181)	(260)

Effects of:

Revenue not subject to taxation	395	456
Excess expenses	(214)	(196)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £2,172,890 (2017: £1,958,520) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	805	1,311
	805	1,311
Add: Revenue deducted on the cancellation of shares	164	140
Deduct: Revenue received on the creation of shares	(65)	(149)
Net distribution for the period	904	1,302
Net revenue after taxation	904	1,300
Equalisation on conversion	—	2
Total distributions	904	1,302

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	3,754	267
Sales awaiting settlement	396	1,576
Accrued revenue	403	427
Total debtors	4,553	2,270

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(1,265)	(1,397)
Accrued expenses	(8)	(9)
Amounts payable to ACD	(80)	(92)
Total other creditors	(1,353)	(1,498)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle UK Mid 250 Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Mid 250 Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 8. The distribution per share class is given in the distribution table on pages 6 and 7. All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	5,933,290
Shares issued	1,760,106
Shares redeemed	(1,845,276)
Net conversions	(935)
Closing shares	5,847,185
Class 2 – Accumulation shares	
Opening shares	15,192,158
Shares issued	1,951,470
Shares redeemed	(7,125,281)
Net conversions	(57,028)
Closing shares	9,961,319
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class Z – Accumulation shares	
Opening shares	31,707,053
Shares issued	1,245,896
Shares redeemed	(7,243,443)
Net conversions	83,547
Closing shares	25,793,053

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.35% and vice versa (2017: 4.46%).

Currency exposures

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

	Total £000
Currency 2018	
Euro	51
US Dollar	113
Currency 2017	£000
Euro	50

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Euro	–	–	51	51
UK Sterling	980	–	96,705	97,685
US Dollar	–	–	113	113
Currency 2017	£000	£000	£000	£000
Euro	–	–	50	50
UK Sterling	4,318	–	113,412	117,730
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2018				
UK Sterling	–	–	(1,353)	(1,353)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(1,498)	(1,498)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Valuation technique				
Level 1	92,316	–	111,192	–
	92,316	–	111,192	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

Threadneedle UK Mid 250 Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

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

Gross purchases total: 61,529

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

Total sales net of transaction costs: 86,006

Transaction costs as a percentage of average Net Assets

Commissions: 0.10%

Taxes: 0.22%

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	56,235	59	0.10	239	0.43
Collective investment schemes	3,000	—	—	—	—
Corporate actions	2,744	—	—	—	—
Total	61,979	59		239	

Gross purchases total: 62,277

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	66,897	66	0.10	—	—
Collective investment schemes	3,000	—	—	—	—
Corporate actions	1,985	—	—	—	—
Total	71,882	66		—	

Total sales net of transaction costs: 71,816

Transaction costs as a percentage of average Net Assets

Commissions: 0.12%

Taxes: 0.24%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.29% (2017: 0.22%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Ethical UK Equity Fund*

Investment Report

Investment Objective

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

Investment Policy

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

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

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

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

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

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

Performance of Class Z – Accumulation shares**

Over the twelve months to 30 April 2018, the published share price of Class Z – accumulation shares in the Threadneedle Ethical UK Equity Fund has risen from 121.05p to 124.71p.

For comparison, using noon prices, the performance of the Class Z share class was +3.02% and +2.61% for the Class T share class compared to a return of +7.72% 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 +6.31%.

Market Overview and Portfolio Activity

UK equities made gains over the review period despite the uncertainty around Brexit, the UK economy, President Trump's protectionist measures and the approaching end of "easy money".

There were also jitters about the UK's domestic politics as Prime Minister Theresa May's aim to secure a stronger electoral mandate to pursue a "soft Brexit" backfired when the Conservatives lost their parliamentary majority in June's snap general election. This, along with resignations of some high-profile Cabinet members, fed speculation that "hard Brexiteers" could launch a leadership challenge against May. The review period saw UK and EU officials reach agreement on the so-called "divorce settlement" and some elements of a post-Brexit transition period but the Irish border issue remained unresolved.

Sustainability developments over the period included mounting interest in the UN Sustainable Development Goals (SDGs), which underpin the sustainability themes within the fund. The Business & Sustainable Development Commission estimated that achieving these goals could open an US \$12 trillion in market opportunities in four core economic areas alone: food and agriculture; cities; energy and materials; and health and well-being. We believe that our experience of translating the SDGs to a financial and business context, and identifying businesses delivering on sustainability themes whilst not compromising financial performance, remains a differentiator.

In the UK market, 2017 saw an enhanced focus on gender, the focus of Sustainable Development Goal 5 (Gender Equality), International Women's Day in March and the approach of the deadline of gender pay gap reporting in April. As the first investment management signatory of the UK Treasury's Women in Finance Charter and winner of 'Employer of the Year' at the 2017 Women in Finance awards, we believe that supporting efforts to deliver diversity in the workplace deserves serious attention. From a fund-management perspective, this means recognising the value that diversity can bring to investee companies and seeking to encourage greater diversity of leadership, for instance the fund includes GlaxoSmithKline, one of the seven companies in the FTSE 100 with a female CEO. Engagement and voting are also key avenues within this, formalised by a new diversity-related voting policy in 2017.

Equally, climate change remained a critical theme for sustainable and increasingly mainstream investment; the Task Force on Climate-Related Financial Disclosures released their final report in June 2017. We continue to provide opportunities under our Climate & Energy Transition theme, including tidal energy company, Atlantis Resources, as well as avoiding companies detracting from this theme.

New additions to the portfolio included Just Group, Coats, and Croda International. Just Group is the UK's leading specialist provider of retirement income products and services. The firm's unique selling point lies in offering a range of products aimed at underserved needs. Industrial thread manufacturer Coats shows clear awareness of its environmental impact, which the company are making efforts to reduce. Employee development, supply-chain standards, board experience and diversity are also impressive. Speciality chemicals firm Croda focuses on renewable materials rather than oil-derived revenues, and is working on increasing sustainable chemistry through its supply chain. Additionally, Croda's wide range of end markets include a number that are enabling sustainable development: namely, pharmaceuticals, nutrition and fire prevention.

Over the review period, we also topped up some existing holdings, such as Ascential and AstraZeneca. Ascential is adapting to the needs of new generations, business environments and digitalisation. The firm has a strong corporate governance structure. Notably, over half of the company's board is female; this exceeds the targets set by the Davies and Hampton-Alexander reviews. AstraZeneca has a strong portfolio of recently-launched pipeline drugs and is increasingly focusing on areas of unmet need. The company is making progress in improving its 'Access to Medicines' rank, and has delivered over 2 million screenings via its Healthy Heart Africa Program.

Among the stocks sold were WS Atkins, following the takeover bid for the company at a significant premium. We also exited positions in a few companies which have minimal or mixed sustainability impacts, including Tate & Lyle, Marks & Spencer and Sage Group.

We will continue to use our disciplined process to identify investment opportunities in companies that deliver sustainable, innovative outcomes, offering attractive financial and sustainability benefits.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	359	3,924
Revenue	3	634	624
Expenses	4	(328)	(304)
Net revenue before taxation		306	320
Taxation	5	—	—
Net revenue after taxation		306	320
Total return before distributions		665	4,244
Distributions	6	(306)	(320)
Change in net assets attributable to shareholders from investment activities		359	3,924

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		24,196	24,908
Current assets:			
Debtors	7	168	168
Cash and bank balances		659	153
Total assets		25,023	25,229
Liabilities:			
Creditors:			
Distribution payable		(173)	(142)
Other creditors	8	(69)	(237)
Total liabilities		(242)	(379)
Net assets attributable to shareholders		24,781	24,850

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	24,850	21,657
Amounts receivable on the issue of shares	953	1,444
Amounts payable on the cancellation of shares	(1,402)	(2,188)
	(449)	(744)
Dilution adjustment	—	5
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	359	3,924
Retained distribution on accumulation shares	21	8
Closing net assets attributable to shareholders	24,781	24,850

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class T – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.5562	—	0.5562	0.7969
01/11/17 to 30/04/18	0.8818	—	0.8818	0.6972
Group 2				
01/05/17 to 31/10/17	0.1927	0.3635	0.5562	0.7969
01/11/17 to 30/04/18	0.6118	0.2700	0.8818	0.6972
Total distributions in the period			1.4380	1.4941

*Fund launched on 30 October 2016.

**In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

¹<http://report.businesscommission.org/report>

Threadneedle Ethical UK Equity Fund

DISTRIBUTION TABLE

(continued)

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.8215	–	0.8215	1.0198
01/11/17 to 30/04/18	1.1555	–	1.1555	0.9343
Group 2				
01/05/17 to 31/10/17	0.2588	0.5627	0.8215	1.0198
01/11/17 to 30/04/18	0.8095	0.3460	1.1555	0.9343
Total distributions in the period			1.9770	1.9541

Group 2: shares purchased during a distribution period.

Threadneedle Ethical UK Equity Fund

Comparative Table Disclosure

	Class T – Income shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ¹	30/04/2018	30/04/2017	30/04/2016 ¹
Change in net assets per share						
Opening net asset value per share (p)	117.30	98.99	100.00	120.71	100.12	100.00
Return before operating charges (p)	4.71	21.24	0.59	4.85	21.67	0.58
Operating charges (p)	(1.59)	(1.44)	(0.67)	(1.15)	(1.08)	(0.46)
Return after operating charges (p)*	3.12	19.80	(0.08)	3.70	20.59	0.12
Distributions (p)	(1.44)	(1.49)	(0.93)	(1.98)	(1.95)	(1.05)
Retained distributions on accumulation shares (p)	–	–	–	1.98	1.95	1.05
Closing net asset value per share (p)	118.98	117.30	98.99	124.41	120.71	100.12
*after direct transaction costs of (p)	0.21	0.21	0.42	0.21	0.22	0.41
Performance						
Return after charges (%)	2.66	20.00	(0.08)	3.07	20.57	0.12
Other information						
Closing net asset value (£000)	23,387	23,837	21,625	1,394	1,013	32
Closing number of shares	19,655,832	20,321,664	21,846,123	1,120,438	839,594	31,808
Operating charges (%)**	1.34	1.35	1.34 ¹	0.94	0.96	0.93 ¹
Direct transaction costs (%)***	0.17	0.19	0.42	0.17	0.19	0.42
Prices						
Highest share price (p)	122.46	118.33	103.39	126.26	121.05	103.42
Lowest share price (p)	111.36	92.55	90.13	115.54	93.67	90.23

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

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

¹Commenced 30 October 2015.

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

Threadneedle Ethical UK Equity Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	360	3,925
Other losses	—	(1)
Transaction costs	(1)	—
Net capital gains	359	3,924

3 REVENUE

	2018 £000	2017 £000
UK dividends	628	621
Overseas dividends	4	—
Bank interest	2	1
Underwriting commission	—	2
Total revenue	634	624

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(281)	(259)
Registration fees	(27)	(25)
	(308)	(284)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(3)	(3)
Safe custody fees	(9)	(9)
	(12)	(12)
Other expenses:		
Audit fees	(8)	(8)
	(8)	(8)
Total expenses*	(328)	(304)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 5b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	306	320
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(61)	(64)
Effects of:		
Revenue not subject to taxation	126	124
Excess expenses	(65)	(60)
Current tax charge for period (note 5a)	—	—

The fund has not recognised a deferred tax asset of £154,484 (2017: £89,336) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	119	168
Final	186	150
	305	318
Add: Revenue deducted on the cancellation of shares	4	4
Deduct: Revenue received on the creation of shares	(3)	(2)
Net distribution for the period	306	320

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

7 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	3	7
Sales awaiting settlement	8	9
Accrued revenue	157	152
Total debtors	168	168

8 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(38)	(8)
Purchases awaiting settlement	—	(197)
Accrued expenses	(6)	(7)
Amounts payable to ACD	(25)	(25)
Total other creditors	(69)	(237)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

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

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

Threadneedle Ethical UK Equity Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 13. The distribution per share class is given in the distribution table on pages 12 and 13. All classes have the same rights on winding up.

Reconciliation of shares

	2018
Class T – Income shares	
Opening shares	20,321,664
Shares issued	467,969
Shares redeemed	(1,133,801)
Net conversions	–
Closing shares	19,655,832
Class Z – Accumulation shares	
Opening shares	839,594
Shares issued	328,837
Shares redeemed	(47,993)
Net conversions	–
Closing shares	1,120,438

12 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 3.93% and vice versa (2017: 3.95%).

Currency exposures

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

	Total
Currency 2018	£000
Euro	411
US Dollar	9
Currency 2017	£000
Euro	330

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Euro	7	–	404	411
UK Sterling	652	–	23,951	24,603
US Dollar	–	–	9	9
Currency 2017	£000	£000	£000	£000
Euro	5	–	325	330
UK Sterling	148	–	24,751	24,899

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(242)	(242)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(379)	(379)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	24,020	–	24,908	–
Level 3	176	–	–	–
	24,196	–	24,908	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2018

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

Gross purchases total:

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

Total sales net of transaction costs:

7,748

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.12%

Threadneedle Ethical UK Equity Fund

Notes to the financial statements

(continued)

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	8,529	6	0.07	29	0.34
Corporate actions	68	—	—	—	—
Total	8,597	6		29	

Gross purchases total: **8,632**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	8,121	8	0.10	—	—
Corporate actions	1,099	—	—	—	—
Total	9,220	8		—	

Total sales net of transaction costs: **9,212**

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
Taxes:	0.13%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.50% (2017: 0.56%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Extended Alpha Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle UK Extended Alpha Fund has risen from 450.02p to 473.48p.

For comparison, using noon prices, the performance of the Class 1 share class was +5.21% and +5.81% for the Class 2 share class compared to a return of +7.72% 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 +8.16%.

Market Overview and Portfolio Activity

UK equities advanced over the review period, despite the uncertainty around Brexit, the UK economy, President Trump's protectionist measures and the approaching end of "easy money".

There were jitters about the UK's domestic politics as Prime Minister Theresa May's aim to secure a stronger electoral mandate to pursue a "soft Brexit" backfired when the Conservatives lost their parliamentary majority in June's snap general election. This, along with resignations of some high-profile Cabinet members, fed speculation that "hard Brexiters" could launch a leadership challenge against May. The review period saw UK and EU officials reach agreement on the so-called "divorce settlement" and some elements of a post-Brexit transition period but the Irish border issue remained unresolved.

On the economic front, high inflation prompted a quarter-point rate hike from the Bank of England in November. However, inflation subsequently trended lower; this, along with recent improvements in wage growth bode well for real incomes going forward.

New long-book additions included Rotork, Tesco, Weir Group and Cobham. Rotork should see tailwinds from returning oil & gas capital expenditure (capex), industry consolidation, and a management team that has invested well through the cycle to enhance the company's offering. For Tesco, we are positive about the deal on the pension fund; the firm's improved operating performance and focus on cashflow; and its recent acquisition of Booker. We feel that engineering firm Weir is well-positioned to benefit from an uplift in capex as improving profitability develops in the commodities sector. In our view, defence manufacturer Cobham has a resilient underlying business, which offers multiple opportunities for value creation.

We exited BAE Systems, feeling that the shares had become fully valued and that the risk-reward profile was likely to turn less attractive. We also sold Amec Foster Wheeler to consolidate our position in John Wood Group.

We also closed several profitable positions which we felt had become fully valued. These included Rentokil, RSA Insurance, FDM and AstraZeneca.

In the short book, we initiated new positions in a leading UK motor insurance company and in a defence company among others. In the case of the motor insurance firm, we have long had concerns about the commoditised nature of its product and we feel that some of the recent legislative changes could impact profitability. We also note that the company persists with what looks like a policy of over distributing

the dividend; this leaves very little protection if earnings fall away. The defence company's shares had performed well over several years but valuations now appear full given the budget pressures facing its largest customer – Saudi Arabia. Furthermore, government defence spending decisions are likely to be delayed given the focus on Brexit negotiations.

We profitably closed our long-held short position in an outsourcer after a sharp sell-off in 2018. This was due to Carillion's collapse and because the company in question issued a profit warning while also announcing a dividend cut and a rescue rights issue. We also profitably closed our short position in a de-rated engineering stock where we felt the valuation had become too compelling to remain short with any conviction.

The sell-off in early 2018 has shown our concerns about the potential impact on equities from the gradual withdrawal of liquidity by global central banks appear to be justified.

We feel many UK-listed firms remain more attractively valued than their international peers – including some of those with significant overseas revenues. This is mostly due to the uncertainty around Brexit and domestic politics, which has led to global asset allocators generally underweighting UK equities. Favourable valuations should help ensure that UK firms remain attractive candidates for overseas takeover bids. Political noise following the UK general election last June seemed to slow bid momentum, but overall deal volumes have now accelerated as corporates and activist investors are intervening where they see anomalous valuations and opportunities for change.

We will focus on bottom-up company fundamentals to top up and buy favoured stocks as they become more favourably valued; this should enable us to deliver solid returns in the long book while volatile markets should give us opportunities to the downside via our short book.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	3,664	15,153
Revenue	3	4,704	4,045
Expenses	4	(1,090)	(994)
Interest payable and similar charges	5	(609)	(347)
Net revenue before taxation		3,005	2,704
Taxation	6	–	–
Net revenue after taxation		3,005	2,704
Total return before distributions		6,669	17,857
Distributions	7	(3,005)	(2,704)
Change in net assets attributable to shareholders from investment activities		3,664	15,153

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		125,902	118,536
Current assets:			
Debtors	8	1,830	1,446
Cash and bank balances	9	12,008	6,603
Total assets		139,740	126,585
Liabilities:			
Investment liabilities		–	(99)
Creditors:			
Other creditors	10	(12,119)	(959)
Total liabilities		(12,119)	(1,058)
Net assets attributable to shareholders		127,621	125,527

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	125,527	89,986
Amounts receivable on the issue of shares	51,546	56,324
Amounts payable on the cancellation of shares	(56,241)	(39,002)
	(4,695)	17,322
Dilution adjustment	271	316
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,664	15,153
Retained distribution on accumulation shares	2,854	2,750
Closing net assets attributable to shareholders	127,621	125,527

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1 01/05/17 to 30/04/18	8.1496	–	8.1496	7.6426
Group 2 01/05/17 to 30/04/18	4.6868	3.4628	8.1496	7.6426
Total distributions in the period			8.1496	7.6426

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1 01/05/17 to 30/04/18	11.5348	–	11.5348	10.6814
Group 2 01/05/17 to 30/04/18	5.6950	5.8398	11.5348	10.6814
Total distributions in the period			11.5348	10.6814

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle UK Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	6.9923	—	6.9923	6.3823
Group 2				
01/05/17 to 30/04/18	6.9923	—	6.9923	6.3823
Total distributions in the period			6.9923	6.3823

Group 2: shares purchased during a distribution period.

Threadneedle UK Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	449.80	385.34	384.21	482.36	410.94	408.45
Return before operating charges (p)	29.90	70.34	6.37	32.17	75.19	5.84
Operating charges (p)	(6.43)	(5.88)	(5.24)	(4.15)	(3.77)	(3.35)
Return after operating charges (p)*	23.47	64.46	1.13	28.02	71.42	2.49
Distributions (p)	(8.15)	(7.64)	(7.68)	(11.53)	(10.68)	(10.40)
Retained distributions on accumulation shares (p)	8.15	7.64	7.68	11.53	10.68	10.40
Closing net asset value per share (p)	473.27	449.80	385.34	510.38	482.36	410.94
*after direct transaction costs of (p)	1.68	1.59	1.33	1.81	1.69	1.41
Performance						
Return after charges (%)	5.22	16.73	0.29	5.81	17.38	0.61
Other information						
Closing net asset value (£000)	5,551	5,743	3,758	122,063	119,778	86,222
Closing number of shares	1,172,837	1,276,758	975,368	23,916,107	24,831,469	20,981,507
Operating charges (%)**	1.40	1.40	1.40	0.84	0.84	0.84
Performance fee (%)	—	—	0.86	—	—	1.01
Direct transaction costs (%)***	0.37	0.38	0.35	0.37	0.38	0.35
Prices						
Highest share price (p)	480.95	452.41	396.62	517.83	485.03	421.79
Lowest share price (p)	439.96	367.13	338.13	474.18	391.86	360.23

	Class X – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	219.21	185.33	180.90
Return before operating charges (p)	14.68	34.02	4.55
Operating charges (p)	(0.16)	(0.14)	(0.12)
Return after operating charges (p)*	14.52	33.88	4.43
Distributions (p)	(6.99)	(6.38)	(6.02)
Retained distributions on accumulation shares (p)	6.99	6.38	6.02
Closing net asset value per share (p)	233.73	219.21	185.33
*after direct transaction costs of (p)	0.83	0.76	0.63
Performance			
Return after charges (%)	6.62	18.28	2.45
Other information			
Closing net asset value (£000)	7	6	6
Closing number of shares	3,000	3,000	3,000
Operating charges (%)**	0.07	0.07	0.07
Performance fee (%)	—	—	—
Direct transaction costs (%)***	0.37	0.38	0.35
Prices			
Highest share price (p)	236.61	220.33	189.70
Lowest share price (p)	216.98	176.93	162.16

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

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

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	2,757	15,473
Derivative contracts	900	(310)
Other gains/(losses)	9	(7)
Transaction costs	(2)	(3)
Net capital gains	3,664	15,153

3 REVENUE

	2018 £000	2017 £000
UK dividends	3,914	3,481
Overseas dividends	143	6
Derivative revenue	636	548
Bank interest	11	7
Underwriting commission	—	3
Total revenue	4,704	4,045

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(980)	(893)
Registration fees	(67)	(61)
	(1,047)	(954)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(15)	(13)
Safe custody fees	(11)	(11)
	(26)	(24)
Other expenses:		
Regulatory fees	(8)	(5)
Professional fees	—	(2)
Audit fees	(9)	(9)
	(17)	(16)
Total expenses*	(1,090)	(994)

The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the FTSE All Share Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2017 (2016: £Nil).

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Dividends payable on short positions	(606)	(344)
Interest payable	(3)	(3)
Total interest payable & similar charges	(609)	(347)

6 TAXATION

a) Analysis of charge in period

	2018 £000	2017 £000
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—

b) Factors affecting taxation charge for period

	2018 £000	2017 £000
Net revenue before taxation	3,005	2,704
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(601)	(541)
Effects of:		
Revenue not subject to taxation	788	690
Excess expenses	(187)	(149)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £1,177,213 (2017: £990,050) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	2,854	2,750
	2,854	2,750
Add: Revenue deducted on the cancellation of shares	757	426
Deduct: Revenue received on the creation of shares	(606)	(472)
Net distribution for the period	3,005	2,704

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	120	497
Sales awaiting settlement	540	—
Accrued revenue	1,170	949
Total debtors	1,830	1,446

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	150	120
Cash and bank balances	11,858	6,483
Total cash and bank balances	12,008	6,603

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(11,154)	(437)
Purchases awaiting settlement	(651)	(357)
Accrued expenses	(224)	(81)
Amounts payable to ACD	(90)	(84)
Total other creditors	(12,119)	(959)

11 DILUTION ADJUSTMENT

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

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

(continued)

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.25%
Class 2 shares	0.75%
Class X shares	N/A*

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.050%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 20. The distribution per share class is given in the distribution table on pages 18 and 19. All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	1,276,758
Shares issued	273,919
Shares redeemed	(327,840)
Net conversions	(50,000)
Closing shares	1,172,837
Class 2 – Accumulation shares	
Opening shares	24,831,469
Shares issued	10,187,995
Shares redeemed	(11,149,947)
Net conversions	46,590
Closing shares	23,916,107
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000

14 RISK MANAGEMENT

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

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.6 x benchmark¹ VAR and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 9.8% (2017: 9.3%) This means that there is estimated to be a 1% chance that the fund could lose more than 9.8% (2017: 9.3%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 65% (2017: 62%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 60% (2017: 59%), the highest VaR utilisation was 65% (2017: 65%) and the average utilisation was 62% (2017: 62%).

¹The benchmark of the fund is shown on page 216.

Currency exposures

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

	Total £000
Currency 2018	
Euro	56
US Dollar	145
Currency 2017	£000
Euro	30
US Dollar	69

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

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

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

	Portfolio Swaps Exposure £000	Collateral Pledged £000
2017		
Counterparty	£000	£000
UBS	–	120

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

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Euro	–	–	56	56
UK Sterling	11,982	–	127,306	139,288
US Dollar	26	–	172	198
Currency 2017	£000	£000	£000	£000
Euro	–	–	30	30
UK Sterling	6,603	–	119,696	126,299
US Dollar	–	–	69	69
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2018				
UK Sterling	–	–	(11,868)	(11,868)
US Dollar	–	–	(53)	(53)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(871)	(871)

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

Derivatives including portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager.

At 30 April 2018, the fund had outstanding portfolio swaps with an asset value of £189,000 (2017: £Nil) and a liability value of £Nil (2017: £99,000).

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

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	125,713	–	118,536	–
Level 2	189	–	–	(99)
	125,902	–	118,536	(99)

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2018

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

Gross purchases total:

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

Total sales net of transaction costs:

74,699

Transaction costs as a percentage of average Net Assets

Commissions: 0.07%
Taxes: 0.30%

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	71,411	49	0.07	359	0.50
Corporate actions	355	–	–	–	–
Total	71,766	49		359	

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	56,148	30	0.05	–	–
Corporate actions	923	–	–	–	–
Total	57,071	30		–	

Total sales net of transaction costs:

57,041

Transaction costs as a percentage of average Net Assets

Commissions: 0.07%
Taxes: 0.31%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.06% (2017: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Equity Alpha Income Fund

Investment Report

Investment Objective

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

Investment Policy

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

Performance of Class 1 – Income Shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – income shares in the Threadneedle UK Equity Alpha Income Fund has fallen from 69.91p to 67.19p.

For comparison, using noon prices, the performance of the Class 1 share class was +0.26% and +0.85% for the Class 2 share class compared to a return of +5.77% 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 +8.16%.

Market Overview and Portfolio Activity

It was a positive period for the UK equity market, despite the uncertainty around Brexit, and resulting fears of an adverse outcome on the UK's economy. Early 2018 also saw some jitters

about the approaching end of "easy money" and later, about Trump's protectionist measures. The latter were particularly painful for UK stocks with overseas exposure. However, markets subsequently recovered on conciliatory messages on trade from US and Chinese officials. UK equities were further supported by some high-profile takeover bids.

In political news, Prime Minister Theresa May's aim to secure a stronger electoral mandate to pursue a "soft Brexit" backfired as the Conservatives lost their parliamentary majority in June's snap general election. This, along with resignations of some high-profile members from the Cabinet, fed speculation that "hard Brexiteers" could launch a leadership challenge against May. When it came to the Brexit negotiations, the review period saw the UK and the EU reach agreement on the so-called "divorce settlement" and some elements of a post-Brexit transition period. However, the Irish border issue remained unresolved.

On the economic front, high inflation prompted a quarter-point rate hike from the Bank of England in November. The rise in inflation, along with sluggish wage growth, has impacted growth and created a challenging environment for retailers. But the end of the review period saw signs that the contraction in real-wage growth could ease as wage growth picked up, while inflation appears to have peaked. On another positive note, the second half of 2017 constituted the best such period for productivity growth since the financial crisis.

New additions to the portfolio included Johnson Matthey and Sherborne Investors. We are positive about Johnson Matthey's progress in developing battery technology and in enhancing existing technology for diesel and gasoline. We also feel that the healthcare division has strong growth potential. We participated in a cash raise by proven turnaround specialists Sherborne; we believe that the company is well positioned to emulate the success of Electra Private Equity, its previous project.

Over the review period, we also topped up existing holdings, including Marks & Spencer and Imperial Brands. We feel that Marks & Spencer has interesting levers to pull, despite investors' concerns over the UK's retail sector. Management's plans to cut costs and close stores in unprofitable locations could be an additional positive catalyst for the stock. Imperial Brands sold off in July following news of the US Food and Drug Administration's plans to lower nicotine levels in cigarettes; however, we believe the market overreacted. Imperial Brands has shown its ability to adapt to such changes in Europe, and in any case, we do not feel any regulatory changes are likely to be imminent. We also feel that the firm retains a competitive core offering and is better equipped than widely believed in next-generation products.

We exited BAE Systems, feeling it had become fully valued.

Despite uncertainties about the UK's domestic politics and economics, we are cautiously optimistic about UK equities. In many cases, we feel that relatively low valuations are unjustified. Moreover, a strong cohort of UK-listed firms remain attractively valued relative to international peers – even some with truly global operations. Favourable valuations should help ensure that UK firms remain popular candidates for takeover bids, which are now gathering momentum following a slowdown amid the political noise in the aftermath of the UK's election last June.

More broadly, we are cautious about the risks of monetary tightening for equities. We will continue to avoid whipsaw momentum trades and instead focus on company fundamentals to target strong risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(18,291)	97,081
Revenue	3	34,162	37,112
Expenses	4	(8,552)	(8,680)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		25,609	28,431
Taxation	6	–	–
Net revenue after taxation		25,609	28,431
Total return before distributions		7,318	125,512
Distributions	7	(33,499)	(36,445)
Change in net assets attributable to shareholders from investment activities		(26,181)	89,067

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		774,148	816,466
Current assets:			
Debtors	8	7,898	11,930
Cash and bank balances		13,656	18,820
Total assets		795,702	847,216
Liabilities:			
Creditors:			
Distribution payable		(17,145)	(19,059)
Other creditors	9	(1,359)	(987)
Total liabilities		(18,504)	(20,046)
Net assets attributable to shareholders		777,198	827,170

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	827,170	894,397
Amounts receivable on the issue of shares	54,897	53,272
Amounts payable on the cancellation of shares	(78,689)	(209,835)
	(23,792)	(156,563)
Dilution adjustment	–	269
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(26,181)	89,067
Unclaimed distributions	1	–
Closing net assets attributable to shareholders	777,198	827,170

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	1.3683	–	1.3683	1.3683
01/11/17 to 30/04/18	1.4208	–	1.4208	1.5544
Group 2				
01/05/17 to 31/10/17	0.5492	0.8191	1.3683	1.3683
01/11/17 to 30/04/18	0.6905	0.7303	1.4208	1.5544
Total distributions in the period			2.7891	2.9227

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle UK Equity Alpha Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	1.4600	–	1.4600	1.4600
01/11/17 to 30/04/18	1.5508	–	1.5508	1.6755
Group 2				
01/05/17 to 31/10/17	0.1443	1.3157	1.4600	1.4600
01/11/17 to 30/04/18	0.5767	0.9741	1.5508	1.6755
Total distributions in the period			3.0108	3.1355

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	2.2020	–	2.2020	2.2020
01/11/17 to 30/04/18	2.4336	–	2.4336	2.5746
Group 2				
01/05/17 to 31/10/17	2.2020	–	2.2020	2.2020
01/11/17 to 30/04/18	2.4336	–	2.4336	2.5746
Total distributions in the period			4.6356	4.7766

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	2.8380	–	2.8380	2.8380
01/11/17 to 30/04/18	3.0461	–	3.0461	3.2822
Group 2				
01/05/17 to 31/10/17	1.0332	1.8048	2.8380	2.8380
01/11/17 to 30/04/18	1.5968	1.4493	3.0461	3.2822
Total distributions in the period			5.8841	6.1202

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Alpha Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income share		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	68.31	61.29	66.79	72.24	64.48	69.91
Return before operating charges (p)	1.28	11.01	(1.58)	1.36	11.64	(1.66)
Operating charges (p)	(1.10)	(1.07)	(1.04)	(0.76)	(0.74)	(0.70)
Return after operating charges (p)*	0.18	9.94	(2.62)	0.60	10.90	(2.36)
Distributions (p)	(2.79)	(2.92)	(2.88)	(3.01)	(3.14)	(3.07)
Closing net asset value per share (p)	65.70	68.31	61.29	69.83	72.24	64.48
*after direct transaction costs of (p)	0.06	0.08	0.11	0.06	0.08	0.12
Performance						
Return after charges (%)	0.26	16.22	(3.92)	0.83	16.90	(3.38)
Other information						
Closing net asset value (£000)	83,269	101,101	105,816	483,456	480,324	569,415
Closing number of shares	126,739,101	147,998,197	172,645,151	692,353,946	664,928,344	883,036,374
Operating charges (%)**	1.63	1.63	1.62	1.06	1.06	1.05
Direct transaction costs (%)***	0.08	0.12	0.17	0.08	0.12	0.17
Prices						
Highest share price (p)	72.20	70.38	72.26	76.39	74.43	68.99
Lowest share price (p)	61.52	58.59	60.19	65.39	61.70	57.26

	Class X – Income shares			Class Z – Income shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	110.25	97.43	104.60	143.58	127.85	138.27
Return before operating charges (p)	2.06	17.62	(2.50)	2.70	23.06	(3.28)
Operating charges (p)	(0.02)	(0.02)	(0.02)	(1.25)	(1.21)	(1.16)
Return after operating charges (p)*	2.04	17.60	(2.52)	1.45	21.85	(4.44)
Distributions (p)	(4.64)	(4.78)	(4.65)	(5.88)	(6.12)	(5.98)
Closing net asset value per share (p)	107.65	110.25	97.43	139.15	143.58	127.85
*after direct transaction costs of (p)	0.09	0.12	0.18	0.12	0.16	0.23
Performance						
Return after charges (%)	1.85	18.06	(2.41)	1.01	17.09	(3.21)
Other information						
Closing net asset value (£000)	3	3	3	210,470	245,742	219,163
Closing number of shares	3,000	3,000	3,000	151,257,373	171,147,904	171,417,409
Operating charges (%)**	0.02	0.02	0.02	0.88	0.88	0.87
Direct transaction costs (%)***	0.08	0.12	0.17	0.08	0.12	0.17
Prices						
Highest share price (p)	116.69	113.59	108.19	151.86	147.89	142.92
Lowest share price (p)	100.74	93.39	90.76	130.23	122.37	119.25

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

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

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(18,326)	97,137
Other gains/(losses)	36	(54)
Transaction costs	(1)	(2)
Net capital (losses)/gains	(18,291)	97,081

3 REVENUE

	2018 £000	2017 £000
UK dividends	34,106	36,933
Overseas dividends	–	60
Interest on short term investments	6	16
Bank interest	8	9
Underwriting commission	42	94
Total revenue	34,162	37,112

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(7,890)	(8,014)
Registration fees	(525)	(538)
	(8,415)	(8,552)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(97)	(89)
Safe custody fees	(26)	(25)
	(123)	(114)
Other expenses:		
Regulatory fees	(5)	(4)
Audit fees	(9)	(8)
Professional fees	–	(2)
	(14)	(14)
Total expenses*	(8,552)	(8,680)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	(1)
Total interest payable & similar charges	(1)	(1)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	25,609	28,431
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,122)	(5,686)
Effects of:		
Revenue not subject to taxation	6,676	7,262
Excess expenses	(1,554)	(1,576)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £10,457,263 (2017: £8,902,924) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	16,216	16,436
Final	17,145	19,059
	33,361	35,495
Add: Revenue deducted on the cancellation of shares	926	1,584
Deduct: Revenue received on the creation of shares	(788)	(634)
Net distribution for the period	33,499	36,445
Net revenue after taxation	25,609	28,431
Annual management charge to capital	7,890	8,014
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	33,499	36,445

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	2,343	4,411
Accrued revenue	5,555	7,519
Total debtors	7,898	11,930

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(690)	(240)
Accrued expenses	(15)	(18)
Amounts payable to ACD	(654)	(729)
Total other creditors	(1,359)	(987)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 26. The distribution per share class is given in the distribution table on pages 24 and 25. All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	147,998,197
Shares issued	2,035,392
Shares redeemed	(18,299,291)
Net conversions	(4,995,197)
Closing shares	126,739,101
Class 2 – Income shares	
Opening shares	664,928,344
Shares issued	59,949,892
Shares redeemed	(31,596,945)
Net conversions	(927,345)
Closing shares	692,353,946
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class Z – Income shares	
Opening shares	171,147,904
Shares issued	8,639,409
Shares redeemed	(31,360,926)
Net conversions	2,830,986
Closing shares	151,257,373

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.68% and vice versa (2017: 4.78%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2017: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	13,656	–	782,046	795,702
Currency 2017	£000	£000	£000	£000
UK Sterling	18,820	–	828,396	847,216

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(18,504)	(18,504)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(20,046)	(20,046)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	774,148	–	816,466	–
	774,148	–	816,466	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	123,854	98	0.08	517	0.42
Corporate actions	5,548	–	–	–	–
Total	129,402	98		517	
Gross purchases total:	130,017				

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

(continued)

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

Total sales net of transaction costs: 154,009

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.06%

30 April 2017

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	120,308	141	0.12	565	0.47
Corporate actions	11,010	—	—	—	—
Total	131,318	141		565	

Gross purchases total: 132,024

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	314,040	234	0.07	—	—
Total	314,040	234		—	

Total sales net of transaction costs: 313,806

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.07%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.20% (2017: 0.10%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Absolute Alpha Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle UK Absolute Alpha Fund has fallen from 135.74p to 134.31p.

For comparison, using noon prices, the performance of the Class 1 share class was -1.05% and -0.48% for the Class 2 share class compared to a return of +1.26% 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 +0.44%.

Market Overview and Portfolio Activity

UK equities advanced over the review period despite the uncertainty around Brexit, the UK economy, President Trump's protectionist measures and the approaching end of "easy money".

There were also jitters about domestic politics. Prime Minister Theresa May's aim to secure a stronger electoral mandate to pursue a "soft Brexit" backfired when the Conservatives lost their parliamentary majority in June's snap general election. This, along with resignations of some high-profile Cabinet members, fed speculation that "hard Brexiters" could launch a leadership challenge against May. However, sentiment around Brexit was later buoyed by UK and EU officials reaching agreement on the so-called "divorce settlement" and some elements of a post-Brexit transition period although the Irish border issue remained unresolved.

On the economic front, high inflation prompted a quarter-point rate hike from the Bank of England in November. However, inflation subsequently trended lower; this, along with recent improvements in wage growth bode well for real incomes going forward.

New long-book additions included Rio Tinto, Shire and Tesco. We believe that Rio Tinto's focus on financial discipline and capital returns is a major differentiator in its sector. We bought Shire as we felt there were significant arbitrage opportunities following the numerous takeover bids from Takeda. For Tesco, we are positive about the recent acquisition of Booker, as well as about Tesco's deal on the pension fund, its improved operating performance and focus on cashflow.

We added to Barclays shortly after the announcement of a strategic investment by proven turnaround specialists Sherborne Investors; we are supportive of Sherborne's strategy to enhance shareholder returns, and increased our holding in this company as well over the review period. Royal Dutch Shell was another top-up; we are encouraged by the improving capital allocation and cash generation.

We exited our longstanding holding in Victrex at a significant profit. We also sold BAE Systems as it reached our target price. Other exits included AstraZeneca and Howden Joinery. The former was due to negative reports from the Imfinzi drug trials. We had previously materially reduced this position so the portfolio was not significantly impacted by the resulting sell-off. For Howden Joinery, we had concerns about the deteriorating outlook for purchases of big ticket items in a challenging consumer environment.

We initiated a pair trade in a global asset management firm, via a long position in the non-voting shares and a short position in the voting shares as the discount between the two share classes widened to a historic high.

Other new short positions included those in a miner and a credit scoring company. The miner has significant operational challenges and a full valuation – this position is primarily as a lower-quality hedge to our significant Rio Tinto long position. We believe the credit rating agency's rich valuation is at risk if US credit formation slows.

We profitably closed our long-held short in an outsourcer after a sharp sell-off in 2018. The sell-off took place following the collapse of Carillion and because the company in question issued a profit warning, while also announcing a dividend cut and a rescue rights issue. We also profitably closed positions in a de-rated engineering stock and an advertising company. In the latter case, we felt the valuation had become too compelling to remain short with any conviction. Another short book exit was an oil major, as oil prices rallied.

The sell-off in early 2018 has shown our concerns about the potential impact on equities from the gradual withdrawal of liquidity by global central banks appear to be justified.

We feel many UK-listed firms remain more attractively valued than their international peers – including some of those with significant overseas revenues. This is mostly due to the uncertainty around Brexit and domestic politics, which has led to global asset allocators generally underweighting UK equities. Favourable valuations should help ensure that UK firms remain attractive candidates for overseas takeover bids. Political noise following the UK general election last June seemed to slow bid momentum, but overall deal volumes have now accelerated as corporates and activist investors are intervening where they see anomalous valuations and opportunities for change.

We will focus on bottom-up company fundamentals to top up and buy favoured stocks as they become more favourably valued; this should enable us to deliver solid absolute returns in the long book while volatile markets should give us opportunities to the downside via our short book.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	4,071	38,033
Revenue	3	11,168	17,429
Expenses	4	(6,300)	(8,260)
Interest payable and similar charges	5	(6,499)	(11,261)
Net expense before taxation		(1,631)	(2,092)
Taxation	6	–	–
Net expense after taxation		(1,631)	(2,092)
Total return before distributions		2,440	35,941
Distributions	7	(328)	(258)
Change in net assets attributable to shareholders from investment activities		2,112	35,683

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		575,159	471,120
Current assets:			
Debtors	8	3,627	6,294
Cash and bank balances	9	74,336	251,900
Total assets		653,122	729,314
Liabilities:			
Investment liabilities		(7,544)	(3,268)
Creditors:			
Other creditors	10	(9,216)	(39,517)
Total liabilities		(16,760)	(42,785)
Net assets attributable to shareholders		636,362	686,529

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	686,529	999,346
Amounts receivable on the issue of shares	163,159	228,002
Amounts payable on the cancellation of shares	(215,810)	(577,253)
	(52,651)	(349,251)
Dilution adjustment	34	385
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,112	35,683
Retained distribution on accumulation shares	338	366
Closing net assets attributable to shareholders	636,362	686,529

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 1 EUR Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 2 – Income shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 2 EUR Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle UK Absolute Alpha Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	0.6552	–	0.6552	0.7549
Group 2				
01/05/17 to 30/04/18	0.4761	0.1791	0.6552	0.7549
Total distributions in the period			0.6552	0.7549

Class Z – Income shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class Z CHF Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class Z EUR Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class Z USD Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Group 2: shares purchased during a distribution period.

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016 ¹
Change in net assets per share						
Opening net asset value per share (p)	135.67	135.54	132.43	119.37	110.91	100.00
Return before operating charges (p)	0.74	2.29	5.30	4.53	10.34	12.72
Operating charges (p)	(2.20)	(2.16)	(2.19)	(2.02)	(1.88)	(1.81)
Return after operating charges (p)*	(1.46)	0.13	3.11	2.51	8.46	10.91
Distributions (p)	–	–	–	–	–	(0.12)
Retained distributions on accumulation shares (p)	–	–	–	–	–	0.12
Closing net asset value per share (p)	134.21	135.67	135.54	121.88	119.37	110.91
*after direct transaction costs of (p)	0.31	0.39	0.59	0.28	0.34	0.48
Performance						
Return after charges (%)	(1.08)	0.10	2.35	2.10	7.63	10.91
Other information						
Closing net asset value (£000)	14,547	20,954	38,005	11,433	16,262	41,270
Closing number of shares	10,839,143	15,444,784	28,039,213	9,380,087	13,623,761	37,209,977
Operating charges (%)**	1.63	1.63	1.62	1.63	1.62	1.64 ¹
Performance fee (%)	–	–	1.11	–	–	0.52
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	137.03	137.31	138.25	129.93	125.12	116.13
Lowest share price (p)	131.56	129.09	132.01	118.33	108.49	99.55

	Class 2 – Income shares			Class 2 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	106.56	105.87	102.70	139.50	138.57	134.78
Return before operating charges (p)	0.56	1.77	4.25	0.78	2.37	5.24
Operating charges (p)	(1.10)	(1.08)	(1.08)	(1.48)	(1.44)	(1.45)
Return after operating charges (p)*	(0.54)	0.69	3.17	(0.70)	0.93	3.79
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	106.02	106.56	105.87	138.80	139.50	138.57
*after direct transaction costs of (p)	0.24	0.30	0.46	0.32	0.40	0.61
Performance						
Return after charges (%)	(0.51)	0.65	3.09	(0.50)	0.67	2.81
Other information						
Closing net asset value (£000)	3	3	3	94,473	95,196	134,956
Closing number of shares	3,000	3,000	3,000	68,065,164	68,240,443	97,391,528
Operating charges (%)**	1.03	1.05	1.03	1.06	1.06	1.05
Performance fee (%)	–	–	0.96	–	–	1.20
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	107.69	107.28	107.77	140.97	140.44	141.06
Lowest share price (p)	103.89	101.15	102.49	136.00	132.41	134.47

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016 ²
Change in net assets per share						
Opening net asset value per share (p)	130.09	120.15	109.53	101.50	100.03	100.00
Return before operating charges (p)	4.92	11.28	11.83	0.39	1.53	0.05
Operating charges (p)	(1.43)	(1.34)	(1.21)	(0.06)	(0.06)	(0.02)
Return after operating charges (p)*	3.49	9.94	10.62	0.33	1.47	0.03
Distributions (p)	–	–	(0.09)	(0.66)	(0.75)	(0.40)
Retained distributions on accumulation shares (p)	–	–	0.09	0.66	0.75	0.40
Closing net asset value per share (p)	133.58	130.09	120.15	101.83	101.50	100.03
*after direct transaction costs of (p)	0.31	0.37	0.51	0.23	0.29	0.43
Performance						
Return after charges (%)	2.68	8.27	9.70	0.33	1.47	0.03
Other information						
Closing net asset value (£000)	48,999	135,089	371,387	52,573	49,162	3
Closing number of shares	36,682,370	103,842,844	309,103,768	51,630,949	48,436,200	3,000
Operating charges (%)**	1.06	1.06	1.05	0.06	0.06	0.02 ¹
Performance fee (%)	–	–	1.03	0.18	–	–
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	141.86	135.88	125.75	102.89	101.59	100.82
Lowest share price (p)	129.66	117.62	106.77	99.70	96.08	99.83
	Class Z – Income shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	105.98	105.09	102.20	124.22	123.18	119.65
Return before operating charges (p)	0.58	1.80	4.00	0.68	2.10	4.60
Operating charges (p)	(0.93)	(0.91)	(0.91)	(1.09)	(1.06)	(1.07)
Return after operating charges (p)*	(0.35)	0.89	3.09	(0.41)	1.04	3.53
Distributions (p)	–	–	(0.20)	–	–	(0.21)
Retained distributions on accumulation shares (p)	–	–	–	–	–	0.21
Closing net asset value per share (p)	105.63	105.98	105.09	123.81	124.22	123.18
*after direct transaction costs of (p)	0.24	0.30	0.46	0.28	0.35	0.54
Performance						
Return after charges (%)	(0.33)	0.85	3.02	(0.33)	0.84	2.95
Other information						
Closing net asset value (£000)	70,650	57,997	63,832	266,720	296,436	323,935
Closing number of shares	66,882,172	54,723,180	60,739,726	215,425,163	238,637,618	262,986,098
Operating charges (%)**	0.88	0.88	0.87	0.88	0.88	0.87
Performance fee (%)	–	–	1.12	–	–	1.17
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	107.12	106.52	107.12	125.55	124.85	125.32
Lowest share price (p)	103.49	100.51	101.99	121.30	117.81	119.37

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ³	30/04/2018	30/04/2017	30/04/2016 ³
Change in net assets per share						
Opening net asset value per share (p)	115.41	105.81	100.00	115.49	106.45	100.00
Return before operating charges (p)	(7.47)	10.87	6.72	4.40	10.03	7.39
Operating charges (p)	(1.01)	(1.27)	(0.91)	(1.06)	(0.99)	(0.94)
Return after operating charges (p)*	(8.48)	9.60	5.81	3.34	9.04	6.45
Distributions (p)	–	–	(0.13)	–	–	(0.26)
Retained distributions on accumulation shares (p)	–	–	0.13	–	–	0.26
Closing net asset value per share (p)	106.93	115.41	105.81	118.83	115.49	106.45
*after direct transaction costs of (p)	0.26	0.42	0.45	0.27	0.33	0.46
Performance						
Return after charges (%)	(7.35)	9.07	5.81	2.89	8.49	6.45
Other information						
Closing net asset value (£000)	185	396	7,480	76,578	12,585	15,789
Closing number of shares	172,625	342,397	7,069,856	64,442,114	10,896,822	14,832,227
Operating charges (%)**	0.88	0.87	0.88 ¹	0.88	0.88	0.89 ¹
Performance fee (%)	–	–	0.67	–	–	0.37
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	121.03	119.74	111.55	126.04	120.50	111.40
Lowest share price (p)	104.42	102.82	96.82	115.13	104.24	96.18
	Class Z USD Hedged – Accumulation shares					
	30/04/2018	30/04/2017	30/04/2016 ³			
Change in net assets per share						
Opening net asset value per share (p)	120.87	105.20	100.00			
Return before operating charges (p)	(4.91)	16.70	6.13			
Operating charges (p)	(1.04)	(1.03)	(0.93)			
Return after operating charges (p)*	(5.95)	15.67	5.20			
Distributions (p)	–	–	(0.21)			
Retained distributions on accumulation shares (p)	–	–	0.21			
Closing net asset value per share (p)	114.92	120.87	105.20			
*after direct transaction costs of (p)	0.27	0.34	0.47			
Performance						
Return after charges (%)	(4.92)	14.90	5.20			
Other information						
Closing net asset value (£000)	201	2,449	2,686			
Closing number of shares	174,518	2,026,405	2,553,384			
Operating charges (%)**	0.88	0.88	0.88 ¹			
Performance fee (%)	0.05	–	0.60			
Direct transaction costs (%)***	0.23	0.29	0.44			
Prices						
Highest share price (p)	124.67	127.30	111.42			
Lowest share price (p)	108.84	103.42	97.81			

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

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

¹Commenced 1 July 2015.

²Commenced 16 March 2016.

³Commenced 30 September 2015.

⁴The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	9,283	53,051
Derivative contracts	(10,635)	(57,983)
Forward currency contracts	5,393	42,988
Other gains/(losses)	32	(19)
Transaction costs	(2)	(4)
Net capital gains	4,071	38,033

3 REVENUE

	2018 £000	2017 £000
UK dividends	10,497	14,979
Overseas dividends	—	12
Interest on debt securities	261	215
Interest on short term investments	296	397
Derivative revenue	—	1,762
Bank interest	114	37
Underwriting commission	—	27
Total revenue	11,168	17,429

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(5,497)	(7,399)
Performance fees*	(92)	(104)
Registration fees	(583)	(624)
	(6,172)	(8,127)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(83)	(88)
Safe custody fees	(20)	(22)
	(103)	(110)
Other expenses:		
Regulatory fees	(6)	(5)
Audit fees	(19)	(18)
	(25)	(23)
Total expenses**	(6,300)	(8,260)

*The ACD is entitled to receive a performance fee for each shareclass in the event of the NAV per share of the shareclass outperforming the 3 Month LIBOR (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. The performance fee paid during the reporting period in respect of the calendar year ended 31 December 2017 was £196,501 (2016: £Nil).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Dividends payable on short positions	(3,785)	(3,804)
Interest payable	(7)	(1)
Derivative expense	(2,707)	(7,456)
Total interest payable & similar charges	(6,499)	(11,261)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net expense before taxation	(1,631)	(2,092)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	326	418
Effects of:		
Revenue not subject to taxation	2,106	2,981
Excess expenses	(2,432)	(3,399)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £12,789,975 (2017: £10,357,852) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	338	366
Add: Revenue deducted on the cancellation of shares	19	4
Deduct: Revenue received on the creation of shares	(29)	(112)
Net distribution for the period	328	258
Net expense after taxation	(1,631)	(2,092)
Performance fee charged to capital	92	104
Shortfall transfer from capital to revenue	1,867	2,246
Total distributions	328	258

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	292	452
Sales awaiting settlement	—	2,194
Accrued revenue	3,335	3,593
Foreign withholding tax recoverable	—	54
United Kingdom income tax recoverable	—	1
Total debtors	3,627	6,294

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	9,959	14,065
Cash and bank balances	64,377	237,835
Total cash and bank balances	74,336	251,900

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(4,047)	(575)
Purchases awaiting settlement	(3,872)	(37,845)
Accrued expenses	(845)	(488)
Amounts payable to ACD	(452)	(505)
Accrued performance fee	—	(104)
Total other creditors	(9,216)	(39,517)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 33 and 34. The distribution per share class is given in the distribution table on pages 30 and 31.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	15,444,784
Shares issued	200,527
Shares redeemed	(4,806,168)
Net conversions	—
Closing shares	10,839,143
Class 1 EUR Hedged – Accumulation shares	
Opening shares	13,623,761
Shares issued	3,371,083
Shares redeemed	(7,614,757)
Net conversions	—
Closing shares	9,380,087

Class 2 – Income shares	2018
Opening shares	3,000
Shares issued	—
Shares redeemed	—
Net conversions	—
Closing shares	3,000

Class 2 – Accumulation shares	
Opening shares	68,240,443
Shares issued	4,171,221
Shares redeemed	(4,337,415)
Net conversions	(9,085)
Closing shares	68,065,164

Class 2 EUR Hedged – Accumulation shares	
Opening shares	103,842,844
Shares issued	12,039,880
Shares redeemed	(78,905,354)
Net conversions	(295,000)
Closing shares	36,682,370

Class X – Accumulation shares	
Opening shares	48,436,200
Shares issued	5,287,463
Shares redeemed	(2,092,714)
Net conversions	—
Closing shares	51,630,949

Class Z – Income shares	
Opening shares	54,723,180
Shares issued	21,003,196
Shares redeemed	(9,000,051)
Net conversions	155,847
Closing shares	66,882,172

Class Z – Accumulation shares	
Opening shares	238,637,618
Shares issued	31,014,583
Shares redeemed	(54,104,267)
Net conversions	(122,771)
Closing shares	215,425,163

Class Z CHF Hedged – Accumulation shares	
Opening shares	342,397
Shares issued	—
Shares redeemed	(169,772)
Net conversions	—
Closing shares	172,625

Class Z EUR Hedged – Accumulation shares	
Opening shares	10,896,822
Shares issued	58,085,034
Shares redeemed	(4,871,904)
Net conversions	332,162
Closing shares	64,442,114

Class Z USD Hedged – Accumulation shares	
Opening shares	2,026,405
Shares issued	797,067
Shares redeemed	(2,648,954)
Net conversions	—
Closing shares	174,518

14 RISK MANAGEMENT

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

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

(continued)

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 10.0% and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 4.0% (2017: 3.5). This means that there is estimated to be a 1% chance that the fund could lose more than 4.0% (2017: 3.5%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 40% (2017: 35%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 20% (2017: 15%), the highest VaR utilisation was 40% (2017: 53%) and the average utilisation was 30% (2017: 34%).

Currency exposures

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

	Total £000
Currency 2018	
Euro	134,547
Swiss Franc	187
US Dollar	47
Currency 2017	£000
Euro	163,361
Swiss Franc	397
US Dollar	2,729

Currency sensitivity analysis

The only material currency exposure of the fund is to the Euro. A movement of 4.09% (2017: 7.75%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.86% (2017: 1.84%).

Credit/Counterparty exposure

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

	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2018			
Counterparty			
JP Morgan	—	845	640
UBS	—	—	5,170
2017			
Counterparty			
JP Morgan	—	—	6,600
UBS	1,459	—	3,100

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

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Euro	61	—	138,989	139,050
Swiss Franc	3	—	184	187
UK Sterling	74,272	126,937	453,019	654,228
US Dollar	—	—	414	414

Currency 2017	£000	£000	£000	£000
Euro	1	—	164,047	164,048
Swiss Franc	3	—	394	397
UK Sterling	251,896	88,184	389,065	729,145
US Dollar	1	—	2,728	2,729

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2018				
Euro	—	—	(4,503)	(4,503)
UK Sterling	—	—	(152,647)	(152,647)
US Dollar	—	—	(367)	(367)
Currency 2017	£000	£000	£000	£000
Euro	—	—	(687)	(687)
UK Sterling	—	—	(209,103)	(209,103)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

Derivatives including forward foreign exchange contracts, futures and options and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager.

At 30 April 2018, the fund had outstanding forward foreign exchange contracts, futures and options and portfolio swaps with an asset value of £864,000 (2017: £1,459,000) and a liability value of £7,544,000 (2017: £3,268,000).

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

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	574,295	(2,679)	471,120	—
Level 2	864	(4,865)	—	(3,268)
	575,159	(7,544)	471,120	(3,268)

Included within Level 1, are debt securities of £126,936,000 (2017: £88,184,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

(continued)

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2018

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

Gross purchases total: **1,750,070**

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

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

Transaction costs as a percentage of average Net Assets

Commissions: 0.06%
Taxes: 0.17%

**Commissions
£000**

Futures and Options **8**

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Bonds	1,109,685	—	—	—	—
Equities	341,455	314	0.09	1,630	0.48
Corporate actions	2,721	—	—	—	—
Total	1,453,861	314		1,630	

Gross purchases total: **1,455,805**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Bonds	1,021,701	—	—	—	—
Equities	513,240	441	0.09	—	—
Corporate actions	7,663	—	—	—	—
Total	1,542,604	441		—	

Total sales net of transaction costs: **1,542,163**

Transaction costs as a percentage of average Net Assets

Commissions: 0.09%
Taxes: 0.20%

**Commissions
£000**

Futures and Options **29**

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.14% (2017: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Absolute Return Bond Fund

Investment Report

Investment Objective

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

Investment Policy

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle Absolute Return Bond Fund has fallen from 57.07p to 56.04p.

Using noon prices, the performance of the Class 1 share class was -1.80% and -1.39% for the Class 2 share class compared to a return of +1.26% 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 LIBOR 3 Month Deposit Rate returned +0.44%.

Market Overview and Portfolio Activity

For much of the period, equities outperformed bonds, due to positive global economic data, improving corporate results and the prospect, then reality that President Trump would overhaul the US tax code. However, in early 2018, equities sold off sharply. Initially, this was due to increased fears that copious central bank

stimulus could soon come to an end. Later, worries about a trade war came into focus as the Trump administration announced sweeping tariffs on a range of imports.

Core government bond yields rose over the period as key central banks made further moves to normalise policy, and as investors feared that further steps in this direction could be stronger than previously anticipated. The aforementioned optimism over earnings, Trump's tax cuts and economic markers also hurt core bonds but aided riskier debt, particularly high yield bonds.

Over the review period, the Federal Reserve hiked rates three times, and in October, started scaling down its balance sheet. However, neither these moves, nor generally buoyant US economic markers, were sufficient to stem the dollar's slide. The currency was hurt by jitters about protectionism, anticipation that Trump's tax cuts would increase the US fiscal deficit and the various controversies engulfing his administration. By contrast, the euro trended higher due to robust economic indicators from the eurozone and generally less angst about euroscepticism. These factors encouraged the European Central Bank to reduce its bond purchases in January though the bank extended the scheme till September 2018. High inflation prompted the Bank of England to raise rates in November, despite sluggish domestic growth and Brexit-related uncertainty. The latter was compounded by the loss of the Conservatives' parliamentary majority in June's general election. By contrast, in Japan, a landslide victory for Prime Minister Shinzo Abe's party in a snap election in October prompted increased optimism over the country's political and economic prospects.

Within rates strategies, we generally favoured US Treasuries relative to German bunds, given the attractive spreads and our expectations of relative monetary policy movements. We retain this preference; we see the prospects of normalising European Central Bank (ECB) policy lifting eurozone bond yields.

Initially, we held curve steepening exposure at the front end of the US money market curve, where expectations for policy tightening

looked under-priced. We also positioned for the re-steepening of the bund curve, where we expected policy normalisation to come in the form of tapering of bond purchases rather than rate hikes.

In the second half of 2017, we broadly held a long duration bias as we viewed the drivers of lower yields as remaining generally intact. In early 2018, we opened a position in South African government bonds; we felt optimism around politics would lead foreign investors to appreciate a steep curve and high real rates.

Within currency strategies, we generally held – and still favour – a negative bias to the US dollar. We initially maintained a long euro bias given the improving economic backdrop, reduced political risk and increased market focus on the ECB's tapering. This was held against shorts in the yen and the pound; we expected no hawkish shifts from central banks in the UK and Japan. We pared back our long euro bias over the third quarter of 2017 to leave the portfolio neutral on the euro given that pricing around the euro and the dollar had become asymmetric with regards to central bank policy and political risks.

The flattening of the US yield curve in response to a faster pace of US rate hikes is not one we expect to reverse; we still feel that dynamics favour low long-dated bond yields. The boost to US growth from the fiscal package should prove temporary, rather than durable, as corporates appear to be favouring increased buybacks over raising wages and increasing investment. This should prevent the US curve from steepening.

The increase in the US federal deficit on the back of the recently-announced fiscal boost could widen the current-account deficit, given the economy's proximity to full employment. As has been the case historically, a larger combined federal and current-account deficit could lead to a weaker dollar. Moreover, the flattening US yield curve decreases the attractiveness of US fixed income on a hedged basis. This should hurt the US dollar in the context of funding a wider current-account deficit.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital losses	2	(1,013)	(6,458)
Revenue	3	819	2,042
Expenses	4	(303)	(942)
Interest payable and similar charges	5	(3)	(759)
Net revenue before taxation		513	341
Taxation	6	–	–
Net revenue after taxation		513	341
Total return before distributions		(500)	(6,117)
Distributions	7	(514)	(375)
Change in net assets attributable to shareholders from investment activities		(1,014)	(6,492)

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		26,954	41,597
Current assets:			
Debtors	8	216	461
Cash and bank balances	9	1,798	2,795
Total assets		28,968	44,853
Liabilities:			
Investment liabilities		(512)	(636)
Creditors:			
Bank overdrafts	9	(443)	(135)
Other creditors	10	(170)	(184)
Total liabilities		(1,125)	(955)
Net assets attributable to shareholders		27,843	43,898

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	43,898	181,381
Amounts receivable on the issue of shares	1,160	9,833
Amounts payable on the cancellation of shares	(16,627)	(141,018)
	(15,467)	(131,185)
Dilution adjustment	2	60
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,014)	(6,492)
Retained distribution on accumulation shares	424	134
Closing net assets attributable to shareholders	27,843	43,898

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 1 – Accumulation shares†

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	0.7347	–	0.7347	–
Group 2				
01/05/17 to 30/04/18	0.4709	0.2638	0.7347	–
Total distributions in the period			0.7347	–

Class 1 EUR Hedged – Accumulation shares†

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as the share class closed on 21 November 2017 (2017: Nil).

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Absolute Return Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	0.7528	–	0.7528	–
Group 2				
01/05/17 to 30/04/18	0.4279	0.3249	0.7528	–
Total distributions in the period			0.7528	–

Class 1 EUR Hedged – Gross accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as the share class closed on 21 November 2017 (2017: Nil).

Class 1 USD Hedged – Gross accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as the share class closed on 21 November 2017 (2017: Nil).

Class 2 – Accumulation shares[†]

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	1.0466	–	1.0466	0.3729
Group 2				
01/05/17 to 30/04/18	0.6525	0.3941	1.0466	0.3729
Total distributions in the period			1.0466	0.3729

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	1.0830	–	1.0830	0.3752
Group 2				
01/05/17 to 30/04/18	0.3024	0.7806	1.0830	0.3752
Total distributions in the period			1.0830	0.3752

Class 2 EUR Hedged – Gross accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as the share class closed on 21 November 2017 (2017: 0.607).

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.2535	–	2.2535	1.2435
Group 2				
01/05/17 to 30/04/18	2.2535	–	2.2535	1.2435
Total distributions in the period			2.2535	1.2435

Group 2: shares purchased during a distribution period.

[†]Distributions paid before 6 April 2017 have been paid net.

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	21/11/2017 ¹	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	57.04	60.43	64.97	99.80	98.58	100.00
Return before operating charges (p)	(0.41)	(2.61)	(3.67)	4.03	2.57	(1.18)
Operating charges (p)	(0.61)	(0.78)	(0.87)	(0.61)	(1.35)	(0.24)
Return after operating charges (p)*	(1.02)	(3.39)	(4.54)	3.42	1.22	(1.42)
Distributions (p)	(0.73)	–	–	–	–	–
Retained distributions on accumulation shares (p)	0.73	–	–	–	–	–
Closing net asset value per share (p)	56.02	57.04	60.43	103.22	99.80	98.58
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.79)	(5.61)	(6.99)	3.43	1.24	(1.42)
Other information						
Closing net asset value (£000)	12,383	19,887	30,697	–	10	10
Closing number of shares	22,104,303	34,866,304	50,794,716	–	10,000	10,000
Operating charges (%)**	1.07	1.33	1.38	–	1.31	1.37 ¹
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	57.21	60.99	66.90	109.31	110.37	102.95
Lowest share price (p)	55.97	56.86	58.96	98.99	93.82	98.00
	Class 1 – Gross accumulation shares [§]			Class 1 EUR Hedged – Gross accumulation shares [§]		
	30/04/2018	30/04/2017	30/04/2016	21/11/2017 ¹	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	58.44	61.92	66.56	99.80	98.58	100.00
Return before operating charges (p)	(0.43)	(2.64)	(3.75)	4.03	2.57	(1.18)
Operating charges (p)	(0.62)	(0.84)	(0.89)	(0.61)	(1.35)	(0.24)
Return after operating charges (p)*	(1.05)	(3.48)	(4.64)	3.42	1.22	(1.42)
Distributions (p)	(0.75)	–	–	–	–	–
Retained distributions on accumulation shares (p)	0.75	–	–	–	–	–
Closing net asset value per share (p)	57.39	58.44	61.92	103.22	99.80	98.58
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.80)	(5.62)	(6.97)	3.43	1.24	(1.42)
Other information						
Closing net asset value (£000)	1,745	2,002	39,830	–	10	10
Closing number of shares	3,040,164	3,425,285	64,329,631	–	10,000	10,000
Operating charges (%)**	1.07	1.38	1.38	–	1.31	1.37 ¹
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	58.61	62.48	68.54	109.31	110.37	102.95
Lowest share price (p)	57.35	58.25	60.41	98.99	93.82	98.03

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Gross accumulation shares [§]			Class 2 – Accumulation shares		
	21/11/2017 [†]	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	101.70	95.00	100.00	61.03	64.25	68.61
Return before operating charges (p)	(1.86)	8.06	(4.76)	(0.44)	(2.78)	(3.89)
Operating charges (p)	(0.59)	(1.36)	(0.24)	(0.40)	(0.44)	(0.47)
Return after operating charges (p)*	(2.45)	6.70	(5.00)	(0.84)	(3.22)	(4.36)
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	95.00	60.19	61.03	64.25
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.41)	7.05	(5.00)	(1.38)	(5.01)	(6.35)
Other information						
Closing net asset value (£000)	–	10	10	13,016	17,932	40,212
Closing number of shares	–	10,000	10,000	21,625,148	29,384,069	62,586,519
Operating charges (%)**	–	1.31	1.38 [†]	0.65	0.71	0.71
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	103.77	111.14	100.48	61.29	64.85	70.69
Lowest share price (p)	97.16	90.52	95.10	60.14	60.82	62.60
	Class 2 – Gross accumulation shares [§]			Class 2 EUR Hedged – Gross accumulation shares [§]		
	30/04/2018	30/04/2017	30/04/2016	21/11/2017 [†]	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	63.15	66.50	71.01	100.53	98.67	100.00
Return before operating charges (p)	(0.45)	(2.89)	(4.02)	4.06	2.58	(1.21)
Operating charges (p)	(0.41)	(0.46)	(0.49)	(0.37)	(0.72)	(0.12)
Return after operating charges (p)*	(0.86)	(3.35)	(4.51)	3.69	1.86	(1.33)
Distributions (p)	(1.08)	(0.38)	–	–	(0.61)	(0.04)
Retained distributions on accumulation shares (p)	1.08	0.38	–	–	0.61	0.04
Closing net asset value per share (p)	62.29	63.15	66.50	104.22	100.53	98.67
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.36)	(5.04)	(6.35)	3.67	1.89	(1.33)
Other information						
Closing net asset value (£000)	696	4,034	70,599	–	10	10
Closing number of shares	1,117,939	6,387,577	106,168,549	–	10,000	10,000
Operating charges (%)**	0.65	0.71	0.71	–	0.70	0.70 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	63.43	67.12	73.16	110.26	110.84	103.03
Lowest share price (p)	62.23	62.95	64.79	99.72	94.06	98.03

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]		
	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	98.53	103.07	109.33
Return before operating charges (p)	(0.71)	(4.50)	(6.24)
Operating charges (p)	(0.08)	(0.04)	(0.02)
Return after operating charges (p)*	(0.79)	(4.54)	(6.26)
Distributions (p)	(2.25)	(1.24)	(0.29)
Retained distributions on accumulation shares (p)	2.25	1.24	0.29
Closing net asset value per share (p)	97.74	98.53	103.07
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(0.80)	(4.40)	(5.73)
Other information			
Closing net asset value (£000)	3	3	3
Closing number of shares	3,001	3,001	3,001
Operating charges (%)**	0.08	0.04	0.02
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	99.27	104.05	112.71
Lowest share price (p)	97.65	98.20	100.28

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

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

[§]Only available to eligible investors.

[†]Commenced 24 February 2016 and closed 21 November 2017.

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

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	(1,014)	5,805
Derivative contracts	(873)	(1,266)
Forward currency contracts	866	(12,110)
Other gains	8	1,113
Net capital losses	(1,013)	(6,458)

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	755	2,015
Interest on short term investments	2	8
Derivative revenue	49	—
Bank interest	13	19
Total revenue	819	2,042

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(238)	(833)
Registration fees	(26)	(61)
	(264)	(894)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(4)	(11)
Safe custody fees	(10)	(13)
	(14)	(24)
Other expenses:		
Regulatory fees	(8)	(5)
Audit fees	(17)	(17)
Professional fees	—	(2)
	(25)	(24)
Total expenses*	(303)	(942)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(3)	(7)
Derivative expense	—	(752)
Total interest payable & similar charges	(3)	(759)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	513	341
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(103)	(68)
Effects of:		
Excess expenses	103	68
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £947,468 (2017: £1,050,346) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. Excess expenses brought forward have been utilised to reduce the tax liability.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	424	134
	424	134
Add: Revenue deducted on the cancellation of shares	99	266
Deduct: Revenue received on the creation of shares	(9)	(25)
Net distribution for the period	514	375
Net revenue after taxation	513	341
Equalisation on conversion	1	1
Shortfall transfer from capital to revenue	—	33
Total distributions	514	375

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 39 and 40.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	1	3
Accrued revenue	215	455
United Kingdom income tax recoverable	—	3
Total debtors	216	461

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	555	963
Cash and bank balances	1,243	1,832
	1,798	2,795
Cash overdrafts at broker	(443)	(135)
Total cash and bank balances	1,355	2,660

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(139)	(141)
Accrued expenses	(13)	(14)
Amounts payable to ACD	(18)	(29)
Total other creditors	(170)	(184)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Absolute Return Bond Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	0.85%
Class 2 shares	0.50%
Class X shares	N/A*

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 41 and 43. The distribution per share class is given in the distribution table on pages 39 and 40.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	34,866,304
Shares issued	548,450
Shares redeemed	(11,906,657)
Net conversions	(1,403,794)
Closing shares	22,104,303
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	(10,000)
Net conversions	–
Closing shares	–
Class 1 – Gross accumulation shares	
Opening shares	3,425,285
Shares issued	283,220
Shares redeemed	(527,385)
Net conversions	(140,956)
Closing shares	3,040,164
Class 1 EUR Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	(10,000)
Net conversions	–
Closing shares	–
Class 1 USD Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	(10,000)
Net conversions	–
Closing shares	–
Class 2 – Accumulation shares	
Opening shares	29,384,069
Shares issued	543,141
Shares redeemed	(9,612,084)
Net conversions	1,310,022
Closing shares	21,625,148
Class 2 – Gross accumulation shares	
Opening shares	6,387,577
Shares issued	571,769
Shares redeemed	(5,971,567)
Net conversions	130,160
Closing shares	1,117,939

	2018
Class 2 EUR Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	(10,000)
Net conversions	–
Closing shares	–
Class X – Gross accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,001

14 RISK MANAGEMENT

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

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 3.3% and is measured using the Monte Carlo model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 1.4% (2017: 2.4%) This means that there is estimated to be a 1% chance that the fund could lose more than 1.4% (2017: 2.4%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 42% (2017: 73%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 9% (2017: -13%), the highest VaR utilisation was 72% (2017: 101%) and the average utilisation was 47% (2017: 74%).

Currency exposures

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

	Total £000
Currency 2018	
Australian Dollar	(9)
Canadian Dollar	1,427
Euro	(743)
Japanese Yen	–
Mexican Peso	(3)
New Zealand Dollar	2
Norwegian Krone	2,804
Russian Ruble	64
South Africa Rand	46
Swedish Krona	75
Swiss Franc	(5)
US Dollar	(3,640)
Currency 2017	£000
Australian Dollar	45
Canadian Dollar	(1)
China Renminbi	(15)
Czech Koruna	2,163
Euro	5,709
Hungarian Forint	(46)
Japanese Yen	(4,404)
Mexican Peso	–
New Zealand Dollar	2
Polish Zloty	(156)
Russian Ruble	(140)
Swedish Krona	(17)
Swiss Franc	1,563
US Dollar	(324)

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

(continued)

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
Currency 2018	%	%
Norwegian Krone	0.63	0.06
US Dollar	6.05	0.79
Currency 2017	%	%
Euro	7.75	1.01
Japanese Yen	7.78	0.78

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
2018	£000
Counterparty	
Bank of Scotland	153
UBS	420
2017	£000
Counterparty	
Barclays	11
Citigroup	32
HSBC	86
J.P. Morgan	104
Lloyds	12
UBS	300

The fund held £450,000 (2017: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2018		2017	
	Value	% of	Value	% of
	£000	Investment	£000	Investment
Aaa	—	—	1,501	3.66
Aa1u	—	—	8,837	21.57
AA	473	1.79	2,321	5.67
Aa2	1,642	6.21	682	1.67
Aa2u	13,657	51.65	—	—
AA-	—	—	2,216	5.41
A+	—	—	1,518	3.71
A	—	—	3,022	7.38
A-	—	—	1,512	3.69
BBB+	4,782	18.09	7,636	18.64
BBB	1,544	5.84	5,197	12.69
BB+	1,524	5.76	—	—
Not Rated*	2,521	9.53	6,091	14.87
Derivatives**	299	1.13	428	1.04
	26,442	100.00	40,961	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

**The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Australian Dollar	6	—	9	15
Canadian Dollar	6	—	1,448	1,454
Euro	234	—	3,197	3,431
Japanese Yen	6	—	—	6
Mexican Peso	6	—	—	6
New Zealand Dollar	6	—	—	6
Norwegian Krone	—	—	2,987	2,987
Russian Ruble	—	2,521	2,445	4,966
South Africa Rand	—	1,524	344	1,868
Swedish Krona	39	—	4,342	4,381
Swiss Franc	6	—	—	6
UK Sterling	1,428	20,989	9,915	32,332
US Dollar	60	1,109	11,927	13,096
Currency 2017	£000	£000	£000	£000
Australian Dollar	10	—	2,569	2,579
Canadian Dollar	10	—	—	10
China Renminbi	—	—	29,159	29,159
Czech Koruna	—	—	23,501	23,501
Euro	128	—	30,274	30,402
Japanese Yen	10	—	314	324
Mexican Peso	10	—	—	10
New Zealand Dollar	10	—	—	10
Polish Zloty	10	—	9	19
Russian Ruble	—	6,091	1,281	7,372
Swedish Krona	10	—	—	10
Swiss Franc	10	—	1,800	1,810
UK Sterling	4,861	28,506	18,223	51,590
US Dollar	878	2,783	39,787	43,448
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Australian Dollar	(17)	—	(7)	(24)
Canadian Dollar	—	—	(27)	(27)
Euro	—	—	(4,174)	(4,174)
Japanese Yen	—	—	(6)	(6)
Mexican Peso	—	—	(9)	(9)
New Zealand Dollar	—	—	(4)	(4)
Norwegian Krone	—	—	(183)	(183)
Russian Ruble	—	—	(4,902)	(4,902)
South Africa Rand	—	—	(1,822)	(1,822)
Swedish Krona	—	—	(4,306)	(4,306)
Swiss Franc	—	—	(11)	(11)
UK Sterling	—	—	(4,507)	(4,507)
US Dollar	(426)	—	(16,310)	(16,736)
Currency 2017	£000	£000	£000	£000
Australian Dollar	(88)	—	(2,446)	(2,534)
Canadian Dollar	—	—	(11)	(11)
China Renminbi	—	—	(29,174)	(29,174)
Czech Koruna	—	—	(21,338)	(21,338)
Euro	—	—	(24,693)	(24,693)
Hungarian Forint	—	—	(46)	(46)
Japanese Yen	—	—	(4,728)	(4,728)
Mexican Peso	—	—	(10)	(10)
New Zealand Dollar	—	—	(8)	(8)
Polish Zloty	—	—	(175)	(175)
Russian Ruble	—	—	(7,512)	(7,512)
Swedish Krona	—	—	(27)	(27)
Swiss Franc	—	—	(247)	(247)
UK Sterling	—	—	(12,071)	(12,071)
US Dollar	(47)	—	(43,725)	(43,772)

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £811,000 (2017: £1,064,000) and a liability value of £512,000 (2017: £636,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	13,697	(102)	9,221	(429)
Level 2	13,257	(410)	32,376	(207)
	26,954	(512)	41,597	(636)

Included within Level 1, are debt securities of £13,657,000 (2017: £8,837,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £17,358,590 (2017: £97,616,980) and £30,229,080 (2017: £207,349,692) respectively. Corporate action costs and proceeds amounted to £Nil (2017: £Nil) and £Nil (2017: £13,349) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £9,593 (2017: £788).

At the balance sheet date, the portfolio dealing spread was 0.07% (2017: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund*

Investment Report

Investment Objective

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

Investment Policy

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

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

Performance of Class 2 – Gross income shares**

Over the twelve months to 30 April 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 133.31p to 131.26p.

For comparison, using noon prices, the performance of the Class 2 share class was +0.92% compared to a return of +1.10% 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 +0.72%.

Market Overview and Portfolio Activity

In aggregate, sterling corporate bonds delivered a modest positive return over the year to 30 April 2018. Gilts weakened, with the 10-year yield rising around 33 basis points (bps), but credit spreads in the broad UK investment-grade corporate bond market tightened by around 6 bps over the same period.

Sentiment towards risk assets was buoyed by a number of factors during the year. These included a synchronised recovery in the global economy, strong company earnings and growing anticipation of US tax reform, which was finally delivered in December 2017. In addition to the benign economic backdrop, the year was also characterised by political noise, both domestic and international, and changing expectations regarding central-bank policy.

On the international front, the victory of pro-European centrist Emmanuel Macron in the French presidential election calmed nerves near the start of the period, but the inconclusive Italian general election has since revived concerns about populism in Europe. Markets have also had to contend with waxing and waning US-North Korean tensions, deteriorating relations between the West and Russia, numerous controversies engulfing the White House, and, as President Trump aimed steep new import tariffs at China, fears of a global trade war.

Closer to home, meanwhile, UK Prime Minister Theresa May lost her outright majority at the snap general election in June; this caused market jitters, as did persistent rumours of a potential leadership challenge by proponents of a "hard" Brexit. The ongoing exit negotiations with the EU have been a key focus for investors, with the Irish border question proving a particularly thorny problem.

The Bank of England (BoE) garnered increasing attention, along with the Federal Reserve (Fed) and European Central Bank (ECB), as all three moved closer to normalising their monetary policy. The Fed continued to lead the way, making three 25-bp interest-rate hikes over the year. As post Brexit-referendum weakness in sterling drove UK inflation higher, the BoE was next to raise rates, announcing a 25-bp hike in November for the first time in a decade. The move came despite a sluggish UK economy, which markedly lagged the US and eurozone in terms of GDP growth. Faced with both a stronger economy and below-target inflation, the ECB kept rates on hold but

announced it would halve its monthly stimulus purchases from January 2018. With each bank stressing a gradual tightening cycle, none of these decisions caused market panic.

Nevertheless, bond markets had a difficult start to 2018. Yields spiked in January as strong economic data prompted some ECB policymakers to suggest that their stimulus programme could end more quickly than was expected at the time. In February spreads widened amid a global equity sell-off as higher-than-forecast US wage growth stoked fears of faster rate hikes by the Fed. In March, the aforementioned trade-war concerns put further pressure on risk assets; as the period drew to a close, however, spreads narrowed somewhat as China and the US adopted a more conciliatory tone on tariffs.

In terms of portfolio activity, we started new holdings in a range of issuers, mostly purchased from the primary market. The largest of these new additions included Bunzl, Newriver REIT, Prologis, Annington, and DS Smith. We also increased exposure to certain names, such as Anheuser-Busch InBev, Digital Stout, Western Power Distribution, Thames Water, and British American Tobacco, while reducing exposure to others, including Greene King, Global Switch, Innogy, Eversholt, and Northern Gas Networks. Meanwhile, we exited a number of issuers completely, including Porterbrook, Orsted, RSA Insurance, Morgan Stanley and Heinz.

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. From a valuation perspective, bond yields are low and, despite the recent move wider, credit spreads are still tight in the historical context. Consequently, market returns are expected to be muted in the coming months. Hence, we do not consider this to be a period in which to be aggressive with overall credit risk.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(3,462)	9,219
Revenue	3	6,527	2,644
Expenses	4	(769)	(404)
Interest payable and similar charges	5	(24)	(26)
Net revenue before taxation		5,734	2,214
Taxation	6	—	—
Net revenue after taxation		5,734	2,214
Total return before distributions		2,272	11,433
Distributions	7	(5,601)	(2,214)
Change in net assets attributable to shareholders from investment activities		(3,329)	9,219

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		217,791	216,832
Current assets:			
Debtors	8	3,609	4,695
Cash and bank balances	9	5,158	5,469
Total assets		226,558	226,996
Liabilities:			
Investment liabilities		(217)	(106)
Creditors:			
Bank overdrafts	9	(219)	(186)
Distribution payable		(16)	(458)
Other creditors	10	(1,590)	(1,875)
Total liabilities		(2,042)	(2,625)
Net assets attributable to shareholders		224,516	224,371

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	224,371	—
Amounts receivable on the issue of shares	28,257	9,881
Amounts payable on the cancellation of shares	(26,712)	(14,120)
Amounts receivable on inspecie transfers	—	219,391
	1,545	215,152
Dilution adjustment	55	—
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(3,329)	9,219
Retained distribution on accumulation shares	1,874	—
Closing net assets attributable to shareholders	224,516	224,371

*Fund launched on 9 December 2016.

**In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/05/17	0.2760	—	0.2760	—
01/06/17 to 30/06/17	0.2698	—	0.2698	—
01/07/17 to 31/07/17	0.2818	—	0.2818	—
01/08/17 to 31/08/17	0.2776	—	0.2776	—
01/09/17 to 30/09/17	0.2711	—	0.2711	—
01/10/17 to 31/10/17	0.2813	—	0.2813	—
01/11/17 to 30/11/17	0.2734	—	0.2734	—
01/12/17 to 31/12/17	0.2740	—	0.2740	0.2126
01/01/18 to 31/01/18	0.2832	—	0.2832	0.2746
01/02/18 to 28/02/18	0.2544	—	0.2544	0.2545
01/03/18 to 31/03/18	0.2719	—	0.2719	0.2775
01/04/18 to 30/04/18	0.2705	—	0.2705	0.2702

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 2				
01/05/17 to 31/05/17	0.1076	0.1684	0.2760	—
01/06/17 to 30/06/17	0.0508	0.2190	0.2698	—
01/07/17 to 31/07/17	0.0663	0.2155	0.2818	—
01/08/17 to 31/08/17	0.0724	0.2052	0.2776	—
01/09/17 to 30/09/17	0.0584	0.2127	0.2711	—
01/10/17 to 31/10/17	0.0672	0.2141	0.2813	—
01/11/17 to 30/11/17	0.0254	0.2480	0.2734	—
01/12/17 to 31/12/17	0.0910	0.1830	0.2740	0.2126
01/01/18 to 31/01/18	0.2239	0.0583	0.2832	0.2746
01/02/18 to 28/02/18	0.1247	0.1297	0.2544	0.2545
01/03/18 to 31/03/18	0.1606	0.1113	0.2719	0.2775
01/04/18 to 30/04/18	0.1277	0.1428	0.2705	0.2702
Total distributions in the period			3.2850	1.2894

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018
Group 1			
01/01/18 to 31/01/18	0.1683	—	0.1683
01/02/18 to 28/02/18	0.2191	—	0.2191
01/03/18 to 31/03/18	0.2360	—	0.2360
01/04/18 to 30/04/18	0.2343	—	0.2343
Group 2			
01/01/18 to 31/01/18	0.0675	0.1008	0.1683
01/02/18 to 28/02/18	0.0491	0.1700	0.2191
01/03/18 to 31/03/18	0.2006	0.0354	0.2360
01/04/18 to 30/04/18	0.0656	0.1687	0.2343
Total distributions in the period			0.8577

Group 2: shares purchased during a distribution period.

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

†Distributions paid before 6 April 2017 have been paid net.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 2 – Gross income shares [§]		Class X – Gross accumulation shares [§]
	30/04/2018	30/04/2017 [†]	30/04/2018 [‡]
Change in net assets per share			
Opening net asset value per share (p)	132.51	127.13	100.00
Return before operating charges (p)	1.87	6.90	(2.27)
Operating charges (p)	(0.63)	(0.23)	(0.01)
Return after operating charges (p)*	1.24	6.67	(2.28)
Distributions (p)	(3.29)	(1.29)	(0.86)
Retained distributions on accumulation shares (p)	–	–	0.86
Closing net asset value per share (p)	130.46	132.51	97.72
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	0.94	5.25	(2.28)
Other information			
Closing net asset value (£000)	7,700	224,371	216,816
Closing number of shares	5,902,305	169,329,161	221,883,949
Operating charges (%)**	0.47	0.46 [†]	0.07 [‡]
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	136.34	133.76	100.00
Lowest share price (p)	129.21	126.53	96.11

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

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

[§]Only available to eligible investors.

[†]Commenced 9 December 2016.

[‡]Commenced 9 January 2018.

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

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(3,886)	8,736
Derivative contracts	(97)	212
Forward currency contracts	452	(29)
Other gains	71	300
Transaction costs	(2)	—
Net capital (losses)/gains	(3,462)	9,219

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	6,515	2,641
Bank interest	12	3
Total revenue	6,527	2,644

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(631)	(349)
Registration fees	(78)	(31)
	(709)	(380)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(27)	(10)
Safe custody fees	(22)	(6)
	(49)	(16)
Other expenses:		
Audit fees	(11)	(8)
	(11)	(8)
Total expenses*	(769)	(404)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(4)	(1)
Derivative expense	(20)	(25)
Total interest payable & similar charges	(24)	(26)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	5,734	2,214
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%		
Effects of:	(1,147)	(443)
Distributions treated as tax deductible	1,147	443
Current tax charge for period (note 6a)	—	—

Interest distributions were made in respect of all distributions during the prior period. Income tax at 20% on net share classes paid prior to 6 April 2017 was accounted for on shareholders' behalf to HM Revenue & Customs.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	5,062	1,757
Final	536	458
	5,598	2,215
Add: Revenue deducted on the cancellation of shares	25	12
Deduct: Revenue received on the creation of shares	(22)	(13)
Net distribution for the period	5,601	2,214
Net revenue after taxation	5,734	2,214
Equalisation on conversion	(133)	—
Total distributions	5,601	2,214

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	6	767
Sales awaiting settlement	348	815
Accrued revenue	3,255	3,113
Total debtors	3,609	4,695

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	373	513
Cash and bank balances	4,785	4,956
	5,158	5,469
Cash overdrafts at broker	(219)	(186)
Total cash and bank balances	4,939	5,283

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(4)	—
Purchases awaiting settlement	(1,565)	(1,784)
Accrued expenses	(12)	(10)
Amounts payable to ACD	(9)	(81)
Total other creditors	(1,590)	(1,875)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 2 shares	0.035%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 50. The distribution per share class is given in the distribution table on pages 48 and 49. All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 2 – Gross income shares	
Opening shares	169,329,161
Shares issued	9,448,335
Shares redeemed	(15,880,086)
Net conversions	(156,995,105)
Closing shares	5,902,305
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	15,912,363
Shares redeemed	(5,616,143)
Net conversions	211,587,729
Closing shares	221,883,949

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

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fund would result in an increase in the net asset value of the fund by 10.57% and vice versa (2017: 10.62%).

Currency exposures

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

	Total £000
Currency 2018	
Euro	14
US Dollar	22
Currency 2017	
Euro	17
US Dollar	8

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

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

	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000
2018		
Counterparty		
UBS	46	–

	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000
2017		
Counterparty		
Citigroup	–	811
Lloyds	–	4
UBS	126	–

The fund held £20,000 (2017: £670,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
AAA	18,273	8.40	24,879	11.48
Aaa	7,767	3.57	–	–
AA+	1,108	0.51	1,035	0.48
Aa1	–	–	399	0.18
Aa1u	–	–	10,769	4.97
AA	11,156	5.13	12,125	5.59
Aa2	388	0.18	1,683	0.78
Aa2u	8,636	3.97	–	–
AA-	4,344	2.00	9,051	4.18
Aa3	1,291	0.59	–	–
A+	6,904	3.17	4,858	2.24
A1	–	–	780	0.36
A	13,893	6.38	17,887	8.25
A2	1,125	0.52	1,435	0.66
A-	29,696	13.65	22,653	10.45
A3	2,487	1.14	429	0.20
BBB+	54,399	25.00	54,929	25.35
Baa1	1,883	0.86	1,744	0.81
BBB	27,544	12.66	21,972	10.14
Baa2	6,544	3.01	3,709	1.71
BBB-	9,167	4.21	12,652	5.84
Baa3	–	–	2,300	1.06
BB+	3,235	1.49	3,820	1.76
BB-	2,156	0.99	2,236	1.03
B+	–	–	1,293	0.60
B	904	0.42	799	0.37
Not Rated*	4,742	2.18	2,350	1.08
Derivatives**	(68)	(0.03)	939	0.43
	217,574	100.00	216,726	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

**The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Euro	196	2,209	25	2,430
UK Sterling	20,251	193,090	16,683	230,024
US Dollar	1,184	5,870	3,894	10,948

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2017				
Euro	517	1,690	53	2,260
UK Sterling	18,364	188,541	20,177	227,082
US Dollar	1,437	10,707	553	12,697
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2018				
Euro	—	—	(2,416)	(2,416)
UK Sterling	(220)	—	(5,324)	(5,544)
US Dollar	—	—	(10,926)	(10,926)
Currency 2017				
Euro	(13)	—	(2,230)	(2,243)
UK Sterling	—	—	(2,736)	(2,736)
US Dollar	(173)	—	(12,516)	(12,689)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £149,000 (2017: £1,046,000) and a liability value of £217,000 (2017: £106,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	13,627	(15)	14,145	(88)
Level 2	204,164	(202)	202,687	(18)
	217,791	(217)	216,832	(106)

Included within Level 1, are debt securities of £13,566,000 (2017: £13,931,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £120,110,465 (2017: £43,455,314) and £111,082,071 (2017: £48,030,693) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £212,711,068) and £Nil (2017: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2017: £Nil) and £1,362,894 (2017: £336,426) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £1,832 (2017: £788).

At the balance sheet date, the portfolio dealing spread was 0.82% (2017: 0.86%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

Performance of Class 2 – Income Shares*

Over the twelve months to 30 April 2018, the published share price of Class 2 – income shares in the Threadneedle Sterling Short-Dated Corporate Bond Fund has fallen from 107.39p to 106.45p.

For comparison, using noon prices, the performance of the Class 2 share class was +0.84% compared to a return of +1.10% 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 +0.39%.

Market Overview and Portfolio Activity

In aggregate, sterling short-dated corporate bonds delivered a modest positive return over the year to 30 April 2018. Gilts weakened, with the five-year yield rising around 60 basis points (bps), but UK short-dated credit spreads tightened by around 13 bps over the same period.

Sentiment towards risk assets was buoyed by a number of factors during the year. These included a synchronised recovery in the global economy, strong company earnings and growing anticipation of US tax reform, which was finally delivered in December 2017. In addition to the benign economic backdrop, the year was also characterised by political noise, both domestic and international, and changing expectations regarding central-bank policy.

On the international front, the victory of pro-European centrist Emmanuel Macron in the French presidential election calmed nerves near the start of the period, but the inconclusive Italian general election has since revived concerns about populism in Europe. Markets have also had to contend with waxing and waning US-North Korean tensions, deteriorating relations between the West and Russia, numerous controversies engulfing the White House, and, as President Trump aimed steep new import tariffs at China, fears of a global trade war.

Closer to home, meanwhile, UK Prime Minister Theresa May lost her outright majority at the snap general election in June; this caused market jitters, as did persistent rumours of a potential leadership challenge by proponents of a “hard” Brexit. The ongoing exit negotiations with the EU have been a key focus for investors, with the Irish border question proving a particularly thorny problem.

The Bank of England (BoE) garnered increased attention, along with the Federal Reserve (Fed) and European Central Bank (ECB), as all three moved closer to normalising their monetary policy. The Fed continued to lead the way, making three 25-bp interest-rate hikes over the year. As post Brexit-referendum weakness in sterling drove UK inflation higher, the BoE was next to raise rates, announcing a 25-bp hike in November for the first time in a decade. The move came despite a sluggish UK economy, which markedly lagged the US and eurozone in terms of GDP growth. Faced with both a stronger

economy and below-target inflation, the ECB kept rates on hold but announced it would halve its monthly stimulus purchases from January 2018. With each bank stressing a gradual tightening cycle, none of these decisions caused market panic.

Nevertheless, bond markets had a difficult start to 2018. Yields spiked in January as strong economic data prompted some ECB policymakers to suggest that their stimulus programme could end more quickly than was expected at the time. In February spreads widened amid a global equity sell-off as higher-than-forecast US wage growth stoked fears of faster rate hikes by the Fed. In March, the aforementioned trade-war concerns put further pressure on risk assets; as the period drew to a close, however, spreads narrowed somewhat as China and the US adopted a more conciliatory tone on tariffs.

In terms of portfolio activity, we started new holdings in a range of issuers over the year, the largest of which included Rabobank, Western Power Distribution, Credit Mutuel, and Adler Real Estate. We also increased exposure to certain names, such as Kinder Morgan, MetLife, Tesco, GKN, Credit Suisse, and Imperial Brands, while reducing exposure to others, including Vodafone, Deutsche Bank, First Group, and Grand City Properties. Meanwhile, we exited a number of issuers completely, including BNG, Morgan Stanley, Anglian Water, Annington, and BG.

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. From a valuation perspective, bond yields are low and, despite the recent move wider, credit spreads are still tight in the historical context. Consequently, market returns are expected to be muted in the coming months. Hence, we do not consider this to be a period in which to be aggressive with overall credit risk.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(9,997)	5,381
Revenue	3	21,384	6,455
Expenses	4	(2,710)	(1,072)
Interest payable and similar charges	5	(288)	(1)
Net revenue before taxation		18,386	5,382
Taxation	6	—	—
Net revenue after taxation		18,386	5,382
Total return before distributions		8,389	10,763
Distributions	7	(18,465)	(5,382)
Change in net assets attributable to shareholders from investment activities		(10,076)	5,381

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		1,124,429	804,458
Current assets:			
Debtors	8	34,852	31,477
Cash and bank balances	9	9,546	17,893
Total assets		1,168,827	853,828
Liabilities:			
Investment liabilities		(3,791)	(518)
Creditors:			
Bank overdrafts	9	(85)	—
Distribution payable		(1,037)	(1,261)
Other creditors	10	(21,180)	(6,706)
Total liabilities		(26,093)	(8,485)
Net assets attributable to shareholders		1,142,734	845,343

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	845,343	—
Amounts receivable on the issue of shares	371,853	171,642
Amounts payable on the cancellation of shares	(68,915)	(55,178)
Amounts receivable on inspecie transfers	—	723,082
	302,938	839,546
Dilution adjustment	41	28
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(10,076)	5,381
Retained distribution on accumulation shares	4,488	388
Closing net assets attributable to shareholders	1,142,734	845,343

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 1 – Accumulation shares**

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/05/17	0.1000	—	0.1000	—
01/06/17 to 30/06/17	0.1088	—	0.1088	—
01/07/17 to 31/07/17	0.1335	—	0.1335	—
01/08/17 to 31/08/17	0.1037	—	0.1037	—
01/09/17 to 30/09/17	0.0993	—	0.0993	—
01/10/17 to 31/10/17	0.1061	—	0.1061	—
01/11/17 to 30/11/17	0.1464	—	0.1464	—
01/12/17 to 31/12/17	0.0973	—	0.0973	0.0614
01/01/18 to 31/01/18	0.0989	—	0.0989	0.0823
01/02/18 to 28/02/18	0.1241	—	0.1241	0.0782
01/03/18 to 31/03/18	0.1510	—	0.1510	0.1153
01/04/18 to 30/04/18	0.1383	—	0.1383	0.1060

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 2					Group 2				
01/05/17 to 31/05/17	0.0759	0.0241	0.1000	—	01/05/17 to 31/05/17	0.0750	0.0683	0.1433	—
01/06/17 to 30/06/17	0.0416	0.0672	0.1088	—	01/06/17 to 30/06/17	0.0607	0.0906	0.1513	—
01/07/17 to 31/07/17	0.0510	0.0825	0.1335	—	01/07/17 to 31/07/17	0.0904	0.0876	0.1780	—
01/08/17 to 31/08/17	0.0445	0.0592	0.1037	—	01/08/17 to 31/08/17	0.0872	0.0598	0.1470	—
01/09/17 to 30/09/17	0.0485	0.0508	0.0993	—	01/09/17 to 30/09/17	0.0699	0.0709	0.1408	—
01/10/17 to 31/10/17	0.0744	0.0317	0.1061	—	01/10/17 to 31/10/17	0.0690	0.0800	0.1490	—
01/11/17 to 30/11/17	0.1014	0.0450	0.1464	—	01/11/17 to 30/11/17	0.1090	0.0806	0.1896	—
01/12/17 to 31/12/17	0.0588	0.0385	0.0973	0.0614	01/12/17 to 31/12/17	0.0722	0.0674	0.1396	0.0863
01/01/18 to 31/01/18	0.0428	0.0561	0.0989	0.0823	01/01/18 to 31/01/18	0.0567	0.0845	0.1412	0.1171
01/02/18 to 28/02/18	0.0353	0.0888	0.1241	0.0782	01/02/18 to 28/02/18	0.0638	0.0749	0.1387	0.1099
01/03/18 to 31/03/18	0.0853	0.0657	0.1510	0.1153	01/03/18 to 31/03/18	0.0842	0.0832	0.1674	0.1594
01/04/18 to 30/04/18	0.0288	0.1095	0.1383	0.1060	01/04/18 to 30/04/18	0.0858	0.0679	0.1537	0.1486
Total distributions in the period			1.4074	0.4432	Total distributions in the period			1.8396	0.6213
Class 1 – Gross accumulation shares*					Class 2 – Gross income shares*				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1					Group 1				
01/05/17 to 31/05/17	0.1021	—	0.1021	—	01/05/17 to 31/05/17	0.1438	—	0.1438	—
01/06/17 to 30/06/17	0.1112	—	0.1112	—	01/06/17 to 30/06/17	0.1518	—	0.1518	—
01/07/17 to 31/07/17	0.1363	—	0.1363	—	01/07/17 to 31/07/17	0.1786	—	0.1786	—
01/08/17 to 31/08/17	0.1061	—	0.1061	—	01/08/17 to 31/08/17	0.1475	—	0.1475	—
01/09/17 to 30/09/17	0.1015	—	0.1015	—	01/09/17 to 30/09/17	0.1413	—	0.1413	—
01/10/17 to 31/10/17	0.1084	—	0.1084	—	01/10/17 to 31/10/17	0.1495	—	0.1495	—
01/11/17 to 30/11/17	0.1496	—	0.1496	—	01/11/17 to 30/11/17	0.1902	—	0.1902	—
01/12/17 to 31/12/17	0.0994	—	0.0994	0.0784	01/12/17 to 31/12/17	0.1401	—	0.1401	0.1083
01/01/18 to 31/01/18	0.1010	—	0.1010	0.1049	01/01/18 to 31/01/18	0.1417	—	0.1417	0.1469
01/02/18 to 28/02/18	0.1267	—	0.1267	0.1001	01/02/18 to 28/02/18	0.1391	—	0.1391	0.1378
01/03/18 to 31/03/18	0.1543	—	0.1543	0.1178	01/03/18 to 31/03/18	0.1681	—	0.1681	0.1600
01/04/18 to 30/04/18	0.1412	—	0.1412	0.1084	01/04/18 to 30/04/18	0.1542	—	0.1542	0.1490
Total distributions in the period			1.4378	0.5096	Total distributions in the period			1.8459	0.7020
Class 1 EUR Hedged – Gross accumulation shares*					Class 2 – Gross accumulation shares*				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018		Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	
Group 1					Group 1				
01/06/17 to 30/06/17	0.0528	—	0.0528		01/05/17 to 31/05/17	0.0676	—	0.0676	
01/07/17 to 31/07/17	0.1320	—	0.1320		01/06/17 to 30/06/17	0.1426	—	0.1426	
01/08/17 to 31/08/17	0.1063	—	0.1063		01/07/17 to 31/07/17	0.1661	—	0.1661	
01/09/17 to 30/09/17	0.0997	—	0.0997		01/08/17 to 31/08/17	0.1373	—	0.1373	
01/10/17 to 31/10/17	0.1054	—	0.1054		01/09/17 to 30/09/17	0.1320	—	0.1320	
01/11/17 to 30/11/17	0.1434	—	0.1434		01/10/17 to 31/10/17	0.1396	—	0.1396	
01/12/17 to 31/12/17	0.0950	—	0.0950		01/11/17 to 30/11/17	0.1778	—	0.1778	
01/01/18 to 31/01/18	0.0973	—	0.0973		01/12/17 to 31/12/17	0.1312	—	0.1312	
01/02/18 to 28/02/18	0.1225	—	0.1225		01/01/18 to 31/01/18	0.1329	—	0.1329	
01/03/18 to 31/03/18	0.1487	—	0.1487		01/02/18 to 28/02/18	0.1306	—	0.1306	
01/04/18 to 30/04/18	0.1330	—	0.1330		01/03/18 to 31/03/18	0.1579	—	0.1579	
Total distributions in the period			1.2361		01/04/18 to 30/04/18	0.1453	—	0.1453	
Group 2					Group 2				
01/06/17 to 30/06/17	0.0528	—	0.0528		01/05/17 to 31/05/17	0.0676	—	0.0676	
01/07/17 to 31/07/17	0.1320	—	0.1320		01/06/17 to 30/06/17	0.0833	0.0593	0.1426	
01/08/17 to 31/08/17	0.1063	—	0.1063		01/07/17 to 31/07/17	0.0517	0.1144	0.1661	
01/09/17 to 30/09/17	0.0997	—	0.0997		01/08/17 to 31/08/17	0.0674	0.0699	0.1373	
01/10/17 to 31/10/17	0.1054	—	0.1054		01/09/17 to 30/09/17	0.0510	0.0810	0.1320	
01/11/17 to 30/11/17	0.1434	—	0.1434		01/10/17 to 31/10/17	0.0744	0.0652	0.1396	
01/12/17 to 31/12/17	0.0950	—	0.0950		01/11/17 to 30/11/17	0.0596	0.1182	0.1778	
01/01/18 to 31/01/18	0.0973	—	0.0973		01/12/17 to 31/12/17	0.0445	0.0867	0.1312	
01/02/18 to 28/02/18	0.1225	—	0.1225		01/01/18 to 31/01/18	0.0638	0.0691	0.1329	
01/03/18 to 31/03/18	0.1487	—	0.1487		01/02/18 to 28/02/18	0.0785	0.0521	0.1306	
01/04/18 to 30/04/18	0.1330	—	0.1330		01/03/18 to 31/03/18	0.1011	0.0568	0.1579	
Total distributions in the period			1.2361		01/04/18 to 30/04/18	0.0556	0.0897	0.1453	
Total distributions in the period					Total distributions in the period			1.6609	
Class 2 – Income shares*†					Class 2 EUR Hedged – Gross accumulation shares*				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	
Group 1					Group 1				
01/05/17 to 31/05/17	0.1433	—	0.1433	—	01/05/17 to 31/05/17	0.0659	—	0.0659	
01/06/17 to 30/06/17	0.1513	—	0.1513	—	01/06/17 to 30/06/17	0.1455	—	0.1455	
01/07/17 to 31/07/17	0.1780	—	0.1780	—	01/07/17 to 31/07/17	0.1726	—	0.1726	
01/08/17 to 31/08/17	0.1470	—	0.1470	—	01/08/17 to 31/08/17	0.1457	—	0.1457	
01/09/17 to 30/09/17	0.1408	—	0.1408	—	01/09/17 to 30/09/17	0.1377	—	0.1377	
01/10/17 to 31/10/17	0.1490	—	0.1490	—	01/10/17 to 31/10/17	0.1464	—	0.1464	
01/11/17 to 30/11/17	0.1896	—	0.1896	—	01/11/17 to 30/11/17	0.1845	—	0.1845	
01/12/17 to 31/12/17	0.1396	—	0.1396	0.0863	01/12/17 to 31/12/17	0.1359	—	0.1359	
01/01/18 to 31/01/18	0.1412	—	0.1412	0.1171	01/01/18 to 31/01/18	0.1373	—	0.1373	
01/02/18 to 28/02/18	0.1387	—	0.1387	0.1099	01/02/18 to 28/02/18	0.1359	—	0.1359	
01/03/18 to 31/03/18	0.1674	—	0.1674	0.1594	01/03/18 to 31/03/18	0.1632	—	0.1632	
01/04/18 to 30/04/18	0.1537	—	0.1537	0.1486	01/04/18 to 30/04/18	0.1468	—	0.1468	

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018		Class Y – Gross Income shares*				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 2					Group 1				
01/05/17 to 31/05/17	0.0659	–	0.0659		01/05/17 to 31/05/17	0.1510	–	0.1510	–
01/06/17 to 30/06/17	0.1455	–	0.1455		01/06/17 to 30/06/17	0.1600	–	0.1600	–
01/07/17 to 31/07/17	0.1726	–	0.1726		01/07/17 to 31/07/17	0.1820	–	0.1820	–
01/08/17 to 31/08/17	0.0957	0.0500	0.1457		01/08/17 to 31/08/17	0.1546	–	0.1546	–
01/09/17 to 30/09/17	0.1377	–	0.1377		01/09/17 to 30/09/17	0.1490	–	0.1490	–
01/10/17 to 31/10/17	0.1464	–	0.1464		01/10/17 to 31/10/17	0.1553	–	0.1553	–
01/11/17 to 30/11/17	0.1845	–	0.1845		01/11/17 to 30/11/17	0.1936	–	0.1936	–
01/12/17 to 31/12/17	0.1359	–	0.1359		01/12/17 to 31/12/17	0.1470	–	0.1470	–
01/01/18 to 31/01/18	0.1373	–	0.1373		01/01/18 to 31/01/18	0.1480	–	0.1480	–
01/02/18 to 28/02/18	0.1359	–	0.1359		01/02/18 to 28/02/18	0.1440	–	0.1440	–
01/03/18 to 31/03/18	0.1632	–	0.1632		01/03/18 to 31/03/18	0.1721	–	0.1721	0.0066
01/04/18 to 30/04/18	0.1468	–	0.1468		01/04/18 to 30/04/18	0.1565	–	0.1565	0.1543
Total distributions in the period			1.7174						
Class X – Gross income shares*					Group 2				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017	01/05/17 to 31/05/17	0.1510	–	0.1510	–
Group 1					01/06/17 to 30/06/17	0.1600	–	0.1600	–
01/05/17 to 31/05/17	0.1709	–	0.1709	–	01/07/17 to 31/07/17	0.1820	–	0.1820	–
01/06/17 to 30/06/17	0.1775	–	0.1775	–	01/08/17 to 31/08/17	0.1546	–	0.1546	–
01/07/17 to 31/07/17	0.2039	–	0.2039	–	01/09/17 to 30/09/17	0.1490	–	0.1490	–
01/08/17 to 31/08/17	0.1744	–	0.1744	–	01/10/17 to 31/10/17	0.1553	–	0.1553	–
01/09/17 to 30/09/17	0.1674	–	0.1674	–	01/11/17 to 30/11/17	0.1936	–	0.1936	–
01/10/17 to 31/10/17	0.1760	–	0.1760	–	01/12/17 to 31/12/17	0.1470	–	0.1470	–
01/11/17 to 30/11/17	0.2137	–	0.2137	–	01/01/18 to 31/01/18	0.1480	–	0.1480	–
01/12/17 to 31/12/17	0.1673	–	0.1673	0.1270	01/02/18 to 28/02/18	0.1440	–	0.1440	–
01/01/18 to 31/01/18	0.1688	–	0.1688	0.1736	01/03/18 to 31/03/18	0.0221	0.1500	0.1721	0.0066
01/02/18 to 28/02/18	0.1629	–	0.1629	0.1618	01/04/18 to 30/04/18	0.0657	0.0908	0.1565	0.1543
01/03/18 to 31/03/18	0.1936	–	0.1936	0.1862	Total distributions in the period			1.9131	0.1609
01/04/18 to 30/04/18	0.1792	–	0.1792	0.1747					
Group 2									
01/05/17 to 31/05/17	0.0384	0.1325	0.1709	–					
01/06/17 to 30/06/17	0.1001	0.0774	0.1775	–					
01/07/17 to 31/07/17	0.1564	0.0475	0.2039	–					
01/08/17 to 31/08/17	0.0873	0.0871	0.1744	–					
01/09/17 to 30/09/17	0.0074	0.1600	0.1674	–					
01/10/17 to 31/10/17	0.0825	0.0935	0.1760	–					
01/11/17 to 30/11/17	0.0487	0.1650	0.2137	–					
01/12/17 to 31/12/17	0.0864	0.0809	0.1673	0.1270					
01/01/18 to 31/01/18	0.0508	0.1180	0.1688	0.1736					
01/02/18 to 28/02/18	0.1487	0.0142	0.1629	0.1618					
01/03/18 to 31/03/18	0.0726	0.1210	0.1936	0.1862					
01/04/18 to 30/04/18	0.1792	–	0.1792	0.1747					
Total distributions in the period			2.1556	0.8233					
Class X – Gross accumulation shares*									
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017					
Group 1									
01/05/17 to 31/05/17	0.1766	–	0.1766	–					
01/06/17 to 30/06/17	0.1836	–	0.1836	–					
01/07/17 to 31/07/17	0.2114	–	0.2114	–					
01/08/17 to 31/08/17	0.1812	–	0.1812	–					
01/09/17 to 30/09/17	0.1742	–	0.1742	–					
01/10/17 to 31/10/17	0.1836	–	0.1836	–					
01/11/17 to 30/11/17	0.2232	–	0.2232	–					
01/12/17 to 31/12/17	0.1750	–	0.1750	0.1301					
01/01/18 to 31/01/18	0.1769	–	0.1769	0.1782					
01/02/18 to 28/02/18	0.1710	–	0.1710	0.1663					
01/03/18 to 31/03/18	0.2035	–	0.2035	0.1916					
01/04/18 to 30/04/18	0.1888	–	0.1888	0.1801					
Group 2									
01/05/17 to 31/05/17	0.1266	0.0500	0.1766	–					
01/06/17 to 30/06/17	0.1836	–	0.1836	–					
01/07/17 to 31/07/17	0.2114	–	0.2114	–					
01/08/17 to 31/08/17	0.1812	–	0.1812	–					
01/09/17 to 30/09/17	0.0642	0.1100	0.1742	–					
01/10/17 to 31/10/17	0.1836	–	0.1836	–					
01/11/17 to 30/11/17	0.2232	–	0.2232	–					
01/12/17 to 31/12/17	0.0986	0.0764	0.1750	0.1301					
01/01/18 to 31/01/18	0.0321	0.1448	0.1769	0.1782					
01/02/18 to 28/02/18	0.0074	0.1636	0.1710	0.1663					
01/03/18 to 31/03/18	0.0437	0.1598	0.2035	0.1916					
01/04/18 to 30/04/18	0.0264	0.1624	0.1888	0.1801					
Total distributions in the period			2.2490	0.8463					

Group 2: shares purchased during a distribution period.

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

†Distributions paid before 6 April 2017 have been paid net.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares		Class 1 – Gross accumulation shares ⁵	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	102.45	101.29	104.68	103.43
Return before operating charges (p)	1.28	1.57	1.31	1.60
Operating charges (p)	(0.82)	(0.35)	(0.84)	(0.35)
Return after operating charges (p)*	0.46	1.22	0.47	1.25
Distributions (p)	(1.41)	(0.50)	(1.44)	(0.51)
Retained distributions on accumulation shares (p)**	1.41	0.44	1.44	0.51
Closing net asset value per share (p)	102.91	102.45	105.15	104.68
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	0.45	1.20	0.45	1.21
Other information				
Closing net asset value (£000)	5,247	4,390	197	144
Closing number of shares	5,098,206	4,285,227	187,903	137,694
Operating charges (%)***	0.80	0.88 [†]	0.80	0.87 [†]
Direct transaction costs (%)****	–	–	–	–
Prices				
Highest share price (p)	103.48	102.58	105.72	104.81
Lowest share price (p)	102.49	101.21	104.72	103.36
	Class 1 EUR Hedged – Gross accumulation shares ⁵		Class 2 – Income shares	
	30/04/2018 ²		30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	100.00		107.11	106.35
Return before operating charges (p)	0.38		1.35	1.65
Operating charges (p)	(0.61)		(0.49)	(0.19)
Return after operating charges (p)*	(0.23)		0.86	1.46
Distributions (p)	(1.24)		(1.84)	(0.70)
Retained distributions on accumulation shares (p)**	1.24		–	–
Closing net asset value per share (p)	99.77		106.13	107.11
*after direct transaction costs of (p)	–		–	–
Performance				
Return after charges (%)	(0.23)		0.80	1.37
Other information				
Closing net asset value (£000)	10		208,705	154,712
Closing number of shares	10,001		196,649,685	144,439,030
Operating charges (%)***	0.79 [†]		0.46	0.46 [†]
Direct transaction costs (%)****	–		–	–
Prices				
Highest share price (p)			107.75	107.39
Lowest share price (p)	106.43		106.00	106.28
	97.57			

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares ⁵		Class 2 – Gross accumulation shares ⁵
	30/04/2018	30/04/2017 ¹	30/04/2018 ³
Change in net assets per share			
Opening net asset value per share (p)	107.47	106.71	100.00
Return before operating charges (p)	1.36	1.65	0.86
Operating charges (p)	(0.49)	(0.19)	(0.43)
Return after operating charges (p)*	0.87	1.46	0.43
Distributions (p)	(1.85)	(0.70)	(1.66)
Retained distributions on accumulation shares (p)**	–	–	1.66
Closing net asset value per share (p)	106.49	107.47	100.43
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	0.81	1.37	0.43
Other information			
Closing net asset value (£000)	122,717	443,539	8,123
Closing number of shares	115,241,314	412,697,442	8,088,402
Operating charges (%)***	0.46	0.46 [†]	0.47 [†]
Direct transaction costs (%)****	–	–	–
Prices			
Highest share price (p)	108.11	107.76	100.92
Lowest share price (p)	106.36	106.64	99.87

	Class 2 EUR Hedged – Gross accumulation shares ⁵		Class X – Gross income shares ⁵	
	30/04/2018 ³		30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	100.00		101.81	101.09
Return before operating charges (p)	2.83		1.29	1.56
Operating charges (p)	(0.44)		(0.06)	(0.02)
Return after operating charges (p)*	2.39		1.23	1.54
Distributions (p)	(1.72)		(2.16)	(0.82)
Retained distributions on accumulation shares (p)**	1.72		–	–
Closing net asset value per share (p)	102.39		100.88	101.81
*after direct transaction costs of (p)	–		–	–
Performance				
Return after charges (%)	2.39		1.21	1.52
Other information				
Closing net asset value (£000)	10		311,778	196,037
Closing number of shares	10,000		309,062,267	192,551,783
Operating charges (%)***	0.46 [†]		0.06	0.06 [†]
Direct transaction costs (%)****	–		–	–
Prices				
Highest share price (p)	109.00		102.45	102.11
Lowest share price (p)	99.83		100.78	101.03

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]		Class Y – Gross income shares [§]	
	30/04/2018	30/04/2017 [†]	30/04/2018	30/04/2017 [†]
Change in net assets per share				
Opening net asset value per share (p)	105.18	103.59	100.12	100.00
Return before operating charges (p)	1.34	1.61	1.31	0.28
Operating charges (p)	(0.06)	(0.02)	(0.32)	–
Return after operating charges (p)*	1.28	1.59	0.99	0.28
Distributions (p)	(2.25)	(0.85)	(1.91)	(0.16)
Retained distributions on accumulation shares (p)**	2.25	0.85	–	–
Closing net asset value per share (p)	106.46	105.18	99.20	100.12
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	1.22	1.53	0.99	0.28
Other information				
Closing net asset value (£000)	483,878	46,518	2,069	3
Closing number of shares	454,536,245	44,225,469	2,085,832	3,000
Operating charges (%)***	0.06	0.06 [†]	0.32	0.27 [†]
Direct transaction costs (%)****	–	–	–	–
Prices				
Highest share price (p)	106.85	105.31	100.73	100.39
Lowest share price (p)	105.38	103.54	99.09	100.00

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

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

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

[§] Only available to eligible investors.

[†] Commenced 9 December 2016.

[‡] Commenced 15 June 2017.

[§] Commenced 17 May 2017.

[¶] Commenced 29 March 2017.

^{††} The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(15,123)	1,837
Derivative contracts	1,712	—
Forward currency contracts	2,467	3,723
Other gains/(losses)	949	(178)
Transaction costs	(2)	(1)
Net capital (losses)/gains	(9,997)	5,381

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	21,312	6,447
Interest on short term investments	23	2
Bank interest	49	6
Total revenue	21,384	6,455

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,171)	(902)
Registration fees	(343)	(107)
	(2,514)	(1,009)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(117)	(36)
Safe custody fees	(62)	(17)
	(179)	(53)
Other expenses:		
Regulatory fees	(1)	—
Audit fees	(16)	(10)
	(17)	(10)
Total expenses*	(2,710)	(1,072)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(24)	(1)
Derivative expense	(264)	—
Total interest payable & similar charges	(288)	(1)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—

b) Factors affecting taxation charge for period

	2018 £000	2017 £000
Net revenue before taxation	18,386	5,382
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,677)	(1,076)
Effects of:		
Distributions treated as tax deductible	3,693	1,076
Retail Distribution Review (RDR) conversion transfer from capital	(16)	—
Current tax charge for period (note 6a)	—	—
Interest distributions were made in respect of all distributions during the prior period. Income tax at 20% on net share classes paid prior to 6 April 2017 was accounted for on shareholders' behalf to HM Revenue & Customs.		

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	16,873	4,142
Final	1,914	1,345
	18,787	5,487
Add: Revenue deducted on the cancellation of shares	54	54
Deduct: Revenue received on the creation of shares	(376)	(159)
Net distribution for the period	18,465	5,382
Net revenue after taxation	18,386	5,382
Equalisation on conversion	80	—
Undistributed revenue carried forward	(1)	—
Total distributions	18,465	5,382

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	17,979	9,063
Sales awaiting settlement	—	9,037
Accrued revenue	16,873	13,377
Total debtors	34,852	31,477

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	1,250	—
Cash and bank balances	8,296	17,893
	9,546	17,893
Cash overdrafts at broker	(85)	—
Total cash and bank balances	9,461	17,893

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(777)	—
Purchases awaiting settlement	(20,229)	(6,465)
Accrued expenses	(28)	(21)
Amounts payable to ACD	(146)	(220)
Total other creditors	(21,180)	(6,706)

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 57 and 59. The distribution per share class is given in the distribution table on pages 54 and 56.

All classes have the same rights on winding up.

*Class 1 shares Annual management charge changed from 0.75% to 0.45% on 1 February 2018.

**X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	4,285,227
Shares issued	1,403,587
Shares redeemed	(590,608)
Net conversions	–
Closing shares	5,098,206
Class 1 – Gross accumulation shares	
Opening shares	137,694
Shares issued	89,142
Shares redeemed	(38,933)
Net conversions	–
Closing shares	187,903
Class 1 EUR Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	10,001
Class 2 – Income shares	
Opening shares	144,439,030
Shares issued	64,175,103
Shares redeemed	(11,956,563)
Net conversions	(7,885)
Closing shares	196,649,685

2018

Class 2 – Gross income shares

Opening shares	412,697,442
Shares issued	58,374,464
Shares redeemed	(32,374,772)
Net conversions	(323,455,820)
Closing shares	115,241,314

Class 2 – Gross accumulation shares*

Opening shares	–
Shares issued	14,735,708
Shares redeemed	(6,647,306)
Net conversions	–
Closing shares	8,088,402

Class 2 EUR Hedged – Gross accumulation shares*

Opening shares	–
Shares issued	339,704
Shares redeemed	(329,704)
Net conversions	–
Closing shares	10,000

Class X – Gross income shares

Opening shares	192,551,783
Shares issued	120,738,744
Shares redeemed	(4,228,260)
Net conversions	–
Closing shares	309,062,267

Class X – Gross accumulation shares

Opening shares	44,225,469
Shares issued	94,054,822
Shares redeemed	(8,853,171)
Net conversions	325,109,125
Closing shares	454,536,245

Class Y – Gross income shares

Opening shares	3,000
Shares issued	831,479
Shares redeemed	–
Net conversions	1,251,353
Closing shares	2,085,832

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

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fund would result in an increase in the net asset value of the fund by 2.61% and vice versa (2017: 2.64%).

Currency exposures

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

	Total
Currency 2018	£000
Canadian Dollar	30
Euro	150
US Dollar	(12,084)
Currency 2017	£000
Canadian Dollar	54
Euro	94
US Dollar	828

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2018	Forward Foreign		
	Futures and Options Exposure	Exchange Contracts Exposure	Collateral Pledged
Counterparty	£000	£000	£000
Lloyds	—	—	50
UBS	272	—	—
2017	Forward Foreign		
	Futures and Options Exposure	Exchange Contracts Exposure	Collateral Pledged
Counterparty	£000	£000	£000
Citigroup	—	8,886	—
Lloyds	—	78	—

The fund held £1,540,000 (2017: £7,050,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
AAA	55,060	4.91	82,493	10.26
Aaa	14,313	1.28	23,246	2.89
AA+	24,824	2.22	3,996	0.50
Aa1u	—	—	4,025	0.50
AA	2,087	0.19	7,185	0.89
Aa2	1,408	0.13	1,426	0.18
AA-	23,043	2.06	40,327	5.02
A+	49,469	4.41	21,514	2.68
A1u	—	—	2,460	0.31
A	83,388	7.44	24,057	2.99
A2u	2,319	0.21	—	—
A-	84,308	7.52	57,414	7.14
BBB+	209,830	18.72	163,095	20.29
Baa1	16,156	1.44	16,348	2.03
BBB	229,618	20.49	142,077	17.67
Baa2	24,250	2.16	1,644	0.20
BBB-	138,030	12.32	100,004	12.44
Baa3	14,153	1.26	15,754	1.96
BB+	51,124	4.56	25,028	3.11
Ba1	2,689	0.24	—	—
BB	19,837	1.77	8,103	1.01
Ba2	1,495	0.13	—	—
BB-	14,883	1.33	9,371	1.17
B+	—	—	1,209	0.15
B1	3,155	0.28	3,353	0.42
B	9,432	0.84	4,501	0.56
Ba3	—	—	625	0.08
CCC+	—	—	1,304	0.16
Not Rated*	48,064	4.29	34,417	4.28
Derivatives**	(2,297)	(0.20)	8,964	1.11
	1,120,638	100.00	803,940	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

**The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

Currency 2018	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	140	15,458	2,660	18,258
Euro	23,008	78,114	4,603	105,725
UK Sterling	130,660	710,334	339,127	1,180,121
US Dollar	77,536	97,231	11,333	186,100
Currency 2017	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	91	8,839	38	8,968
Euro	20,362	32,464	896	53,722
UK Sterling	129,843	510,613	225,175	865,631
US Dollar	47,149	63,508	13,262	123,919

Currency 2018	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	—	—	(18,228)	(18,228)
Euro	—	—	(105,575)	(105,575)
UK Sterling	(85)	—	(25,398)	(25,483)
US Dollar	—	—	(198,184)	(198,184)
Currency 2017	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	—	—	(8,914)	(8,914)
Euro	—	—	(53,628)	(53,628)
UK Sterling	—	—	(21,264)	(21,264)
US Dollar	—	—	(123,091)	(123,091)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £1,494,000 (2017: £9,482,000) and a liability value of £3,791,000 (2017: £518,000).

15 FAIR VALUE DISCLOSURE

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

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

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

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

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

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	14,152	(214)	11,706	–
Level 2	1,110,277	(3,577)	792,752	(518)
	<u>1,124,429</u>	<u>(3,791)</u>	<u>804,458</u>	<u>(518)</u>

Included within Quoted prices for identical instruments in active markets, are debt securities of £13,666,000 (2017: £11,706,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £838,122,668 (2017: £359,963,303) and £477,421,369 (2017: £244,787,650) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £684,753,496) and £Nil (2017: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2017: £Nil) and £2,548,772 (2017: £1,222,285) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £6,238 (2017: £Nil).

At the balance sheet date, the portfolio dealing spread was 0.32% (2017: 0.34%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Fixed Interest Fund*

Investment Report

Investment Objective

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

Investment Policy

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

Performance of Class Z – Accumulation shares**

Over the twelve months to 30 April 2018, the published share price of Class Z – accumulation shares in the Threadneedle UK Fixed Interest Fund has fallen from 169.56p to 168.06p.

For comparison, using noon prices, the performance of the Class Z share class was -0.88% compared to a return of -0.86% 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 -0.79%.

Market Overview and Portfolio Activity

The benchmark 10-year gilt yield rose over the period under review. Gilts and other core sovereigns had a difficult year as investors braced for a world with less “easy money” and favoured risk assets amid optimism over strong corporate earnings and economic indicators. Core bonds were also pressured by expectations that President Trump would implement his growth-friendly policies, and shortly before Christmas he achieved his goal of reforming the US tax code.

In the UK, the Prime Minister’s unexpected call for a snap general election in June fuelled hopes that an increased Conservative majority could strengthen the government’s hand in the Brexit negotiations. In the event, the Conservatives lost their absolute majority. While investors remain anxious over Brexit discussions, sentiment was buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In terms of monetary policy, higher inflation prompted a quarter-point interest-rate hike from the Bank of England (BoE) in early November. By comparison, the US Federal Reserve raised rates by 25 basis points on three occasions during the review period, in June, December and March.

The fund started the review period with a duration of 0.3 years long relative to the benchmark.

Immediately before the UK election in June, we moved to a neutral-duration position. On election day, we sold 2027 gilts into 2032s to pick up around 30 basis points of yield. Later, we used the spike in yields following the release of May’s above-consensus inflation reading to move to a long duration position of +0.20 years. We then increased duration by 0.1 years via 15-year gilts.

Following the BoE’s June meeting, we sold 20-year and 30-year bonds but bought 5-year bonds. In the third week of June, we sold ultra-long gilts into 30-year issues. In the final week of June, we added duration in the 10-year and ultra-long segments as yields rose following a series of hawkish comments from various central bankers.

Activity was light in July and most of August, and we retained overall duration at +0.5 years. In early September, we trimmed the 10-year and 30-year maturity segments and added to 40-year and 50-year bonds to bring ultra-long duration to +0.15 years. We also sold 10-year and 30-year gilts into 20-year issues, which brought this segment’s duration to +0.25 years. After the BoE’s meeting, we cut back duration by 0.2 years.

During October, we made numerous relative value switches within maturity segments, and conducted some trades to reduce exposure to ultra-long gilts, moving duration into the 10- and 30-year areas. After the strong GDP growth number in the final week of October, we moved outright duration to +0.7 years via a purchase of 10-year bonds.

For much of January and February, trading was largely restricted to some small relative-value trades within maturity segments. In January, after the market sell-off which followed stronger-than-expected UK jobs data, we increased relative duration to +0.5 years through purchasing 2023 and 2027 gilts. In February, we switched 30-year gilts into 20-year issues, closing the underweight in the latter. We subsequently reduced exposure in the 10-year segment, while increasing the long position in the 3-7 year area. March was a relatively quiet period for portfolio activity although we sold 2030 gilts into 2034 and 2047 issues, moving around +0.2 years of duration from the 7-15 year area into the 15-25 and 25-35 year areas. At the end of March, relative duration stood at +0.5 years.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improvements in investment. Global trade has been expanding, albeit at below pre-crisis rates; this is resulting in a largely synchronised global recovery.

It is not clear for how long the drivers of recent growth can be sustained. A key uncertainty is whether President Trump’s tax cuts can meaningfully boost investment and productivity. Nevertheless, central banks are in the process of moderating their monetary stimulus. Following November’s quarter-point hike in UK interest rates, there is much debate over when the Bank of England will raise rates again. Recent speculation of a May hike dissipated following the UK’s disappointing GDP growth of 0.1% for the first quarter of 2018 and the March fall in consumer price inflation to 2.5%, the lowest level for a year.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(7,869)	15,669
Revenue	3	5,848	2,224
Expenses	4	(1,700)	(637)
Interest payable and similar charges	5	(1)	–
Net revenue before taxation		4,147	1,587
Taxation	6	–	–
Net revenue after taxation		4,147	1,587
Total return before distributions		(3,722)	17,256
Distributions	7	(4,131)	(1,587)
Change in net assets attributable to shareholders from investment activities		(7,853)	15,669

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		469,506	462,454
Current assets:			
Debtors	8	2,406	6,605
Cash and bank balances		8,141	3,477
Total assets		480,053	472,536
Liabilities:			
Creditors:			
Distribution payable		(26)	(1,521)
Other creditors	9	(292)	(2,087)
Total liabilities		(318)	(3,608)
Net assets attributable to shareholders		479,735	468,928

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	468,928	–
Amounts receivable on the issue of shares	73,434	38,318
Amounts payable on the cancellation of shares	(57,067)	(18,522)
Amounts receivable on inspecie transfers	–	433,380
	16,367	453,176
Dilution adjustment	1	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(7,853)	15,669
Retained distribution on accumulation shares	2,292	83
Closing net assets attributable to shareholders	479,735	468,928

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 1 – Income shares**

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.4476	–	0.4476	
01/11/17 to 30/04/18	0.5268	–	0.5268	0.3761
Group 2				
01/05/17 to 31/10/17	0.1200	0.3276	0.4476	
01/11/17 to 30/04/18	0.1637	0.3631	0.5268	0.3761
Total distributions in the period			0.9744	0.3761

Class 1 – Accumulation shares**

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.5455	–	0.5455	
01/11/17 to 30/04/18	0.6441	–	0.6441	0.4571
Group 2				
01/05/17 to 31/10/17	0.3520	0.1935	0.5455	
01/11/17 to 30/04/18	0.5972	0.0469	0.6441	0.4571
Total distributions in the period			1.1896	0.4571

*Fund launched on 9 December 2016.

**In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle UK Fixed Interest Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares**

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.4423	–	0.4423	
01/11/17 to 30/04/18	0.4994	–	0.4994	0.3621
Group 2				
01/05/17 to 31/10/17	0.2266	0.2157	0.4423	
01/11/17 to 30/04/18	0.2559	0.2435	0.4994	0.3621
Total distributions in the period			0.9417	0.3621

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.5554	–	0.5554	
01/11/17 to 30/04/18	0.6258	–	0.6258	0.4578
Group 2				
01/05/17 to 31/10/17	0.2661	0.2893	0.5554	
01/11/17 to 30/04/18	0.5394	0.0864	0.6258	0.4578
Total distributions in the period			1.1812	0.4578

Class Z – Accumulation shares**

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.6837	–	0.6837	
01/11/17 to 30/04/18	0.7822	–	0.7822	0.5630
Group 2				
01/05/17 to 31/10/17	0.3676	0.3161	0.6837	
01/11/17 to 30/04/18	0.3939	0.3883	0.7822	0.5630
Total distributions in the period			1.4659	0.5630

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	136.45	131.87	166.35	160.32
Return before operating charges (p)	(0.69)	5.24	(0.85)	6.36
Operating charges (p)	(0.72)	(0.28)	(0.88)	(0.33)
Return after operating charges (p)*	(1.41)	4.96	(1.73)	6.03
Distributions (p)	(0.97)	(0.38)	(1.19)	(0.46)
Retained distributions on accumulation shares (p)	–	–	1.19	0.46
Closing net asset value per share (p)	134.07	136.45	164.62	166.35
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(1.03)	3.76	(1.04)	3.76
Other information				
Closing net asset value (£000)	572	648	73	561
Closing number of shares	426,890	474,812	44,225	336,991
Operating charges (%)**	0.53	0.53 [†]	0.53	0.52 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	138.69	138.20	169.07	168.01
Lowest share price (p)	130.97	131.00	160.20	159.26
	Class 2 – Income shares		Class 2 – Gross Income shares [§]	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	105.69	102.13	133.53	129.05
Return before operating charges (p)	(0.54)	4.07	(0.69)	5.12
Operating charges (p)	(0.37)	(0.15)	(0.45)	(0.18)
Return after operating charges (p)*	(0.91)	3.92	(1.14)	4.94
Distributions (p)	(0.94)	(0.36)	(1.18)	(0.46)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	103.84	105.69	131.21	133.53
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(0.86)	3.84	(0.85)	3.83
Other information				
Closing net asset value (£000)	23	29	4,927	443,227
Closing number of shares	21,832	27,798	3,755,314	331,920,395
Operating charges (%)**	0.35	0.36 [†]	0.34	0.36 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	107.49	107.10	135.81	135.32
Lowest share price (p)	101.49	101.46	128.24	128.20

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

(continued)

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

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

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

[‡]Only available to eligible investors.

[†]Commenced 9 December 2016.

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

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(7,867)	15,669
Transaction costs	(2)	—
Net capital (losses)/gains	(7,869)	15,669

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	5,832	2,222
Interest on short term investments	6	—
Bank interest	10	2
Total revenue	5,848	2,224

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,312)	(531)
Registration fees	(301)	(70)
	(1,613)	(601)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(56)	(21)
Safe custody fees	(22)	(6)
	(78)	(27)
Other expenses:		
Audit fees	(9)	(9)
	(9)	(9)
Total expenses*	(1,700)	(637)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	—
Total interest payable & similar charges	(1)	—

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,147	1,587
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(829)	(317)
Effects of:		
Distributions treated as tax deductible	829	317
Current tax charge for period (note 6a)	—	—
Interest distributions were made in respect of all distributions during the period.		

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	1,941	—
Final	2,234	1,604
	4,175	1,604
Add: Revenue deducted on the cancellation of shares	114	38
Deduct: Revenue received on the creation of shares	(158)	(55)
Net distribution for the period	4,131	1,587
Net revenue after taxation	4,147	1,587
Equalisation on conversion	(16)	—
Total distributions	4,131	1,587

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

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	10	4,401
Accrued revenue	2,396	2,204
Total debtors	2,406	6,605

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(137)	(71)
Purchases awaiting settlement	—	(1,873)
Accrued expenses	(13)	(13)
Amounts payable to ACD	(142)	(130)
Total other creditors	(292)	(2,087)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	0.40%
Class 2 shares	0.30%
Class Z shares	0.25%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 66 and 67. The distribution per share class is given in the distribution table on pages 64 and 65.

All classes have the same rights on winding up.

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	474,812
Shares issued	55,586
Shares redeemed	(103,508)
Net conversions	–
Closing shares	426,890
Class 1 – Accumulation shares	
Opening shares	336,991
Shares issued	23,415
Shares redeemed	(113,257)
Net conversions	(202,924)
Closing shares	44,225
Class 2 – Income shares	
Opening shares	27,798
Shares issued	2,384
Shares redeemed	(8,350)
Net conversions	–
Closing shares	21,832
Class 2 – Gross income shares	
Opening shares	331,920,395
Shares issued	35,371,450
Shares redeemed	(25,466,383)
Net conversions	(338,070,148)
Closing shares	3,755,314
Class 2 – Accumulation shares	
Opening shares	14,432,487
Shares issued	15,829,553
Shares redeemed	(13,493,011)
Net conversions	265,465,134
Closing shares	282,234,163

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fund would result in an increase in the net asset value of the fund by 11.71% and vice versa (2017: 11.34%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2017: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Analysis of investments by credit ratings

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
AAA	15,368	3.27	13,063	2.82
Aaa	6,185	1.32	8,597	1.86
AA+	7,388	1.57	4,247	0.92
Aa1u	–	–	401,255	86.77
AA	7,088	1.51	9,529	2.06
Aa2u	359,019	76.47	–	–
AA-	2,044	0.44	–	–
Not Rated*	72,414	15.42	25,763	5.57
	469,506	100.00	462,454	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	8,141	469,506	2,406	480,053
Currency 2017	£000	£000	£000	£000
UK Sterling	3,477	462,454	6,605	472,536
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(318)	(318)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(3,608)	(3,608)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	440,684	–	431,826	–
Level 2	28,822	–	30,628	–
	469,506	–	462,454	–

Included within Level 1, are debt securities of £440,684,000 (2017: £431,826,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £1,117,726,548 (2017: £294,750,392) and £1,099,117,780 (2017: £285,672,471) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £439,032,328) and £Nil (2017: £Nil) respectively.

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

At the balance sheet date, the portfolio dealing spread was 0.07% (2017: 0.08%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Index Linked Fund*

Investment Report

Investment Objective

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

Investment Policy

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

Performance of Class 2 – Accumulation shares**

Over the twelve months to 30 April 2018, the published share price of Class 2 – accumulation shares in the Threadneedle UK Index Linked Fund has fallen from 206.89p to 197.46p.

For comparison, using noon prices, the performance of the Class 2 share class was -4.56% compared to a return of -4.13% 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 -4.42%.

Market Overview and Portfolio Activity

Overall it was a challenging year for the UK gilt market, particularly for index-linked gilts against the backdrop of higher inflation. The index-linked market posted a negative return, with short and medium-dated issues faring better than the longer end of the market.

Consumer price inflation remained elevated for much of the period, rising from 2.9% in May last year to a peak of 3.1% in November, before easing back to 2.5% in March 2018.

Overall, gilts and other core sovereign bonds had a difficult year as investors braced for a world with less “easy money” and favoured risk assets amid optimism over strong corporate earnings and economic indicators. Core bonds were also pressured by expectations that President Trump would implement his growth-friendly policies. Donald Trump’s

move to repeal Obamacare failed but he achieved his goal of reforming the US tax code shortly before Christmas.

In the UK, the Prime Minister’s unexpected call for a snap general election in June fuelled hopes that an increased Conservative majority could strengthen the government’s hand in the Brexit negotiations. In the event, the Conservatives lost their absolute majority. While investors remain anxious over the Brexit discussions, sentiment was buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In terms of monetary policy, the rise in inflation prompted the Bank of England (BoE) to raise interest rates by a quarter-point to 0.5% on 2 November. By comparison, the US Federal Reserve raised rates by 25 basis points on three occasions during the review period, in June, December and March.

The fund started the reporting period with a duration (interest-rate sensitivity) of +0.2 years relative to the benchmark. In the third week of May, we sold 10- and 30-year gilts into 20-year issues. Towards the end of June, we moved duration to +0.5 years following the sell-off triggered by hawkish comments from various central bankers.

Over the third quarter of 2017, we retained duration at around +0.5 years, making some minor positioning changes in August. In the final week of August, we undertook some relative value trades within maturity segments (2027s into 2029s; 2036s into 2037s and 2040s).

In mid-September, we reduced ultra-long maturity via a sale of 2065 gilts, reduced duration in the 10-year sector via a sale of 2029 gilts, and increased duration in the 30-year sector via a purchase of 2047s.

In early October, we switched 2065s into 2037s, reducing our overweight in ultra-long dated issues. In mid-October, we switched 5-year and 50-year index linked gilts into conventional gilts, believing inflation expectations were overextended. On the final day of October, we went short in ultra-long issues.

In early November, we closed the short position in ultra-long bonds via a purchase of 2068s. We also added +0.2 years duration in 2044s ahead of the issuance of long-dated index linked gilts. On 29 November we reduced duration in the 3-7 year segment to a flat

position. During December, we lowered duration to +0.1 years via the sale of 2030s.

The fund began 2018 a relative duration of +0.1. During January, we sold 2047s into 2026s and 2065s and 2024s. The fund started February with an overall duration of +0.15 years. In early February, we reduced duration in the ultra-long space to +0.1 years but moved from being short in the 15-25 year space to being long (+0.1 years). Mid-month, we brought duration in the 15-25 year space to flat by selling 2040s. Later, we sold 2052s into 2036s and 2058s and ended February with overall duration of +0.3 years.

In the third week of March, we sold 2034s into 2032s and 2036s. The fund ended March with an overall duration of +0.3 years. The fund was overweight in the 7-15 year space and in ultra-long issues and underweight in the 0-3 year and 15-25 year segments.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improvements in investment. Global trade has been expanding, albeit at below pre-crisis rates; this is resulting in a largely synchronised global recovery.

It is not clear for how long the drivers of recent growth can be sustained. A key uncertainty is whether President Trump’s tax cuts can meaningfully boost investment and productivity. Nevertheless, central banks are in the process of moderating their monetary stimulus. Following November’s quarter-point hike in UK interest rates, there is much debate over when the Bank of England will raise rates again. Recent speculation of a May hike dissipated following the UK’s disappointing GDP growth of 0.1% for the first quarter of 2018 and the March fall in consumer price inflation to 2.5%, the lowest level for a year.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(3,809)	4,848
Revenue	3	599	274
Expenses	4	(210)	(172)
Net revenue before taxation		389	102
Taxation	5	–	–
Net revenue after taxation		389	102
Total return before distributions		(3,420)	4,950
Distributions	6	(406)	(106)
Change in net assets attributable to shareholders from investment activities		(3,826)	4,844

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		64,121	95,691
Current assets:			
Debtors	7	121	297
Cash and bank balances		1,022	159
Total assets		65,264	96,147
Liabilities:			
Creditors:			
Distribution payable		–	(65)
Other creditors	8	(94)	(84)
Total liabilities		(94)	(149)
Net assets attributable to shareholders		65,170	95,998

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	95,998	–
Amounts receivable on the issue of shares	5,352	14,941
Amounts payable on the cancellation of shares	(32,661)	(14,639)
Amounts receivable on inspecie transfers	–	90,800
	(27,309)	91,102
Dilution adjustment	10	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(3,826)	4,844
Retained distribution on accumulation shares	297	52
Closing net assets attributable to shareholders	65,170	95,998

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 1 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.0144	–	0.0144	–
01/11/17 to 30/04/18	–	–	–	–
Group 2				
01/05/17 to 31/10/17	0.0143	0.0001	0.0144	–
01/11/17 to 30/04/18	–	–	–	–
Total distributions in the period			0.0144	–

Class 1 – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.0097	–	0.0097	–
01/11/17 to 30/04/18	–	–	–	–
Group 2				
01/05/17 to 31/10/17	0.0097	–	0.0097	–
01/11/17 to 30/04/18	–	–	–	–
Total distributions in the period			0.0097	–

*Fund launched on 25 November 2016.

**In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle UK Index Linked Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.2910	–	0.2910	
01/11/17 to 30/04/18	0.1698	–	0.1698	0.1230
Group 2				
01/05/17 to 31/10/17	0.1910	0.1000	0.2910	
01/11/17 to 30/04/18	0.1111	0.0587	0.1698	0.1230
Total distributions in the period			0.4608	0.1230

Class 2 – Accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.5011	–	0.5011	
01/11/17 to 30/04/18	0.2939	–	0.2939	0.2069
Group 2				
01/05/17 to 31/10/17	0.2547	0.2464	0.5011	
01/11/17 to 30/04/18	0.1918	0.1021	0.2939	0.2069
Total distributions in the period			0.7950	0.2069

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.3867	–	0.3867	
01/11/17 to 30/04/18	0.2164	–	0.2164	0.1597
Group 2				
01/05/17 to 31/10/17	0.1503	0.2364	0.3867	
01/11/17 to 30/04/18	0.0987	0.1177	0.2164	0.1597
Total distributions in the period			0.6031	0.1597

Class D – Accumulation shares *

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.3153	–	0.3153	
01/11/17 to 30/04/18	0.1140	–	0.1140	0.0543
Group 2				
01/05/17 to 31/10/17	0.2696	0.0457	0.3153	
01/11/17 to 30/04/18	0.1041	0.0099	0.1140	0.0543
Total distributions in the period			0.4293	0.0543

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.4377	–	0.4377	
01/11/17 to 30/04/18	0.3289	–	0.3289	0.2659
Group 2				
01/05/17 to 31/10/17	0.3573	0.0804	0.4377	
01/11/17 to 30/04/18	0.2623	0.0666	0.3289	0.2659
Total distributions in the period			0.7666	0.2659

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Gross accumulation shares [§]	
	30/04/2018	30/04/2017 [†]	30/04/2018	30/04/2017 [†]
Change in net assets per share				
Opening net asset value per share (p)	178.36	169.80	122.94	117.00
Return before operating charges (p)	(7.34)	9.21	(5.08)	6.41
Operating charges (p)	(1.46)	(0.65)	(0.99)	(0.47)
Return after operating charges (p)*	(8.80)	8.56	(6.07)	5.94
Distributions (p)	(0.01)	–	(0.01)	–
Retained distributions on accumulation shares (p)	–	–	0.01	–
Closing net asset value per share (p)	169.55	178.36	116.87	122.94
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(4.93)	5.04	(4.94)	5.08
Other information				
Closing net asset value (£000)	421	448	74	60
Closing number of shares	248,111	251,173	63,224	48,433
Operating charges (%)**	0.84	0.89 [†]	0.83	0.97 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	181.66	185.69	125.21	127.98
Lowest share price (p)	166.20	165.59	114.57	114.13
	Class 2 – Income shares		Class 2 – Accumulation shares	
	30/04/2018	30/04/2017 [†]	30/04/2018	30/04/2017 [†]
Change in net assets per share				
Opening net asset value per share (p)	120.04	114.20	206.80	196.50
Return before operating charges (p)	(4.95)	6.17	(8.53)	10.65
Operating charges (p)	(0.51)	(0.21)	(0.89)	(0.35)
Return after operating charges (p)*	(5.46)	5.96	(9.42)	10.30
Distributions (p)	(0.46)	(0.12)	(0.80)	(0.21)
Retained distributions on accumulation shares (p)	–	–	0.80	0.21
Closing net asset value per share (p)	114.12	120.04	197.38	206.80
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(4.55)	5.22	(4.56)	5.24
Other information				
Closing net asset value (£000)	71	68	13,734	17,007
Closing number of shares	62,043	57,028	6,957,792	8,223,803
Operating charges (%)**	0.44	0.42 [†]	0.44	0.42 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	122.47	125.07	210.99	215.24
Lowest share price (p)	112.00	111.36	193.07	191.65

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares [§]		Class D – Accumulation shares	
	30/04/2018	30/04/2017 [†]	30/04/2018	30/04/2017 [†]
Change in net assets per share				
Opening net asset value per share (p)	159.56	151.70	201.93	192.00
Return before operating charges (p)	(6.60)	8.29	(8.34)	10.41
Operating charges (p)	(0.64)	(0.27)	(1.19)	(0.48)
Return after operating charges (p)*	(7.24)	8.02	(9.53)	9.93
Distributions (p)	(0.60)	(0.16)	(0.43)	(0.05)
Retained distributions on accumulation shares (p)	–	–	0.43	0.05
Closing net asset value per share (p)	151.72	159.56	192.40	201.93
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(4.54)	5.29	(4.72)	5.17
Other information				
Closing net asset value (£000)	151	64,216	36	478
Closing number of shares	99,637	40,246,041	18,957	236,471
Operating charges (%)**	0.41	0.42 [†]	0.60	0.59 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	162.81	166.24	205.89	210.20
Lowest share price (p)	148.89	148.02	188.45	187.26
	Class X – Gross accumulation shares [§]			
	30/04/2018	30/04/2017 [†]		
Change in net assets per share				
Opening net asset value per share (p)	105.46	100.00		
Return before operating charges (p)	(4.36)	5.49		
Operating charges (p)	(0.09)	(0.03)		
Return after operating charges (p)*	(4.45)	5.46		
Distributions (p)	(0.77)	(0.27)		
Retained distributions on accumulation shares (p)	0.77	0.27		
Closing net asset value per share (p)	101.01	105.46		
*after direct transaction costs of (p)	–	–		
Performance				
Return after charges (%)	(4.22)	5.46		
Other information				
Closing net asset value (£000)	50,683	13,721		
Closing number of shares	50,175,770	13,011,638		
Operating charges (%)**	0.09	0.07 [†]		
Direct transaction costs (%)***	–	–		
Prices				
Highest share price (p)	107.73	109.74		
Lowest share price (p)	98.53	97.60		

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

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

[§]Only available to eligible investors.

[†]Commenced 25 November 2016.

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

Threadneedle UK Index Linked Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(3,808)	4,848
Transaction costs	(1)	—
Net capital (losses)/gains	(3,809)	4,848

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	597	273
Bank interest	2	1
Total revenue	599	274

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(153)	(132)
Registration fees	(26)	(16)
	(179)	(148)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(7)	(5)
Safe custody fees	(10)	(5)
	(17)	(10)
Other expenses:		
Audit fees	(14)	(14)
	(14)	(14)
Total expenses*	(210)	(172)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 5b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	389	102
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(78)	(20)
Effects of:		
Distributions treated as tax deductible	—	20
Excess expenses	(404)	—
RDR conversion transfer from capital	(3)	—
UK Indexation relief	485	—
Current tax charge for the period (note 5a)	—	—

The fund has not recognised a deferred tax asset of £404,180 (2017: £0) arising as a result of having unutilised management expenses. It is unlikely that these expenses will be utilised in future years.

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

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	198	—
Final	186	116
	384	116
Add: Revenue deducted on the cancellation of shares	26	1
Deduct: Revenue received on the creation of shares	(4)	(11)
Net distribution for the period	406	106
Net revenue after taxation	389	102
Equalisation on conversion	17	—
Shortfall transfer from capital to revenue	—	4
Total distributions	406	106

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

7 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	30	166
Accrued revenue	91	131
Total debtors	121	297

8 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(77)	(45)
Accrued expenses	(11)	(12)
Amounts payable to ACD	(6)	(27)
Total other creditors	(94)	(84)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

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

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

Threadneedle UK Index Linked Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 72 and 73. The distribution per share class is given in the distribution table on pages 70 and 71.

All classes have the same rights on winding up.

*Class 1 shares Annual management charge changed from 0.75% to 0.45% on 1 February 2018.

**X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	251,173
Shares issued	22,413
Shares redeemed	(25,475)
Net conversions	–
Closing shares	248,111
Class 1 – Gross accumulation shares	
Opening shares	48,433
Shares issued	14,791
Shares redeemed	–
Net conversions	–
Closing shares	63,224
Class 2 – Income shares	
Opening shares	57,028
Shares issued	5,015
Shares redeemed	–
Net conversions	–
Closing shares	62,043
Class 2 – Accumulation shares	
Opening shares	8,223,803
Shares issued	518,838
Shares redeemed	(1,784,849)
Net conversions	–
Closing shares	6,957,792
Class 2 – Gross income shares	
Opening shares	40,246,041
Shares issued	61,124
Shares redeemed	(18,073,338)
Net conversions	(22,134,190)
Closing shares	99,637
Class D – Accumulation shares	
Opening shares	236,471
Shares issued	455
Shares redeemed	(217,969)
Net conversions	–
Closing shares	18,957
Class X – Gross accumulation shares	
Opening shares	13,011,638
Shares issued	3,966,428
Shares redeemed	(134,617)
Net conversions	33,332,321
Closing shares	50,175,770

12 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fund would result in an increase in the net asset value of the fund by 22.87% and vice versa (2017: 11.30%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2017: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Analysis of investments by credit ratings

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
Aa1u	–	–	93,917	98.15
AA	2,328	3.63	1,103	1.15
Aa2u	61,793	96.37	–	–
Not Rated*	–	–	671	0.70
	64,121	100.00	95,691	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	1,022	64,121	121	65,264
Currency 2017	£000	£000	£000	£000
UK Sterling	159	95,691	297	96,147

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(94)	(94)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(149)	(149)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

13 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle UK Index Linked Fund

Notes to the financial statements

(continued)

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	61,793	–	94,588	–
Level 2	2,328	–	1,103	–
	64,121	–	95,691	–

Included within Level 1, are debt securities of £61,793,000 (2017: £94,588,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £65,166,712 (2017: £32,474,845) and £92,962,664 (2017: £91,203,480) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £32,924,290) and £Nil (2017: £Nil) respectively.

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

At the balance sheet date, the portfolio dealing spread was 0.07% (2017: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Pan European Focus Fund

Investment Report

Investment Objective

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

Investment Policy

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle Pan European Focus Fund has risen from 238.23p to 253.81p in sterling terms and from 2.8272 to 2.8800 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was +6.54% and +7.16% for the Class 2 share class compared to a return of +6.30% 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 +7.40%.

Market Overview and Portfolio Activity

European equity markets initially delivered strong gains as the eurozone's economy gathered momentum, corporate earnings gave

grounds for optimism, and merger and acquisition activity was buoyant in a wide variety of sectors.

Equity indices in the US also powered ahead, reaching fresh record highs. Some of the positive momentum behind stock market rallies in Europe was generated by optimism that President Trump's economic stimulus agenda, including tax reforms (which were later approved) would be successful – the US is a key market for European companies, and many have operations there.

Pivotal elections were held in France and investors were alert to any signs that the country could follow the UK out of the European Union. However, a pro-EU president was elected, and centrists also won a majority in parliamentary elections. In the UK, the ruling Conservative Party lost its absolute majority in a general election, making Brexit negotiations more complex and unpredictable.

European equities subsequently entered a more volatile phase and surrendered some gains, as the post financial-crisis era of low interest rates and copious economic stimulus started drawing to a close. Interest rates moved higher in the US and the UK, and the eurozone's economy strengthened sufficiently for the European Central Bank to start scaling back its stimulus programme. Towards the end of the review period, the technology sector saw some profit-taking, while energy stocks were bolstered by oil-price gains – Brent crude reached its highest level since 2014.

President Trump's protectionist stance raised fears of a global trade war; he announced a range of levies on imports from China, and China threatened to retaliate, which further unsettled equity markets. However, the European Union appears to have secured a temporary reprieve from planned tariffs on steel and aluminium. The presidents of North Korea and the US exchanged threats of military action before agreeing to attempt negotiations.

Tensions between Europe and Russia escalated following the attempted murder of a former Russian spy in the UK and allied strikes on suspected chemical weapons sites in Syria. In Germany,

Chancellor Angela Merkel started her fourth term in office, while Italy's general election saw gains for populist parties – a coalition will need to be formed if fresh elections are to be avoided.

Economic indicators showed continuing eurozone growth – 2017 was the best year for GDP expansion in a decade, unemployment reached a nine-year low, and the composite purchasing managers' index rose to a near 12-year high in January, before cooling slightly. UK GDP growth for 2017 was subdued at 1.8%.

We established a new position in Novo Nordisk, which specialises in the growth market of diabetes and obesity treatment. Other new holdings included Hexagon and 3i Group. Hexagon specialises in design, measurement and positioning technology; growth is improving and M&A is a possibility. Private equity investment firm 3i Group focuses on strong long-term growth stories. Sales included St. James's Place, following a period of good returns; the wealth manager has exposure to the UK economy where prospects are less certain.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop in the eurozone, 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, Italy's recent election and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia, and an increasingly protectionist stance in the US.

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 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	4,171	6,062
Revenue	3	1,811	1,665
Expenses	4	(896)	(895)
Interest payable and similar charges	5	(1)	(3)
Net revenue before taxation		914	767
Taxation	6	(64)	(90)
Net revenue after taxation		850	677
Total return before distributions		5,021	6,739
Distributions	7	(854)	(677)
Change in net assets attributable to shareholders from investment activities		4,167	6,062

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		72,890	68,643
Current assets:			
Debtors	8	741	563
Cash and bank balances		1,053	2,285
Total assets		74,684	71,491
Liabilities:			
Creditors:			
Other creditors	9	(538)	(114)
Total liabilities		(538)	(114)
Net assets attributable to shareholders		74,146	71,377

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	71,377	76,198
Amounts receivable on the issue of shares	5,902	9,936
Amounts payable on the cancellation of shares	(8,146)	(21,493)
	(2,244)	(11,557)
Dilution adjustment	5	4
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,167	6,062
Retained distribution on accumulation shares	841	670
Closing net assets attributable to shareholders	74,146	71,377

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1 01/05/17 to 30/04/18	0.8033	–	0.8033	0.5776
Group 2 01/05/17 to 30/04/18	0.8033	–	0.8033	0.5776
Total distributions in the period	0.8033		0.8033	0.5776

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1 01/05/17 to 30/04/18	1.6597	–	1.6597	1.1555
Group 2 01/05/17 to 30/04/18	0.7306	0.9291	1.6597	1.1555
Total distributions in the period			1.6597	1.1555

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Pan European Focus Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	3.3308	–	3.3308	2.6075
Group 2				
01/05/17 to 30/04/18	2.3110	1.0198	3.3308	2.6075
Total distributions in the period			3.3308	2.6075

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.6470	–	2.6470	2.1933
Group 2				
01/05/17 to 30/04/18	2.6470	–	2.6470	2.1933
Total distributions in the period			2.6470	2.1933

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.5800	–	2.5800	2.0453
Group 2				
01/05/17 to 30/04/18	1.5850	0.9950	2.5800	2.0453
Total distributions in the period			2.5800	2.0453

Group 2: shares purchased during a distribution period.

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ¹	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	110.55	101.67	100.00	238.14	217.96	216.94
Return before operating charges (p)	9.20	11.18	3.56	19.84	23.93	4.58
Operating charges (p)	(1.92)	(1.72)	(1.66)	(4.24)	(3.75)	(3.56)
Return after operating charges (p)*	7.28	9.46	1.90	15.60	20.18	1.02
Distributions (p)	(0.80)	(0.58)	(0.23)	(1.66)	(1.16)	(0.61)
Retained distributions on accumulation shares (p)	–	–	–	1.66	1.16	0.61
Closing net asset value per share (p)	117.03	110.55	101.67	253.74	238.14	217.96
*after direct transaction costs of (p)	0.35	0.50	0.63	0.76	1.06	1.36
Performance						
Return after charges (%)	6.59	9.30	1.90	6.55	9.26	0.47
Other information						
Closing net asset value (£000)	3	3	3	22,035	21,665	22,205
Closing number of shares	3,000	3,000	3,000	8,683,917	9,097,364	10,187,450
Operating charges (%)**	1.62	1.65	1.66 ¹	1.66	1.68	1.65
Direct transaction costs (%)***	0.30	0.48	0.63	0.30	0.48	0.63
Prices						
Highest share price (p)	124.14	111.42	104.41	267.37	238.78	225.00
Lowest share price (p)	110.93	96.15	100.00	238.98	206.12	200.34
	Class 2 – Accumulation shares			Class X – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016 ²
Change in net assets per share						
Opening net asset value per share (p)	254.04	231.18	228.78	110.32	99.37	100.00
Return before operating charges (p)	21.18	25.49	4.86	9.21	11.05	(0.60)
Operating charges (p)	(2.98)	(2.63)	(2.46)	(0.11)	(0.10)	(0.03)
Return after operating charges (p)*	18.20	22.86	2.40	9.10	10.95	(0.63)
Distributions (p)	(3.33)	(2.61)	(1.96)	(2.65)	(2.19)	(0.61)
Retained distributions on accumulation shares (p)	3.33	2.61	1.96	2.65	2.19	0.61
Closing net asset value per share (p)	272.24	254.04	231.18	119.42	110.32	99.37
*after direct transaction costs of (p)	0.82	1.13	1.44	0.36	0.51	0.62
Performance						
Return after charges (%)	7.16	9.89	1.05	8.25	11.02	(0.63)
Other information						
Closing net asset value (£000)	44,514	41,807	51,127	5,604	5,178	3
Closing number of shares	16,350,734	16,456,859	22,115,405	4,693,111	4,693,111	3,000
Operating charges (%)**	1.09	1.11	1.08	0.09	0.09	0.03 ¹
Direct transaction costs (%)***	0.30	0.48	0.63	0.30	0.48	0.63
Prices						
Highest share price (p)	286.06	254.70	238.19	125.10	110.60	102.02
Lowest share price (p)	254.94	218.82	212.23	110.72	94.21	91.01

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	171.91	156.16	154.27
Return before operating charges (p)	14.31	17.24	3.28
Operating charges (p)	(1.68)	(1.49)	(1.39)
Return after operating charges (p)*	12.63	15.75	1.89
Distributions (p)	(2.58)	(2.05)	(1.59)
Retained distributions on accumulation shares (p)	2.58	2.05	1.59
Closing net asset value per share (p)	184.54	171.91	156.16
*after direct transaction costs of (p)	0.55	0.76	0.97
Performance			
Return after charges (%)	7.35	10.09	1.23
Other information			
Closing net asset value (£000)	1,990	2,724	2,860
Closing number of shares	1,078,174	1,584,429	1,831,136
Operating charges (%)**	0.91	0.93	0.90
Direct transaction costs (%)***	0.30	0.48	0.63
Prices			
Highest share price (p)	193.75	172.35	160.80
Lowest share price (p)	172.52	147.86	143.31

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

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

¹Commenced 24 February 2016.

²Commenced 2 December 2015.

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

Threadneedle Pan European Focus Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	4,187	6,000
Forward currency contracts	(4)	—
Other (losses)/gains	(10)	64
Transaction costs	(2)	(2)
Net capital gains	4,171	6,062

3 REVENUE

	2018 £000	2017 £000
UK dividends	213	356
Overseas dividends	1,596	1,308
Bank interest	2	1
Total revenue	1,811	1,665

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(812)	(803)
Registration fees	(46)	(44)
	(858)	(847)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(9)	(8)
Safe custody fees	(12)	(11)
	(21)	(19)
Other expenses:		
Regulatory fees	(8)	(5)
Audit fees	(9)	(9)
Audit fees – non-audit services	—	(13)
Professional fees	—	(2)
	(17)	(29)
Total expenses*	(896)	(895)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	(3)
Total interest payable & similar charges	(1)	(3)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(64)	(90)
Total current tax (note 6b)	(64)	(90)
Total tax charge for the period	(64)	(90)

b) Factors affecting taxation charge for period

	2018 £000	2017 £000
Net revenue before taxation	914	767
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(183)	(153)
Effects of:		
Revenue not subject to taxation	361	333
Overseas taxes	(64)	(90)
Excess expenses	(177)	(180)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	—
Current tax charge for period (note 6a)	(64)	(90)

The fund has not recognised a deferred tax asset of £1,560,855 (2017: £1,384,027) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	841	670
	841	670
Add: Revenue deducted on the cancellation of shares	35	77
Deduct: Revenue received on the creation of shares	(22)	(70)
Net distribution for the period	854	677
Net revenue after taxation	850	677
Equalisation on conversion	4	—
Total distributions	854	677

Details of the distribution per share are set out in the table on pages 77 and 78.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	20	31
Sales awaiting settlement	344	—
Accrued revenue	235	442
Foreign withholding tax recoverable*	142	90
Total debtors	741	563

*As per a Memorandum of Understanding ("MOU") between the governments of Switzerland and the U.K., a U.K. OEIC is entitled to reclaim Swiss withholding tax ("WHT") that is suffered on dividend income payments. However since October 2016 the Swiss Tax Authority (STA) have requested additional information to support these reclaims and, whilst the Fund continues to be eligible, our claims have not currently been accepted as we have not currently been able to satisfy the detailed information requested due largely to data protection issues. As at 30 April 2018 within foreign withholding tax recoverable we continue to accrue for the refunds which amount to £30,242 which represents 0.04% of the overall NAV. We are monitoring the situation with the STA and should our view on recovery change, for example, if claims are formally rejected, the accruals may be written off.

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(32)	(40)
Purchases awaiting settlement	(430)	—
Accrued expenses	(8)	(9)
Amounts payable to ACD	(68)	(65)
Total other creditors	(538)	(114)

10 DILUTION ADJUSTMENT

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

Threadneedle Pan European Focus Fund

Notes to the financial statements

(continued)

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 79 and 80. The distribution per share class is given in the distribution table on pages 77 and 78.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class 1 – Accumulation shares	
Opening shares	9,097,364
Shares issued	863,558
Shares redeemed	(968,505)
Net conversions	(308,500)
Closing shares	8,683,917
Class 2 – Accumulation shares	
Opening shares	16,456,859
Shares issued	1,274,068
Shares redeemed	(1,380,193)
Net conversions	–
Closing shares	16,350,734
Class X – Accumulation shares	
Opening shares	4,693,111
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	4,693,111
Class Z – Accumulation shares	
Opening shares	1,584,429
Shares issued	118,717
Shares redeemed	(1,050,367)
Net conversions	425,395
Closing shares	1,078,174

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.13% and vice versa (2017: 4.72%).

Currency exposures

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

	Total £000
Currency 2018	
Danish Krone	4,322
Euro	43,933
Norwegian Krone	1,234
Swedish Krona	9,516
Swiss Franc	3,776
US Dollar	924
Currency 2017	£000
Danish Krone	1,462
Euro	45,136
Norwegian Krone	661
Swedish Krona	4,523
Swiss Franc	3,793

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
	%	%
Currency 2018		
Euro	4.09	2.42
Swedish Krona	4.54	0.58
Currency 2017		
Euro	7.75	4.90

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2018				
Danish Krone	–	–	4,322	4,322
Euro	69	–	44,040	44,109
Norwegian Krone	–	–	1,234	1,234
Swedish Krona	–	–	9,516	9,516
Swiss Franc	–	–	3,776	3,776
UK Sterling	984	–	9,788	10,772
US Dollar	–	–	954	954
Currency 2017	£000	£000	£000	£000
Danish Krone	–	–	1,462	1,462
Euro	13	–	45,123	45,136
Norwegian Krone	–	–	661	661
Swedish Krona	1	–	4,522	4,523
Swiss Franc	1	–	3,792	3,793
UK Sterling	2,270	–	13,646	15,916

Threadneedle Pan European Focus Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Euro	–	–	(176)	(176)
UK Sterling	–	–	(331)	(331)
US Dollar	–	–	(30)	(30)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(114)	(114)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	72,890	–	68,643	–
	72,890	–	68,643	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

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

Gross purchases total: **67,891**

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

Total sales net of transaction costs: **67,832**

Transaction costs as a percentage of average Net Assets

Commissions: 0.15%
Taxes: 0.15%

30 April 2017

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	99,196	82	0.08	154	0.16
Total	99,196	82		154	

Gross purchases total: **99,432**

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	112,691	105	0.09	–	–
Total	112,691	105		–	

Total sales net of transaction costs: **112,586**

Transaction costs as a percentage of average Net Assets

Commissions: 0.26%
Taxes: 0.22%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (2017: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

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 twelve months to 30 April 2018, the published share price of Class 1 – income shares in the Threadneedle Pan European Equity Dividend Fund has risen from 91.49p to 92.04p in sterling terms and fell from 1.0858 to 1.0444 Euros.

For comparison, using noon prices, the performance of the Class 1 share class was +4.09% and +4.69% for the Class 2 share class compared to a return of +6.30% 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 +7.40%.

Market Overview and Portfolio Activity

European equity markets initially delivered strong gains as the eurozone's economy gathered momentum, corporate earnings gave

grounds for optimism, and merger and acquisition activity was buoyant in a wide variety of sectors.

Equity indices in the US also powered ahead, reaching fresh record highs. Some of the positive momentum behind stock market rallies in Europe was generated by optimism that President Trump's economic stimulus agenda, including tax reforms (which were later approved) would be successful, the US is a key market for European companies, and many have operations there.

Pivotal elections were held in France and investors were alert to any signs that the country could follow the UK out of the European Union. However, a pro-EU president was elected, and centrists also won a majority in parliamentary elections. In the UK, the ruling Conservative Party lost its absolute majority in a general election, making Brexit negotiations more complex and unpredictable.

European equities subsequently entered a more volatile phase and surrendered some gains, as the post financial-crisis era of low interest rates and copious economic stimulus started drawing to a close. Interest rates moved higher in the US and the UK, and the eurozone's economy strengthened sufficiently for the European Central Bank to start scaling back its stimulus programme. Towards the end of the review period, the technology sector saw some profit-taking, while energy stocks were bolstered by oil-price gains, Brent crude reached its highest level since 2014.

President Trump's protectionist stance raised fears of a global trade war; he announced a range of levies on imports from China, and China threatened to retaliate, which further unsettled equity markets. However, the European Union appears to have secured a temporary reprieve from planned tariffs on steel and aluminium. The presidents of North Korea and the US exchanged threats of military action before agreeing to attempt negotiations.

Tensions between Europe and Russia escalated following the attempted murder of a former Russian spy in the UK and allied strikes on suspected chemical weapons sites in Syria. In Germany, Chancellor Angela Merkel started her fourth term in office, while

Italy's general election saw gains for populist parties, a coalition will need to be formed if fresh elections are to be avoided.

Economic indicators showed continuing eurozone growth, 2017 was the best year for GDP expansion in a decade, unemployment reached a nine-year low, and the composite purchasing managers' index rose to a near 12-year high in January, before cooling slightly. UK GDP growth for 2017 was subdued at 1.8%.

We established a new position in Pernod Ricard; the US market is moving towards premium brands, and China is recovering. Brown spirits (such as cognac) have barriers to entry and pricing power owing to the ageing process. Air Liquide was another new holding, the company is a leading global producer of industrial gases, benefiting from scale and network-density advantages, and from long-term contracts.

We sold Roche and Berendsen. Pharmaceutical company Roche is increasingly under pressure from the development of biosimilar drugs. UK laundry-services firm Berendsen received a takeover bid from French rival Elis. Ahold was another sale; the food-retail sector threatens to become more competitive with Amazon's planned takeover of Whole Foods.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop in the eurozone, 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, Italy's recent election and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia, and an increasingly protectionist stance in the US.

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.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	2,960	9,230
Revenue	3	3,127	3,112
Expenses	4	(1,082)	(1,067)
Interest payable and similar charges	5	(7)	(7)
Net revenue before taxation		2,038	2,038
Taxation	6	(161)	(205)
Net revenue after taxation		1,877	1,833
Total return before distributions		4,837	11,063
Distributions	7	(2,840)	(2,785)
Change in net assets attributable to shareholders from investment activities		1,997	8,278

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		63,450	84,390
Current assets:			
Debtors	8	967	959
Cash and bank balances		326	2,133
Total assets		64,743	87,482
Liabilities:			
Creditors:			
Distribution payable		(932)	(1,194)
Other creditors	9	(171)	(941)
Total liabilities		(1,103)	(2,135)
Net assets attributable to shareholders		63,640	85,347

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	85,347	70,883
Amounts receivable on the issue of shares	29,520	34,710
Amounts payable on the cancellation of shares	(54,258)	(29,491)
	(24,738)	5,219
Dilution adjustment	73	40
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,997	8,278
Retained distribution on accumulation shares	961	927
Closing net assets attributable to shareholders	63,640	85,347

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	1.2684	–	1.2684	1.2094
01/11/17 to 30/04/18	2.1472	–	2.1472	1.8839
Group 2				
01/05/17 to 31/10/17	0.2451	1.0233	1.2684	1.2094
01/11/17 to 30/04/18	1.7661	0.3811	2.1472	1.8839
Total distributions in the period			3.4156	3.0933

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	1.9752	–	1.9752	1.8198
01/11/17 to 30/04/18	3.3888	–	3.3888	2.8729
Group 2				
01/05/17 to 31/10/17	0.5486	1.4266	1.9752	1.8198
01/11/17 to 30/04/18	2.7806	0.6082	3.3888	2.8729
Total distributions in the period			5.3640	4.6927

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Pan European Equity Dividend Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	1.3818	–	1.3818	1.3094
01/11/17 to 30/04/18	2.3200	–	2.3200	2.0280
Group 2				
01/05/17 to 31/10/17	0.2577	1.1241	1.3818	1.3094
01/11/17 to 30/04/18	1.9338	0.3862	2.3200	2.0280
Total distributions in the period			3.7018	3.3374

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	2.1872	–	2.1872	2.0014
01/11/17 to 30/04/18	3.7231	–	3.7231	3.1427
Group 2				
01/05/17 to 31/10/17	0.3511	1.8361	2.1872	2.0014
01/11/17 to 30/04/18	2.3784	1.3447	3.7231	3.1427
Total distributions in the period			5.9103	5.1441

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	1.7463	–	1.7463	1.6386
01/11/17 to 30/04/18	2.9529	–	2.9529	2.5553
Group 2				
01/05/17 to 31/10/17	1.0268	0.7195	1.7463	1.6386
01/11/17 to 30/04/18	2.6329	0.3200	2.9529	2.5553
Total distributions in the period			4.6992	4.1939

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	1.9243	–	1.9243	1.7433
01/11/17 to 30/04/18	3.2726	–	3.2726	2.7410
Group 2				
01/05/17 to 31/10/17	1.9243	–	1.9243	1.7433
01/11/17 to 30/04/18	3.2726	–	3.2726	2.7410
Total distributions in the period			5.1969	4.4843

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	1.9942	–	1.9942	1.8875
01/11/17 to 30/04/18	3.3942	–	3.3942	2.9554
Group 2				
01/05/17 to 31/10/17	0.7443	1.2499	1.9942	1.8875
01/11/17 to 30/04/18	3.0569	0.3373	3.3942	2.9554
Total distributions in the period			5.3884	4.8429

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	1.8488	–	1.8488	1.6911
01/11/17 to 30/04/18	3.1891	–	3.1891	2.6838
Group 2				
01/05/17 to 31/10/17	0.2392	1.6096	1.8488	1.6911
01/11/17 to 30/04/18	2.4886	0.7005	3.1891	2.6838
Total distributions in the period			5.0379	4.3749

Group 2: shares purchased during a distribution period.

Threadneedle Pan European Equity Dividend Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	89.57	80.20	84.24	139.49	120.68	122.07
Return before operating charges (p)	5.27	13.91	0.35	8.16	21.01	0.59
Operating charges (p)	(1.55)	(1.45)	(1.35)	(2.43)	(2.20)	(1.98)
Return after operating charges (p)*	3.72	12.46	(1.00)	5.73	18.81	(1.39)
Distributions (p)	(3.42)	(3.09)	(3.04)	(5.36)	(4.69)	(4.45)
Retained distributions on accumulation shares (p)	–	–	–	5.36	4.69	4.45
Closing net asset value per share (p)	89.87	89.57	80.20	145.22	139.49	120.68
*after direct transaction costs of (p)	0.11	0.15	0.17	0.17	0.23	0.24
Performance						
Return after charges (%)	4.15	15.54	(1.19)	4.11	15.59	(1.14)
Other information						
Closing net asset value (£000)	28,202	29,403	31,556	12,388	16,550	14,903
Closing number of shares	31,380,504	32,826,121	39,344,572	8,530,450	11,864,580	12,349,052
Operating charges (%)**	1.66	1.67	1.67	1.66	1.67	1.67
Direct transaction costs (%)***	0.12	0.17	0.21	0.12	0.17	0.21
Prices						
Highest share price (p)	97.35	93.39	85.89	151.60	141.06	124.51
Lowest share price (p)	86.80	77.64	74.67	136.98	116.82	109.79
	Class 2 – Income shares			Class 2 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	94.83	84.48	88.29	150.11	129.13	129.89
Return before operating charges (p)	5.58	14.70	0.39	8.78	22.53	0.63
Operating charges (p)	(1.08)	(1.01)	(0.94)	(1.71)	(1.55)	(1.39)
Return after operating charges (p)*	4.50	13.69	(0.55)	7.07	20.98	(0.76)
Distributions (p)	(3.70)	(3.34)	(3.26)	(5.91)	(5.14)	(4.84)
Retained distributions on accumulation shares (p)	–	–	–	5.91	5.14	4.84
Closing net asset value per share (p)	95.63	94.83	84.48	157.18	150.11	129.13
*after direct transaction costs of (p)	0.12	0.16	0.17	0.19	0.24	0.26
Performance						
Return after charges (%)	4.75	16.21	(0.62)	4.71	16.25	(0.59)
Other information						
Closing net asset value (£000)	3,696	4,197	5,784	11,953	11,833	11,759
Closing number of shares	3,865,544	4,426,377	6,845,532	7,604,545	7,882,950	9,106,816
Operating charges (%)**	1.09	1.10	1.10	1.09	1.10	1.10
Direct transaction costs (%)***	0.12	0.17	0.21	0.12	0.17	0.21
Prices						
Highest share price (p)	103.34	98.62	90.02	163.57	151.69	133.22
Lowest share price (p)	92.33	81.80	78.58	148.17	125.02	117.34

Threadneedle Pan European Equity Dividend Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	119.67	105.54	109.18	129.35	110.10	109.73
Return before operating charges (p)	7.03	18.44	0.52	7.61	19.30	0.42
Operating charges (p)	(0.11)	(0.12)	(0.11)	(0.07)	(0.05)	(0.05)
Return after operating charges (p)*	6.92	18.32	0.41	7.54	19.25	0.37
Distributions (p)	(4.70)	(4.19)	(4.05)	(5.20)	(4.48)	(4.17)
Retained distributions on accumulation shares (p)	–	–	–	5.20	4.48	4.17
Closing net asset value per share (p)	121.89	119.67	105.54	136.89	129.35	110.10
*after direct transaction costs of (p)	0.15	0.20	0.22	0.16	0.21	0.22
Performance						
Return after charges (%)	5.78	17.36	0.38	5.83	17.48	0.34
Other information						
Closing net asset value (£000)	3,635	2,831	875	4	4	3
Closing number of shares	2,982,236	2,365,594	829,014	3,000	3,000	3,000
Operating charges (%)**	0.09	0.10	0.10	0.05	0.04	0.05
Direct transaction costs (%)***	0.12	0.17	0.21	0.12	0.17	0.21
Prices						
Highest share price (p)	130.99	123.76	111.42	141.63	130.55	113.55
Lowest share price (p)	117.56	102.24	97.95	128.90	106.66	99.82
	Class Z – Income shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	140.68	125.01	130.30	130.43	112.01	112.48
Return before operating charges (p)	8.27	21.77	0.59	7.64	19.55	0.55
Operating charges (p)	(1.35)	(1.26)	(1.16)	(1.26)	(1.13)	(1.02)
Return after operating charges (p)*	6.92	20.51	(0.57)	6.38	18.42	(0.47)
Distributions (p)	(5.39)	(4.84)	(4.72)	(5.04)	(4.37)	(4.10)
Retained distributions on accumulation shares (p)	–	–	–	5.04	4.37	4.10
Closing net asset value per share (p)	142.21	140.68	125.01	136.81	130.43	112.01
*after direct transaction costs of (p)	0.18	0.24	0.26	0.16	0.21	0.23
Performance						
Return after charges (%)	4.92	16.41	(0.44)	4.89	16.44	(0.42)
Other information						
Closing net asset value (£000)	3,388	20,242	5,806	374	287	197
Closing number of shares	2,382,348	14,388,985	4,643,822	273,164	220,227	175,631
Operating charges (%)**	0.91	0.92	0.92	0.92	0.92	0.93
Direct transaction costs (%)***	0.12	0.17	0.21	0.12	0.17	0.21
Prices						
Highest share price (p)	153.41	146.05	132.86	142.24	131.78	115.56
Lowest share price (p)	137.23	121.06	116.18	128.95	108.46	101.75

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

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

Threadneedle Pan European Equity Dividend Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	2,901	9,150
Forward currency contracts	(13)	64
Other gains	76	18
Transaction costs	(4)	(2)
Net capital gains	2,960	9,230

3 REVENUE

	2018 £000	2017 £000
UK dividends	773	959
Overseas dividends	2,353	2,153
Bank interest	1	–
Total revenue	3,127	3,112

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(963)	(952)
Registration fees	(78)	(71)
	(1,041)	(1,023)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(10)	(9)
Safe custody fees	(13)	(12)
	(23)	(21)
Other expenses:		
Regulatory fees	(8)	(6)
Audit fees	(10)	(9)
Audit fees – non-audit services	–	(6)
Professional fees	–	(2)
	(18)	(23)
Total expenses*	(1,082)	(1,067)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(7)	(7)
Total interest payable & similar charges	(7)	(7)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(161)	(205)
Total current tax (note 6b)	(161)	(205)
Total tax charge for the period	(161)	(205)
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,038	2,038
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(408)	(408)
Effects of:		
Revenue not subject to taxation	624	620
Overseas taxes	(161)	(205)
Excess expenses	(216)	(212)
Current tax charge for period (note 6a)	(161)	(205)

The fund has not recognised a deferred tax asset of £995,784 (2017: £779,505) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	1,295	1,055
Final	1,513	1,788
	2,808	2,843
Add: Revenue deducted on the cancellation of shares	288	216
Deduct: Revenue received on the creation of shares	(256)	(274)
Net distribution for the period	2,840	2,785
Net revenue after taxation	1,877	1,833
Annual management charge to capital	963	952
Total distributions	2,840	2,785

Details of the distribution per share are set out in the table on pages 84 and 85.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	3	103
Accrued revenue	590	580
Foreign withholding tax recoverable*	374	276
Total debtors	967	959

*As per a Memorandum of Understanding ("MOU") between the governments of Switzerland and the U.K., a U.K. DEIC is entitled to reclaim Swiss withholding tax ("WHT") that is suffered on dividend income payments. However since October 2016 the Swiss Tax Authority (STA) have requested additional information to support these claims and, whilst the Fund continues to be eligible, our claims have not currently been accepted as we have not currently been able to satisfy the detailed information requested due largely to data protection issues. As at 30 April 2018 within foreign tax recoverable we continue to accrue for the refunds which amount to £136,799 which represents 0.21% of the overall NAV. We are monitoring the situation with the STA and should our view on recovery change, for example, if claims are formally rejected, the accruals may be written off.

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(93)	(168)
Purchases awaiting settlement	–	(675)
Accrued expenses	(9)	(9)
Amounts payable to ACD	(69)	(89)
Total other creditors	(171)	(941)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle Pan European Equity Dividend Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 86 and 87. The distribution per share class is given in the distribution table on pages 84 and 85.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	32,826,121
Shares issued	1,866,093
Shares redeemed	(3,283,554)
Net conversions	(28,156)
Closing shares	31,380,504
Class 1 – Accumulation shares	
Opening shares	11,864,580
Shares issued	1,059,486
Shares redeemed	(4,393,616)
Net conversions	–
Closing shares	8,530,450
Class 2 – Income shares	
Opening shares	4,426,377
Shares issued	52,860
Shares redeemed	(613,693)
Net conversions	–
Closing shares	3,865,544
Class 2 – Accumulation shares	
Opening shares	7,882,950
Shares issued	9,308,961
Shares redeemed	(9,587,366)
Net conversions	–
Closing shares	7,604,545
Class X – Income shares	
Opening shares	2,365,594
Shares issued	837,853
Shares redeemed	(221,211)
Net conversions	–
Closing shares	2,982,236
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class Z – Income shares	
Opening shares	14,388,985
Shares issued	7,384,216
Shares redeemed	(19,413,840)
Net conversions	22,987
Closing shares	2,382,348

Class Z – Accumulation shares

Opening shares	220,227
Shares issued	76,921
Shares redeemed	(18,501)
Net conversions	(5,483)
Closing shares	273,164

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.51% and vice versa (2017: 4.43%).

Currency exposures

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

	Total £000
Currency 2018	
Danish Krone	2,489
Euro	37,739
Norwegian Krone	1,663
Swedish Krona	3,600
Swiss Franc	2,453
US Dollar	1
Currency 2017	£000
Danish Krone	2,359
Euro	41,767
Norwegian Krone	1,556
Swedish Krona	9,749
Swiss Franc	9,261
US Dollar	2

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
Currency 2018	%	%
Euro	4.09	2.42
Currency 2017	%	%
Euro	7.75	3.79
Swedish Krona	3.03	0.35
Swiss Franc	8.87	0.96

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

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

Threadneedle Pan European Equity Dividend Fund

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Danish Krone	–	–	2,489	2,489
Euro	321	–	37,418	37,739
Norwegian Krone	–	–	1,663	1,663
Swedish Krona	–	–	3,600	3,600
Swiss Franc	1	–	2,452	2,453
UK Sterling	4	–	16,794	16,798
US Dollar	–	–	1	1
Currency 2017	£000	£000	£000	£000
Danish Krone	2	–	2,410	2,412
Euro	2,033	–	39,902	41,935
Norwegian Krone	–	–	1,556	1,556
Swedish Krona	1	(1)	9,858	9,858
Swiss Franc	–	–	9,424	9,424
UK Sterling	97	–	22,241	22,338
US Dollar	–	–	2	2

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(1,103)	(1,103)
Currency 2017	£000	£000	£000	£000
Danish Krone	–	–	(53)	(53)
Euro	–	–	(168)	(168)
Swedish Krona	–	–	(109)	(109)
Swiss Franc	–	–	(163)	(163)
UK Sterling	–	–	(1,685)	(1,685)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	63,450	–	84,390	–
	63,450	–	84,390	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	31,545	20	0.06	57	0.18
Total	31,545	20		57	

Gross purchases total:

31,622

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	55,414	21	0.04	–	–
Corporate actions	67	–	–	–	–
Total	55,481	21		–	

Total sales net of transaction costs: 55,460

Transaction costs as a percentage of average Net Assets

Commissions: 0.05%
Taxes: 0.07%

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	49,813	35	0.07	61	0.12
Total	49,813	35		61	

Gross purchases total:

49,909

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	44,498	35	0.08	–	–
Corporate actions	188	–	–	–	–
Total	44,686	35		–	

Total sales net of transaction costs: 44,651

Transaction costs as a percentage of average Net Assets

Commissions: 0.09%
Taxes: 0.08%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.04% (2017: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle American Extended Alpha Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

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

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle American Extended Alpha Fund has risen from 329.84p to 366.56p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +11.13% and +11.72% for the Class 2 share class compared to a return of +6.36% 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 +6.39%.

Market Overview and Portfolio Activity

The S&P 500 rose by more than 13% in US dollar terms during the period, consistently hitting record highs and climbing in every month apart from February and March. The Federal Reserve (Fed) raised interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 (which ultimately materialised in December) and three in 2018. However, stronger-than-expected corporate earnings and dovish commentary from the Fed propelled the market to record highs. US markets also finished 2017 strongly, benefiting from forecast-beating corporate results and GDP figures, buoyant consumer confidence and strong employment data. US equities received further support from anticipation that Congress would approve President Trump's flagship tax-cutting bill. The bill, which was eventually passed on 20 December, features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. February saw US (and global) equities finally snap their record-breaking run of monthly gains, as stronger-than-expected US wage growth stoked fears of higher inflation and, in turn, faster interest-rate hikes. The S&P 500 slowed again in March, amid growing fears of a trade war between China and the US.

New long-book positions over the period included Celgene, L3 Technologies, Boeing, PagSeguro, Vertex Pharmaceuticals, Tesaro, WPX Energy and MACOM Technology.

Following the discontinuation of the phase III trial of Mogensen, a treatment for Crohn's disease, Celgene lost more than \$11bn from its market capitalisation. Looking ahead, however, several catalysts could drive the company's performance, including new data on CAR T cells (used to treat blood cancers) via its partnership with Bluebird and Juno, and positive results from phase III trials of the company's drug Revlimid as a treatment for lymphoma. The possibility also remains for the company to announce a major new commercial deal.

Changes to L3 Technologies' management are beginning to pay off, with signs of improved execution and stronger guidance. The company should also be a key beneficiary of mid-single-digit growth in federal outlays as US defence spending picks up. In our view, though it continues to trade at a solid discount to its peers, L3 is the only prime defence stock with a legitimate case for multi-year margin improvement.

After earlier challenges, Boeing's execution of its B787 model has become very solid, helping drive significant improvements in the company's free cashflow. In addition, shareholders are likely to benefit from these cash

flows, through rising dividends and ongoing share repurchases, thus providing further support to Boeing's share price.

PagSeguro is a Brazil-based provider of digital payment solutions with a business model similar to that of the more established Square. We took part in the company's IPO as the stock looks very compelling; despite our forecasts showing revenue growth in excess of 100%, the stock trades at a steep discount to its peers.

In our view, the Food and Drug Administration's early approval of Symdeko, a treatment for Cystic Fibrosis, should prove a catalyst for near-term growth at Vertex, and provides the company with a major new building block in the development of combination treatments for the disease. Vertex is also showing other signs of solid growth, a strengthening pipeline and a clear capital-allocation strategy.

Biotech company Tesaro's key product Niraparib, a PARP inhibitor, has received regulatory approval in the US, and we believe the company can gain a dominant market position. The company also has a promising immuno-oncology pipeline. Finally, with WPX having boosted its oil production guidance, we see favourable upside in the stock.

Also during the period, we exited positions including General Dynamics, Molson Coors, Devon Energy and Qualcomm.

Looking ahead, the backdrop remains very supportive for US equities. US stocks are set to benefit domestically from a strong economic momentum that is further boosted by tax reforms and, internationally, from a synchronized global recovery.

From a structural point of view, we expect that the transition from quantitative easing to quantitative tightening will send market volatility higher. This should favour stock-pickers.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	20,146	65,098
Revenue	3	2,433	3,305
Expenses	4	(2,494)	(2,606)
Interest payable and similar charges	5	(663)	(560)
Net (expense)/revenue before taxation		(724)	139
Taxation	6	(282)	(383)
Net expense after taxation		(1,006)	(244)
Total return before distributions		19,140	64,854
Distributions	7	(11)	(312)
Change in net assets attributable to shareholders from investment activities		19,129	64,542

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		160,908	163,783
Current assets:			
Debtors	8	2,029	788
Cash and bank balances	9	11,583	16,915
Total assets		174,520	181,486
Liabilities:			
Investment liabilities		(1,306)	(2)
Creditors:			
Bank overdrafts	9	–	(1,766)
Other creditors	10	(3,384)	(883)
Total liabilities		(4,690)	(2,651)
Net assets attributable to shareholders		169,830	178,835

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	178,835	206,592
Amounts receivable on the issue of shares	64,280	21,870
Amounts payable on the cancellation of shares	(92,479)	(114,516)
	(28,199)	(92,646)
Dilution adjustment	65	103
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	19,129	64,542
Retained distribution on accumulation shares	–	244
Closing net assets attributable to shareholders	169,830	178,835

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 1 EUR Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: 0.9610).

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: 0.3696).

Group Z: shares purchased during a distribution period.

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	329.82	242.77	232.37	266.31	207.27	194.52
Return before operating charges (p)	42.44	91.91	14.29	57.07	63.01	15.97
Operating charges (p)	(5.77)	(4.86)	(3.89)	(5.05)	(3.97)	(3.22)
Return after operating charges (p)*	36.67	87.05	10.40	52.02	59.04	12.75
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	366.49	329.82	242.77	318.33	266.31	207.27
*after direct transaction costs of (p)	0.22	0.50	0.29	0.19	0.40	0.24
Performance						
Return after charges (%)	11.12	35.86	4.48	19.53	28.48	6.55
Other information						
Closing net asset value (£000)	73,981	86,608	94,137	2,352	2,007	1,312
Closing number of shares	20,186,206	26,258,801	38,776,171	739,017	753,580	632,927
Operating charges (%)**	1.64	1.64	1.64	1.64	1.64	1.64
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.06	0.16	0.12	0.06	0.16	0.12
Prices						
Highest share price (p)	380.52	347.99	254.95	338.25	273.65	217.46
Lowest share price (p)	325.03	238.42	214.62	266.56	201.79	183.82

	Class 2 – Accumulation shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	353.41	258.00	244.92	180.24	131.68	125.08
Return before operating charges (p)	44.44	97.98	15.14	22.61	50.03	7.75
Operating charges (p)	(3.10)	(2.57)	(2.06)	(1.72)	(1.47)	(1.15)
Return after operating charges (p)*	41.34	95.41	13.08	20.89	48.56	6.60
Distributions (p)	–	(0.96)	(0.77)	–	(0.37)	(0.30)
Retained distributions on accumulation shares (p)	–	0.96	0.77	–	0.37	0.30
Closing net asset value per share (p)	394.75	353.41	258.00	201.13	180.24	131.68
*after direct transaction costs of (p)	0.23	0.52	0.31	0.12	0.28	0.16
Performance						
Return after charges (%)	11.70	36.98	5.34	11.59	36.88	5.28
Other information						
Closing net asset value (£000)	86,589	88,084	110,300	6,908	2,136	843
Closing number of shares	21,934,983	24,923,929	42,752,521	3,434,576	1,185,323	640,388
Operating charges (%)**	0.82	0.82	0.82	0.89	0.89	0.89
Performance fee (%)	0.33	–	–	0.36	–	–
Direct transaction costs (%)***	0.06	0.16	0.12	0.06	0.16	0.12
Prices						
Highest share price (p)	408.46	372.48	270.79	208.24	189.99	138.22
Lowest share price (p)	348.42	253.67	226.80	177.69	129.46	115.82

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

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

Threadneedle American Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	24,301	58,689
Derivative contracts	(3,484)	3,827
Forward currency contracts	277	(105)
Other (losses)/gains	(947)	2,689
Transaction costs	(1)	(2)
Net capital gains	20,146	65,098

3 REVENUE

	2018 £000	2017 £000
Overseas dividends	1,961	2,717
Interest on short term investments	145	94
Derivative revenue	270	476
Bank interest	57	18
Total revenue	2,433	3,305

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,992)	(2,392)
Performance fees*	(313)	–
Registration fees	(132)	(157)
	(2,437)	(2,549)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(22)	(23)
Safe custody fees	(13)	(12)
	(35)	(35)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(14)	(13)
Audit fees – non-audit services	–	(2)
	(22)	(22)
Total expenses**	(2,494)	(2,606)

*The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the S&P 500 Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2017 (2016: £Nil).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Dividends payable on short positions	(660)	(556)
Interest payable	(3)	(4)
Total interest payable & similar charges	(663)	(560)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(282)	(383)
Total current tax (note 6b)	(282)	(383)
Total tax charge for the period	(282)	(383)
b) Factors affecting taxation charge for period		
Net (expense)/revenue before taxation	(724)	139
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	145	(28)
Effects of:		
Revenue not subject to taxation	392	528
Overseas taxes	(282)	(383)
Excess expenses	(537)	(500)
Current tax charge for period (note 6a)	(282)	(383)

The fund has not recognised a deferred tax asset of £9,004,745 (2017: £8,468,034) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	–	244
	–	244
Add: Revenue deducted on the cancellation of shares	18	99
Deduct: Revenue received on the creation of shares	(7)	(31)
Net distribution for the period	11	312
Net expense after taxation	(1,006)	(244)
Performance fee charged to capital	313	–
Shortfall transfer from capital to revenue	704	556
Total distributions	11	312

Details of the distribution per share and any share class with a shortfall are set out in the table on page 91.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	313	535
Sales awaiting settlement	1,660	112
Accrued revenue	56	141
Total debtors	2,029	788

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	357	2,621
Cash and bank balances	11,226	14,294
	11,583	16,915
Cash overdrafts at broker	–	(1,766)
Total cash and bank balances	11,583	15,149

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(708)	(634)
Purchases awaiting settlement	(2,176)	–
Accrued expenses	(27)	(50)
Amounts payable to ACD	(160)	(199)
Accrued performance fee	(313)	–
Total other creditors	(3,384)	(883)

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund. The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10. Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10. All transactions have been entered into in the ordinary course of business on normal commercial terms.

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 92. The distribution per share class is given in the distribution table on page 91. All classes have the same rights on winding up.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	26,258,801
Shares issued	4,125,148
Shares redeemed	(10,102,127)
Net conversions	(95,616)
Closing shares	20,186,206
Class 1 EUR Hedged – Accumulation shares	
Opening shares	753,580
Shares issued	8,017,387
Shares redeemed	(8,033,016)
Net conversions	1,066
Closing shares	739,017
Class 2 – Accumulation shares	
Opening shares	24,923,929
Shares issued	4,481,996
Shares redeemed	(7,562,964)
Net conversions	92,022
Closing shares	21,934,983
Class Z – Accumulation shares	
Opening shares	1,185,323
Shares issued	4,135,648
Shares redeemed	(1,878,637)
Net conversions	(7,758)
Closing shares	3,434,576

14 RISK MANAGEMENT

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

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.6 x benchmark¹ VAR and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 9.7% (2017: 10.5%) This means that there is estimated to be a 1% chance that the fund could lose more than 9.7% (2017: 10.5%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 67% (2017: 71%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 65% (2017: 63%), the highest VaR utilisation was 72% (2017: 76%) and the average utilisation was 68% (2017: 66%).

¹The benchmark of the fund is shown on page 216.

Currency exposures

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

	Total £000
Currency 2018	
Australian Dollar	1
Euro	1,981
US Dollar	168,212
Currency 2017	£000
Australian Dollar	1
Canadian Dollar	(1)
Euro	2,006
US Dollar	178,577

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 6.05% (2017: 11.45%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 6.00% (2017: 11.43%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
2018			
Counterparty			
Citigroup	1	–	–
HSBC	1	–	–
J.P. Morgan	–	–	15
Merrill Lynch	–	–	342
2017			
Counterparty			
J.P. Morgan	16	–	–
Merill Lynch	–	597	1,615

The fund held £87,000 (2017: £750,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Australian Dollar	1	–	–	1
Euro	3	–	2,808	2,811
UK Sterling	78	–	492	570
US Dollar	11,501	–	163,189	174,690

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

Currency 2017	£000	£000	£000	£000
Australian Dollar	1	—	—	1
Euro	29	—	2,176	2,205
UK Sterling	100	—	796	896
US Dollar	16,785	—	164,248	181,033
			Financial liabilities not carrying interest	Total
	Floating rate financial liabilities	Fixed rate financial liabilities	£000	£000
Currency 2018	£000	£000	£000	£000
Euro	—	—	(830)	(830)
UK Sterling	—	—	(934)	(934)
US Dollar	—	—	(6,478)	(6,478)
Currency 2017	£000	£000	£000	£000
Canadian Dollar	—	—	(1)	(1)
Euro	—	—	(199)	(199)
UK Sterling	(1,766)	—	(878)	(2,644)
US Dollar	—	—	(2,456)	(2,456)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

Derivatives including forward foreign exchange contracts and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. At 30 April 2018, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £4,000 (2017: £614,000) and a liability value of £1,306,000 (2017: £2,000).

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

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	160,904	—	163,169	—
Level 2	4	(1,306)	614	(2)
	160,908	(1,306)	163,783	(2)

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2018

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

Gross purchases total:

81,452

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

Total sales net of transaction costs:

108,028

Transaction costs as a percentage of average Net Assets

Commissions: 0.06%
Taxes: 0.00%

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	198,876	145	0.07	—	—
Total	198,876	145		—	

Gross purchases total:

199,021

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	258,240	201	0.08	6	—
Corporate actions	1,844	—	—	—	—
Total	260,084	201		6	

Total sales net of transaction costs:

259,877

Transaction costs as a percentage of average Net Assets

Commissions: 0.16%
Taxes: 0.00%

Commissions
£000

Futures and Options

11

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.02% (2017: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

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

	Net asset value per share (£)		
Share class	30 April 2018	07 August 2018	% Movement
Class 1 – Accumulation shares	366.56	418.39	14.14
Class 2 – Accumulation shares	394.82	449.28	13.79
Class Z – Accumulation shares	201.17	230.75	14.70

Threadneedle US Equity Income Fund*

Investment Report

Investment Objective

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

Investment Policy

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

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

Performance of Class 1 – Income shares**

Over the twelve months to 30 April 2018, the published share price of Class 1 – income shares in the Threadneedle US Equity Income Fund has fallen from 127.53p to 127.47p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +2.65% and +3.27% for the Class 2 share class compared to a return of +6.36% 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 +6.39%.

Market Overview and Portfolio Activity

The S&P 500 rose by more than 13% in US dollar terms during the period, consistently hitting record highs and climbing in every month apart from February and March. The Federal Reserve (Fed) raised

interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 (which ultimately materialised in December) and three in 2018. However, stronger-than-expected corporate earnings and dovish commentary from the Fed propelled the market to record highs. US markets also finished 2017 strongly, benefiting from forecast-beating corporate results and GDP figures, buoyant consumer confidence and strong employment data. US equities received further support from anticipation that Congress would approve President Trump's flagship tax-cutting bill. The bill, which was eventually passed on 20 December, features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. February saw US (and global) equities finally snap their record-breaking run of monthly gains, as stronger-than-expected US wage growth stoked fears of higher inflation and, in turn, faster interest-rate hikes. The S&P 500 slowed again in March, amid growing fears of a trade war between China and the US.

During the period, new positions included NiSource, Bristol-Myers Squibb, United Parcel Service (UPS), Medtronic, Broadcom, Gilead Sciences, Automatic Data Processing and Aflac.

Working primarily across seven states in the eastern US, NiSource operates gas utilities that have ample opportunities for rate-base growth. The stock trades at a discount to peers despite a comparable growth profile.

Bristol-Myers is a leader in immuno-oncology, with a broad asset base and a first mover advantage with its two commercialised drugs Yervoy and Optivo. UPS is the largest small-package service provider in the US and globally. E-commerce is a key driver of domestic volume growth and should remain so in the coming years. In addition, the company is executing on four major productivity programmes that are expected to deliver combined savings of between \$800m and \$1bn by the end of 2021.

Medtronic is diversified across a vast number of medical verticals. Its portfolio should generate around 4% organic growth, through new product introductions, emerging markets exposure, and the build out of services, and the company's breadth and scale should lead to an expansion in operating margins.

A diversified, high-quality semiconductor business, Broadcom has good earnings growth potential with strong secular growth drivers, and trades at a discount to other quality names. Growing volumes of data are leading to higher demand for its semiconductors and integrated circuits. Automatic Data Processing, the leading human resource manager and payroll processor in the US, should see a return to its long-term model of 7-9% revenue growth along with solid margin expansion. We expect a continuation of dividend growth in the mid-single digit range.

Biopharmaceutical firm Gilead has a strong pipeline, especially given its recent acquisition of Kite. Gilead trades at a deep discount to its peers and has an attractive dividend yield of 3%, which should expand further. With insurance company Aflac, recent issues in its US business have hurt the share price and prompted the company to refocus on its more profitable areas of business. This should result in improvements to Aflac's top and bottom lines.

We exited names including General Electric, Caterpillar, Wells Fargo and International Paper Company.

Looking ahead, the backdrop remains very supportive for US equities. US stocks are set to benefit domestically from a strong economic momentum that is further boosted by tax reforms and, internationally, from a synchronized global recovery.

From a structural point of view, we expect that the transition from quantitative easing to quantitative tightening will send market volatility higher. This should favour stock-pickers.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	2,109	27,895
Revenue	3	3,286	3,293
Expenses	4	(487)	(223)
Interest payable and similar charges	5	(1)	—
Net revenue before taxation		2,798	3,070
Taxation	6	(418)	(463)
Net revenue after taxation		2,380	2,607
Total return before distributions		4,489	30,502
Distributions	7	(2,857)	(2,809)
Change in net assets attributable to shareholders from investment activities		1,632	27,693

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		87,515	116,240
Current assets:			
Debtors	8	111	286
Cash and bank balances		852	3,553
Total assets		88,478	120,079
Liabilities:			
Investment liabilities		(1)	—
Creditors:			
Distribution payable		(290)	(772)
Other creditors	9	(66)	(561)
Total liabilities		(357)	(1,333)
Net assets attributable to shareholders		88,121	118,746

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	118,746	—
Amounts receivable on the issue of shares	26,213	23,116
Amounts payable on the cancellation of shares	(59,129)	(25,558)
Amounts receivable on inspecie transfers	—	93,473
	(32,916)	91,031
Dilution adjustment	48	21
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,632	27,693
Retained distribution on accumulation shares	611	1
Closing net assets attributable to shareholders	88,121	118,746

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	0.8895	—	0.8895	0.4476
01/08/17 to 31/10/17	0.8329	—	0.8329	0.8256
01/11/17 to 31/01/18	0.8493	—	0.8493	0.8814
01/02/18 to 30/04/18	0.7953	—	0.7953	0.8348
Group 2				
01/05/17 to 31/07/17	0.1896	0.8999	0.8895	0.4476
01/08/17 to 31/10/17	0.1930	0.8399	0.8329	0.8256
01/11/17 to 31/01/18	0.1593	0.8900	0.8493	0.8814
01/02/18 to 30/04/18	0.1353	0.8600	0.7953	0.8348
Total distributions in the period			3.3670	2.9894

Class 1 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	0.7656	—	0.7656	—
01/08/17 to 31/10/17	0.7250	—	0.7250	0.0743
01/11/17 to 31/01/18	0.7406	—	0.7406	0.7543
01/02/18 to 30/04/18	0.7016	—	0.7016	0.7183
Group 2				
01/05/17 to 31/07/17	0.7656	—	0.7656	—
01/08/17 to 31/10/17	0.7250	—	0.7250	0.0743
01/11/17 to 31/01/18	0.7406	—	0.7406	0.7543
01/02/18 to 30/04/18	0.5616	0.1400	0.7016	0.7183
Total distributions in the period			2.9328	1.5469

*Fund launched on 23 May 2016.

**In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle US Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	0.7631	–	0.7631	
01/08/17 to 31/10/17	0.7577	–	0.7577	0.0855
01/11/17 to 31/01/18	0.7740	–	0.7740	0.7139
01/02/18 to 30/04/18	0.7549	–	0.7549	0.6805
Group 2				
01/05/17 to 31/07/17	0.7631	–	0.7631	
01/08/17 to 31/10/17	0.7577	–	0.7577	0.0855
01/11/17 to 31/01/18	0.7740	–	0.7740	0.7139
01/02/18 to 30/04/18	0.7549	–	0.7549	0.6805
Total distributions in the period			3.0497	1.4799

Class 2 – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	0.8893	–	0.8893	0.4490
01/08/17 to 31/10/17	0.8383	–	0.8383	0.8263
01/11/17 to 31/01/18	0.8520	–	0.8520	0.8913
01/02/18 to 30/04/18	0.8020	–	0.8020	0.8363
Group 2				
01/05/17 to 31/07/17	0.8893	–	0.8893	0.4490
01/08/17 to 31/10/17	0.8383	–	0.8383	0.8263
01/11/17 to 31/01/18	0.8520	–	0.8520	0.8913
01/02/18 to 30/04/18	0.8020	–	0.8020	0.8363
Total distributions in the period			3.3816	3.0029

Class 2 EUR Hedged – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	0.8760	–	0.8760	0.4490
01/08/17 to 31/10/17	0.8685	–	0.8685	0.8236
01/11/17 to 31/01/18	0.8806	–	0.8806	0.8417
01/02/18 to 30/04/18	0.8541	–	0.8541	0.7862
Group 2				
01/05/17 to 31/07/17	0.8760	–	0.8760	0.4490
01/08/17 to 31/10/17	0.8685	–	0.8685	0.8236
01/11/17 to 31/01/18	0.8806	–	0.8806	0.8417
01/02/18 to 30/04/18	0.8541	–	0.8541	0.7862
Total distributions in the period			3.4792	2.9005

Class 2 EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	0.7652	–	0.7652	
01/08/17 to 31/10/17	0.7608	–	0.7608	0.0855
01/11/17 to 31/01/18	0.7788	–	0.7788	0.7150
01/02/18 to 30/04/18	0.7604	–	0.7604	0.6817
Group 2				
01/05/17 to 31/07/17	0.7652	–	0.7652	
01/08/17 to 31/10/17	0.7608	–	0.7608	0.0855
01/11/17 to 31/01/18	0.7788	–	0.7788	0.7150
01/02/18 to 30/04/18	0.7604	–	0.7604	0.6817
Total distributions in the period			3.0652	1.4822

Class L – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.4640	–	1.4640	0.7366
01/08/17 to 31/10/17	1.3731	–	1.3731	1.3609
01/11/17 to 31/01/18	1.4039	–	1.4039	1.4406
01/02/18 to 30/04/18	1.3178	–	1.3178	1.3691
Group 2				
01/05/17 to 31/07/17	0.6669	0.7971	1.4640	0.7366
01/08/17 to 31/10/17	0.8172	0.5559	1.3731	1.3609
01/11/17 to 31/01/18	0.9750	0.4289	1.4039	1.4406
01/02/18 to 30/04/18	0.7168	0.6010	1.3178	1.3691
Total distributions in the period			5.5588	4.9072

Class X – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.5055	–	1.5055	0.7490
01/08/17 to 31/10/17	1.4175	–	1.4175	1.3888
01/11/17 to 31/01/18	1.7576	–	1.7576	1.4889
01/02/18 to 30/04/18	1.3655	–	1.3655	1.3948
Group 2				
01/05/17 to 31/07/17	0.3155	1.1900	1.5055	0.7490
01/08/17 to 31/10/17	0.3275	1.0900	1.4175	1.3888
01/11/17 to 31/01/18	1.7576	–	1.7576	1.4889
01/02/18 to 30/04/18	1.3655	–	1.3655	1.3948
Total distributions in the period			6.0461	5.0215

Class Z – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	0.9283	–	0.9283	0.4486
01/08/17 to 31/10/17	0.8391	–	0.8391	0.8261
01/11/17 to 31/01/18	0.8574	–	0.8574	0.8878
01/02/18 to 30/04/18	0.8059	–	0.8059	0.8448
Group 2				
01/05/17 to 31/07/17	0.0313	0.8970	0.9283	0.4486
01/08/17 to 31/10/17	0.2877	0.5514	0.8391	0.8261
01/11/17 to 31/01/18	0.3657	0.4917	0.8574	0.8878
01/02/18 to 30/04/18	0.3586	0.4473	0.8059	0.8448
Total distributions in the period			3.4307	3.0073

Class Z CHF Hedged – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	0.7546	–	0.7546	
01/08/17 to 31/10/17	0.7106	–	0.7106	0.0856
01/11/17 to 31/01/18	0.7080	–	0.7080	0.7256
01/02/18 to 30/04/18	0.6891	–	0.6891	0.6920
Group 2				
01/05/17 to 31/07/17	0.7546	–	0.7546	
01/08/17 to 31/10/17	0.7106	–	0.7106	0.0856
01/11/17 to 31/01/18	0.7080	–	0.7080	0.7256
01/02/18 to 30/04/18	0.6891	–	0.6891	0.6920
Total distributions in the period			2.8623	1.5032

Class Z – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	0.7700	–	0.7700	
01/08/17 to 31/10/17	0.7283	–	0.7283	0.0743
01/11/17 to 31/01/18	0.7462	–	0.7462	0.7550
01/02/18 to 30/04/18	0.7085	–	0.7085	0.7206
Group 2				
01/05/17 to 31/07/17	0.7700	–	0.7700	
01/08/17 to 31/10/17	0.7283	–	0.7283	0.0743
01/11/17 to 31/01/18	0.1317	0.6145	0.7462	0.7550
01/02/18 to 30/04/18	0.0085	0.7000	0.7085	0.7206
Total distributions in the period			2.9530	1.5499

Class Z CHF Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	0.2302	–	0.2302	
01/08/17 to 31/10/17	0.6420	–	0.6420	
01/11/17 to 31/01/18	0.6444	–	0.6444	
01/02/18 to 30/04/18	0.6304	–	0.6304	
Group 2				
01/05/17 to 31/07/17	0.2302	–	0.2302	
01/08/17 to 31/10/17	0.6420	–	0.6420	
01/11/17 to 31/01/18	0.6444	–	0.6444	
01/02/18 to 30/04/18	0.6304	–	0.6304	
Total distributions in the period			2.1470	

Class Z EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	0.7661	–	0.7661	
01/08/17 to 31/10/17	0.7618	–	0.7618	0.0854
01/11/17 to 31/01/18	0.7803	–	0.7803	0.7153
01/02/18 to 30/04/18	0.7616	–	0.7616	0.6824
Group 2				
01/05/17 to 31/07/17	0.7661	–	0.7661	
01/08/17 to 31/10/17	0.7618	–	0.7618	0.0854
01/11/17 to 31/01/18	0.7803	–	0.7803	0.7153
01/02/18 to 30/04/18	0.7616	–	0.7616	0.6824
Total distributions in the period			3.0698	1.4831

Group 2: shares purchased during a distribution period.

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

Threadneedle US Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	126.67	100.00	109.71	100.00
Return before operating charges (p)	5.48	31.64	4.77	10.32
Operating charges (p)	(2.12)	(1.98)	(1.83)	(0.61)
Return after operating charges (p)*	3.36	29.66	2.94	9.71
Distributions (p)	(3.37)	(2.99)	(2.93)	(1.55)
Retained distributions on accumulation shares (p)	–	–	2.93	1.55
Closing net asset value per share (p)	126.66	126.67	112.65	109.71
*after direct transaction costs of (p)	0.07	0.06	0.06	0.03
Performance				
Return after charges (%)	2.65	29.66	2.68	9.71
Other information				
Closing net asset value (£000)	268	288	8	3
Closing number of shares	211,486	227,050	6,781	3,000
Operating charges (%)**	1.65	1.67 [†]	1.63	1.63 [†]
Direct transaction costs (%)***	0.05	0.05	0.05	0.05
Prices				
Highest share price (p)	134.72	136.28	118.27	117.23
Lowest share price (p)	120.77	98.94	106.74	99.54
	Class 1 EUR Hedged – Accumulation shares		Class 2 – Income shares	
	30/04/2018	30/04/2017 ²	30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	106.64	100.00	127.27	100.00
Return before operating charges (p)	13.35	7.23	5.47	31.44
Operating charges (p)	(1.90)	(0.59)	(1.32)	(1.17)
Return after operating charges (p)*	11.45	6.64	4.15	30.27
Distributions (p)	(3.05)	(1.48)	(3.38)	(3.00)
Retained distributions on accumulation shares (p)	3.05	1.48	–	–
Closing net asset value per share (p)	118.09	106.64	128.04	127.27
*after direct transaction costs of (p)	0.06	0.03	0.07	0.06
Performance				
Return after charges (%)	10.74	6.64	3.26	30.27
Other information				
Closing net asset value (£000)	12	11	4	4
Closing number of shares	10,000	10,000	3,000	3,000
Operating charges (%)**	1.63	1.65 [†]	1.02	1.03 [†]
Direct transaction costs (%)***	0.05	0.05	0.05	0.05
Prices				
Highest share price (p)	127.21	110.91	135.91	136.82
Lowest share price (p)	105.48	98.76	122.01	98.95

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Income shares		Class 2 EUR Hedged – Accumulation shares	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	122.53	100.00	106.92	100.00
Return before operating charges (p)	15.35	26.61	13.37	7.31
Operating charges (p)	(1.40)	(1.18)	(1.23)	(0.39)
Return after operating charges (p)*	13.95	25.43	12.14	6.92
Distributions (p)	(3.48)	(2.90)	(3.07)	(1.48)
Retained distributions on accumulation shares (p)	–	–	3.07	1.48
Closing net asset value per share (p)	133.00	122.53	119.06	106.92
*after direct transaction costs of (p)	0.07	0.06	0.06	0.03
Performance				
Return after charges (%)	11.38	25.43	11.35	6.92
Other information				
Closing net asset value (£000)	13	12	12	11
Closing number of shares	10,000	10,000	10,000	10,000
Operating charges (%)**	1.05	1.07 [†]	1.05	1.08 [†]
Direct transaction costs (%)***	0.05	0.05	0.05	0.05
Prices				
Highest share price (p)	144.89	128.18	128.07	111.15
Lowest share price (p)	121.20	98.75	105.77	98.80

	Class L – Income shares		Class X – Income shares	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ¹
Change in net assets per share				
Opening net asset value per share (p)	208.26	163.20	215.49	168.05
Return before operating charges (p)	8.98	51.25	9.31	52.61
Operating charges (p)	(1.44)	(1.28)	(0.13)	(0.15)
Return after operating charges (p)*	7.54	49.97	9.18	52.46
Distributions (p)	(5.56)	(4.91)	(6.05)	(5.02)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	210.24	208.26	218.62	215.49
*after direct transaction costs of (p)	0.11	0.10	0.11	0.10
Performance				
Return after charges (%)	3.62	30.62	4.26	31.22
Other information				
Closing net asset value (£000)	39,302	32,363	331	86,005
Closing number of shares	18,693,598	15,540,116	151,486	39,910,418
Operating charges (%)**	0.68	0.68 [†]	0.06	0.08 [†]
Direct transaction costs (%)***	0.05	0.05	0.05	0.05
Prices				
Highest share price (p)	222.93	223.81	231.61	231.46
Lowest share price (p)	200.27	161.48	208.05	166.28

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares		Class Z CHF Hedged – Income shares	
	30/04/2018	30/04/2017 ¹	30/04/2018	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	127.38	100.00	106.29	100.00
Return before operating charges (p)	5.50	31.44	1.66	8.12
Operating charges (p)	(1.17)	(1.05)	(0.96)	(0.33)
Return after operating charges (p)*	4.33	30.39	0.70	7.79
Distributions (p)	(3.43)	(3.01)	(2.86)	(1.50)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	128.28	127.38	104.13	106.29
*after direct transaction costs of (p)	0.07	0.06	0.06	0.03
Performance				
Return after charges (%)	3.40	30.39	0.66	7.79
Other information				
Closing net asset value (£000)	6,329	24	10	11
Closing number of shares	4,933,721	19,166	10,000	10,000
Operating charges (%)**	0.90	0.89 [†]	0.88	0.90 [†]
Direct transaction costs (%)***	0.05	0.05	0.05	0.05
Prices				
Highest share price (p)	136.11	136.99	117.11	112.61
Lowest share price (p)	122.22	98.95	102.35	99.98
	Class Z – Accumulation shares		Class Z CHF Hedged – Accumulation shares	
	30/04/2018	30/04/2017 ²	30/04/2018 ³	
Change in net assets per share				
Opening net asset value per share (p)	110.08	100.00	100.00	
Return before operating charges (p)	4.86	10.41	(3.38)	
Operating charges (p)	(1.07)	(0.33)	(0.63)	
Return after operating charges (p)*	3.79	10.08	(4.01)	
Distributions (p)	(2.95)	(1.55)	(2.15)	
Retained distributions on accumulation shares (p)	2.95	1.55	2.15	
Closing net asset value per share (p)	113.87	110.08	95.99	
*after direct transaction costs of (p)	0.06	0.03	0.04	
Performance				
Return after charges (%)	3.44	10.08	(4.01)	
Other information				
Closing net asset value (£000)	41,810	3	10	
Closing number of shares	36,717,781	3,000	10,001	
Operating charges (%)**	0.94	0.88 [†]	0.87 [†]	
Direct transaction costs (%)***	0.05	0.05	0.05	
Prices				
Highest share price (p)	119.28	117.55	106.58	
Lowest share price (p)	107.45	99.60	93.73	

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

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

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

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

¹Commenced 23 May 2016.

²Commenced 4 October 2016.

³Commenced 22 June 2017.

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

Threadneedle US Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	2,070	27,842
Forward currency contracts	(206)	(1)
Other gains	247	55
Transaction costs	(2)	(1)
Net capital gains	2,109	27,895

3 REVENUE

	2018 £000	2017 £000
Overseas dividends	3,268	3,285
Bank interest	18	8
Total revenue	3,286	3,293

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(397)	(142)
Registration fees	(55)	(38)
	(452)	(180)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(13)	(12)
Safe custody fees	(4)	(16)
	(17)	(28)
Other expenses:		
Regulatory fees	(6)	(3)
Audit fees	(12)	(12)
	(18)	(15)
Total expenses*	(487)	(223)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	—
Total interest payable & similar charges	(1)	—

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Corporation tax	—	(11)
Double taxation relief	—	11
Overseas taxes	(418)	(463)
Total current tax (note 6b)	(418)	(463)
Total tax charge for the period	(418)	(463)
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,798	3,070
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(560)	(614)

Effects of:

Revenue not subject to taxation	630	603
Overseas taxes	(418)	(463)
Overseas tax expensed	4	—
Double taxation relief	—	11
Excess expenses	(74)	—
Current tax charge for period (note 6a)	(418)	(463)

The fund has not recognised a deferred tax asset of £74,030 (2017: £Nil) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	2,176	2,014
Final	551	772
	2,727	2,786
Add: Revenue deducted on the cancellation of shares	237	107
Deduct: Revenue received on the creation of shares	(107)	(84)
Net distribution for the period	2,857	2,809
Net revenue after taxation	2,380	2,607
All fees charged to capital	487	223
Equalisation on conversion	(1)	—
Tax relief on capitalised fees	(9)	(21)
Total distributions	2,857	2,809

Details of the distribution per share are set out in the table on pages 96 and 97.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	39	158
Accrued revenue	72	128
Total debtors	111	286

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(2)	(523)
Accrued expenses	(11)	(18)
Amounts payable to ACD	(53)	(20)
Total other creditors	(66)	(561)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle US Equity Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class L shares	0.60%
Class X shares	N/A*
Class Z shares	0.75%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 98 and 101. The distribution per share class is given in the distribution table on pages 96 and 97.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of Shares

	2018
Class 1 – Income shares	
Opening shares	227,050
Shares issued	318
Shares redeemed	(15,882)
Net conversions	–
Closing shares	211,486
Class 1 – Accumulation shares	
Opening shares	3,000
Shares issued	3,781
Shares redeemed	–
Net conversions	–
Closing shares	6,781
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class 2 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class 2 EUR Hedged – Income shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class 2 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class L – Income shares	
Opening shares	15,540,116
Shares issued	7,091,375
Shares redeemed	(4,831,054)
Net conversions	893,161
Closing shares	18,693,598

2018

Class X – Income shares

Opening shares	39,910,418
Shares issued	518,648
Shares redeemed	(15,710,472)
Net conversions	(24,567,108)
Closing shares	151,486

Class Z – Income shares

Opening shares	19,166
Shares issued	7,579,029
Shares redeemed	(1,201,324)
Net conversions	(1,463,150)
Closing shares	4,933,721

Class Z CHF Hedged – Income shares

Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

Class Z – Accumulation shares

Opening shares	3,000
Shares issued	402,858
Shares redeemed	(11,369,039)
Net conversions	47,680,962
Closing shares	36,717,781

Class Z CHF Hedged – Accumulation shares*

Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	10,001

Class Z EUR Hedged – Accumulation shares

Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

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

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.75% and vice versa (2017: 4.75%).

Currency exposures

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

	Total £000
Currency 2018	
Euro	49
Swiss Franc	20
US Dollar	88,298
Currency 2017	£000
Canadian Dollar	497
Euro	44
Swiss Franc	11
US Dollar	119,200

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 6.05% (2017: 11.45%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 6.07% (2017: 11.50%).

Threadneedle US Equity Income Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Euro	—	—	49	49
Swiss Franc	—	—	20	20
UK Sterling	66	—	43	109
US Dollar	786	948	86,634	88,368
Currency 2017	£000	£000	£000	£000
Canadian Dollar	3	—	494	497
Euro	—	—	44	44
Swiss Franc	—	—	11	11
UK Sterling	169	—	158	327
US Dollar	3,381	2,859	113,015	119,255
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
UK Sterling	—	—	(355)	(355)
US Dollar	—	—	(70)	(70)
Currency 2017	£000	£000	£000	£000
UK Sterling	—	—	(1,333)	(1,333)
US Dollar	—	—	(55)	(55)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2017: £Nil) and a liability value of £1,000 (2017: £Nil).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	87,515	—	116,240	—
Level 2	—	(1)	—	—
	87,515	(1)	116,240	—

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	44,694	22	0.05	—	—
Total	44,694	22		—	

Gross purchases total:

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	75,429	31	0.04	2	—
Corporate actions	33	—	—	—	—
Total	75,462	31		2	

Total sales net of transaction costs:

75,429

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.00%

30 April 2017

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	36,756	30	0.08	—	—
In specie transactions	91,535	—	—	—	—
Total	128,291	30		—	

Gross purchases total:

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	39,378	24	0.06	1	—
Corporate actions	423	—	—	—	—
Total	39,801	24		1	

Total sales net of transaction costs:

39,776

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.00%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.02% (2017: 0.03%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle US Equity Income Fund

Notes to the financial statements

(continued)

17 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (£)		
	30 April 2018	07 August 2018	% Movement
Class 1 – Income shares	126.68	142.05	12.13
Class 1 – Accumulation shares	112.66	127.16	12.87
Class 2 – Income shares	128.06	143.84	12.32
Class L – Income shares	210.27	236.39	12.42
Class X – Income shares	218.58	246.16	12.62
Class Z – Income shares	128.30	144.16	12.36
Class Z CHF Hedged – Income shares	104.14	115.39	10.80
Class Z – Accumulation shares	113.88	128.78	13.08
Class Z CHF Hedged – Accumulation shares	95.99	107.07	11.54

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. From 14 May 2018, the Fund may invest up to 70% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme.

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

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle China Opportunities Fund has risen from 287.31p to 366.97p.

For comparison, using noon prices, the performance of the Class 1 share class was +27.73% and +28.48% for the Class 2 share class compared to a return of +22.90% 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 +25.15%.

Market Overview and Portfolio Activity

The 12 months under review proved a strong period for Chinese equities despite some volatility during the spring of 2018. Chinese equities continued to benefit from stronger-than-expected company

earnings and economic stabilisation in China. Investors also responded favourably to April's cut in the reserve requirement ratio (RRR) by the central bank, which should help to offset the monetary tightening caused by deleveraging.

Supported by the recovery in world trade and the increase in domestic consumption, China recorded GDP growth of 6.9% in 2017. Moreover, the Chinese government and state-owned enterprises have been focusing more on the quality of growth, and we expect this positive change of mindset to continue.

In January, the Chinese banking regulator announced further measures to prevent financial risk. These included stepping up its oversight of Chinese banks, focusing on areas such as shadow banking and interbank activities. China is continuing to improve the health and stability of its financial system.

In early February, global equity markets including China sold-off as stronger-than-expected wage growth in the US fuelled fears of higher inflation and a steeper trajectory for US interest-rate hikes. The stronger dollar dampened sentiment towards emerging market equities, as did threats posed by US protectionist measures. Markets remained unsettled in March. At the start of the month, the Trump administration announced steep import levies on steel and aluminium, and there followed a series of tit-for-tat tariff announcements by China and the US. Nevertheless, markets are hoping for a successful resolution to the current trade spat.

On the political front, the National People's Congress held in March delivered amendments to the constitution. In addition, the appointment of Yi Gang as the new governor of the central bank signalled the continuity of monetary policy and is expected to lead to the further liberalisation of China's financial markets. The 1.0% reduction in the RRR was the first cut since February 2016 and reduces the level of cash that banks need to hold in reserve, thereby releasing additional funds for lending to smaller Chinese companies.

A notable development within the fund was to build up the exposure to China A shares, especially in the consumer and technology sectors. From 1 June 2018, MSCI is to include 234 A shares in its relevant equity indices, which should boost inflows

from foreign investors. To benefit from the theme of improving domestic consumption, we added new positions in Angel Yeast (A shares), China Resources Beer and Tsingtao Brewery. We also established a new holding in Li Ning, a leading domestic sportswear company. Another new position was Sun Art Retail, China's largest offline supermarket group, which is poised to gain from the rapid growth of online sales. Other additions included Wynn Macau and China Lodging, which should benefit from the increase in domestic tourism, and Midea Group, China's top home appliance firm.

In healthcare, we built a new position in Wuxi Biologics and added to Sino Biopharmaceutical. Within the financial sector, new positions were established in Chongqing Rural Commercial Bank and Hong Kong Exchanges & Clearing. The latter is well positioned to benefit from the increase in mainland funds flowing south through the Hong Kong Connect scheme.

To help fund this activity we reduced CTRIP.com, which is facing increased competition in China's travel sector, and China Mobile, on concerns over the likely magnitude of 5G capital expenditure (capex). We also pared back the position in China Overseas Land and sold out of China Life Insurance. The fund bought and subsequently sold Orient Overseas (International), which received a takeover bid at a substantial premium.

The recent focus by the authorities on financial deleveraging through tighter liquidity is expected to temper the rate of China's real GDP growth. However, we expect the economic growth deceleration to be mild as growth stability remains a policy priority for the Chinese authorities. At the same time, we have had some encouraging meetings with a number of Chinese state-owned enterprises where, in addition to supply-side reforms, they are planning to control capex and reduce gearing to improve profitability.

At the company level, we should continue to see the implementation of supply-side reform result in capex 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 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	22,979	25,569
Revenue	3	2,201	2,126
Expenses	4	(1,296)	(1,073)
Interest payable and similar charges	5	(3)	–
Net revenue before taxation		902	1,053
Taxation	6	(162)	(145)
Net revenue after taxation		740	908
Total return before distributions		23,719	26,477
Distributions	7	(746)	(908)
Change in net assets attributable to shareholders from investment activities		22,973	25,569

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		115,712	84,156
Current assets:			
Debtors	8	2,247	858
Cash and bank balances		3,789	807
Total assets		121,748	85,821
Liabilities:			
Creditors:			
Other creditors	9	(2,103)	(1,074)
Total liabilities		(2,103)	(1,074)
Net assets attributable to shareholders		119,645	84,747

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	84,747	84,503
Amounts receivable on the issue of shares	102,953	45,919
Amounts payable on the cancellation of shares	(92,124)	(72,029)
	10,829	(26,110)
Dilution adjustment	229	198
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	22,973	25,569
Retained distribution on accumulation shares	867	587
Closing net assets attributable to shareholders	119,645	84,747

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1 01/05/17 to 30/04/18	0.9779	–	0.9779	0.7800
Group 2 01/05/17 to 30/04/18	–	0.9779	0.9779	0.7800
Total distributions in the period			0.9779	0.7800

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1 01/05/17 to 30/04/18	3.1444	–	3.1444	2.4025
Group 2 01/05/17 to 30/04/18	–	3.1444	3.1444	2.4025
Total distributions in the period			3.1444	2.4025

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle China Opportunities Fund

DISTRIBUTION TABLE

(continued)

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.4246	—	2.4246	1.8439
Group 2				
01/05/17 to 30/04/18	—	2.4246	2.4246	1.8439
Total distributions in the period			2.4246	1.8439

Group 2: shares purchased during a distribution period.

Threadneedle China Opportunities Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	287.12	213.82	288.65	303.92	225.02	302.03
Return before operating charges (p)	85.40	77.60	(70.94)	90.53	81.91	(74.35)
Operating charges (p)	(5.77)	(4.30)	(3.89)	(4.00)	(3.01)	(2.66)
Return after operating charges (p)*	79.63	73.30	(74.83)	86.53	78.90	(77.01)
Distributions (p)	(0.98)	(0.78)	(3.57)	(3.14)	(2.40)	(4.82)
Retained distributions on accumulation shares (p)	0.98	0.78	3.57	3.14	2.40	4.82
Closing net asset value per share (p)	366.75	287.12	213.82	390.45	303.92	225.02
*after direct transaction costs of (p)	0.65	0.48	0.55	0.69	0.51	0.58
Performance						
Return after charges (%)	27.73	34.28	(25.92)	28.47	35.06	(25.50)
Other information						
Closing net asset value (£000)	29,655	21,531	20,131	51,050	45,160	35,160
Closing number of shares	8,085,987	7,498,733	9,414,761	13,074,890	14,859,167	15,624,961
Operating charges (%)**	1.66	1.65	1.67	1.09	1.09	1.09
Direct transaction costs (%)***	0.18	0.18	0.23	0.18	0.18	0.23
Prices						
Highest share price (p)	391.25	297.31	294.24	415.88	314.49	308.00
Lowest share price (p)	282.93	200.65	183.40	299.50	211.23	192.76
	Class Z – Accumulation shares					
	30/04/2018	30/04/2017	30/04/2016			
Change in net assets per share						
Opening net asset value per share (p)	194.47	143.75	192.60			
Return before operating charges (p)	57.99	52.28	(47.45)			
Operating charges (p)	(2.18)	(1.56)	(1.40)			
Return after operating charges (p)*	55.81	50.72	(48.85)			
Distributions (p)	(2.42)	(1.84)	(2.78)			
Retained distributions on accumulation shares (p)	2.42	1.84	2.78			
Closing net asset value per share (p)	250.28	194.47	143.75			
*after direct transaction costs of (p)	0.45	0.32	0.37			
Performance						
Return after charges (%)	28.70	35.28	(25.36)			
Other information						
Closing net asset value (£000)	38,940	18,056	29,212			
Closing number of shares	15,558,132	9,284,713	20,321,337			
Operating charges (%)**	0.91	0.91	0.91			
Direct transaction costs (%)***	0.18	0.18	0.23			
Prices						
Highest share price (p)	266.46	201.21	196.44			
Lowest share price (p)	191.65	134.95	123.10			

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

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

Threadneedle China Opportunities Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	22,918	25,089
Forward currency contracts	(28)	110
Other gains	91	370
Transaction costs	(2)	—
Net capital gains	22,979	25,569

3 REVENUE

	2018 £000	2017 £000
Overseas dividends	2,175	2,117
Bank interest	26	9
Total revenue	2,201	2,126

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,163)	(959)
Registration fees	(81)	(67)
	(1,244)	(1,026)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(13)	(10)
Safe custody fees	(22)	(22)
	(35)	(32)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(9)	(8)
	(17)	(15)
Total expenses*	(1,296)	(1,073)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(3)	—
Total interest payable & similar charges	(3)	—

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(162)	(145)
Total current tax (note 6b)	(162)	(145)
Total tax charge for the period	(162)	(145)
b) Factors affecting taxation charge for period		
Net revenue before taxation	902	1,053
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(180)	(211)
Effects of:		
Revenue not subject to taxation	413	390
Overseas taxes	—	—
Overseas tax expensed	(162)	(145)

	2018 £000	2017 £000
Excess expenses	(232)	(179)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	—
Current tax charge for period (note 6a)	(162)	(145)

The fund has not recognised a deferred tax asset of £1,619,415 (2017: £1,387,499) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	867	587
	867	587
Add: Revenue deducted on the cancellation of shares	809	740
Deduct: Revenue received on the creation of shares	(930)	(419)
Net distribution for the period	746	908
Net revenue after taxation	740	908
Equalisation on conversion	6	—
Total distributions	746	908

Details of the distribution per share are set out in the table on pages 106 and 107.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	1,522	14
Sales awaiting settlement	708	844
Accrued revenue	17	—
Total debtors	2,247	858

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(1,964)	(959)
Accrued expenses	(9)	(12)
Amounts payable to ACD	(110)	(83)
Corporation tax payable	(20)	(20)
Total other creditors	(2,103)	(1,074)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle China Opportunities Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class Z shares	0.75%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 108. The distribution per share class is given in the distribution table on pages 106 and 107.

All classes have the same rights on winding up.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	7,498,733
Shares issued	18,935,700
Shares redeemed	(18,077,626)
Net conversions	(270,820)
Closing shares	8,085,987
Class 2 – Accumulation shares	
Opening shares	14,859,167
Shares issued	4,345,018
Shares redeemed	(6,129,295)
Net conversions	–
Closing shares	13,074,890
Class Z – Accumulation shares	
Opening shares	9,284,713
Shares issued	8,845,093
Shares redeemed	(2,969,027)
Net conversions	397,353
Closing shares	15,558,132

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.73% and vice versa (2017: 4.81%).

Currency exposures

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

	Total
Currency 2018	£000
Hong Kong Dollar	78,489
Taiwan Dollar	8
US Dollar	41,580
Currency 2017	£000
Hong Kong Dollar	58,812
Taiwan Dollar	9
US Dollar	26,946

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
	%	%
Currency 2018		
Hong Kong Dollar	7.01	4.60
US Dollar	6.05	2.10

	Currency Movement	Fund Movement
	%	%
Currency 2017		
Hong Kong Dollar	11.22	7.78
US Dollar	11.45	3.64

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2018				
Hong Kong Dollar	–	–	78,489	78,489
Taiwan Dollar	8	–	–	8
UK Sterling	150	–	1,521	1,671
US Dollar	3,631	–	37,949	41,580
Currency 2017	£000	£000	£000	£000
Hong Kong Dollar	18	–	58,794	58,812
Taiwan Dollar	9	–	–	9
UK Sterling	41	–	14	55
US Dollar	739	–	26,207	26,946
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2018				
UK Sterling	–	–	(2,103)	(2,103)
Currency 2017	£000	£000	£000	£000
UK Sterling	–	–	(1,075)	(1,075)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Valuation technique				
Level 1	115,712	–	84,156	–
	115,712	–	84,156	–

Threadneedle China Opportunities Fund

Notes to the financial statements

(continued)

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	70,526	59	0.08	49	0.07
Total	70,526	59		49	

Gross purchases total: **70,634**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	62,092	53	0.09	43	0.07
Total	62,092	53		43	

Total sales net of transaction costs: **61,996**

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
Taxes:	0.08%

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	34,985	41	0.12	22	0.06
Corporate actions	84	–	–	–	–
Total	35,069	41		22	

Gross purchases total: **35,132**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	59,212	54	0.09	50	0.08
Total	59,212	54		50	

Total sales net of transaction costs: **59,108**

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
Taxes:	0.08%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.11% (2017: 0.12%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Emerging Markets Equity Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

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

Performance of Class 1 – accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 - accumulation shares in the Threadneedle Global Emerging Markets Equity Fund has risen from 105.14p to 113.85p.

For comparison, using noon prices, the performance of the Class 1 share class was +8.28% and +8.91% for the Class 2 share class compared to a return of +11.90% 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 +14.73%.

Market Overview and Portfolio Activity

Emerging Market (EM) equities performed strongly over the period, with the MSCI Emerging Markets index rising 14.7% in sterling terms, outperforming developed markets. This was despite a bout of volatility in early February, when global investors were unsettled

by stronger-than-expected wage growth in the US, which fuelled fears of higher inflation and a steeper trajectory for US interest-rate hikes. EM equities' continued strong performance demonstrated the resilience of the emerging market macro environment, given factors such as domestic fund flows, foreign exchange buffers and the aggregate current account surplus.

More importantly, throughout the period, expectations for earnings-per-share (EPS) growth in Asia have risen significantly across countries and sectors, with further upward revisions in February. This has been a clear divergence from their developed market counterparts. China continued its strong run off the back of robust earnings, positive economic releases and higher-than-expected GDP growth. In 2018, US-China trade tensions began to emerge. However, with proposed sanctions impacting China's exports by just 0.65% and its GDP by 0.01%, the overall impact of tariffs at this stage is certainly not alarming.

Taiwan also performed well, driven by Apple supply-chain names, mirroring the global trend of strong performance in the technology sector. Finally, Indian equities hit an all-time high during the period and shrugged off concerns over the implementation of the goods and services (GST) tax bill.

Latin American equities rose over the period, as positive political news, improving commodity prices and favourable currency movements helped propel markets higher. In the second half, however, the fall in commodity prices weighed on market performance.

In Brazil, investors grew concerned when corruption allegations were raised against President Michel Temer, but the subsequent dismissal of charges reinvigorated the prospects for further reform measures. Indeed, the senate approved labour reform legislation; the first major overhaul of labour rules in seven decades. Mexican equities continued their recovery on the back of a softening of US protectionist rhetoric towards the nation. GDP data remained strong, buoyed by a tight labour market and strong trade data.

Over the period, the fund initiated a position in SK Hynix, given the consolidation within the market and the less cyclical nature

of memory pricing. We are optimistic that the company is well positioned to benefit from strong demand as a result of cloud customers. A new position was initiated in Itau Unibanco, on the back of a positive macro backdrop for continued strength in the bank's earnings. We also expect continued strength in asset growth, while interest rate increases are likely to lead to an expansion in net interest margins. In this backdrop, valuations remain attractive. The fund also increased its exposure to Brazil by initiating a new position in Brazilian airline Azul, which has a unique business model, an attractive valuation and strong growth opportunities and by participating in the initial public offering of payment processor PagSeguro Digital. The company possesses a branded, self-serve, digital distribution channel, offering exposure to the development of Brazil's electronic payments economy.

To fund these purchases, the fund sold out of Far Eastone, Akbank, Anglo American Platinum and FEMSA, among others.

Our outlook on the asset class remains positive, underpinned by improvements to return on equity, earnings and cashflows, which are outpacing improvements in developed market counterparts. The last quarter clearly demonstrated the improvement in the domestic macro environment given the resilience of the asset class over a turbulent period, especially relative to developed markets.

Structural progress is ongoing, with reforms and favourable demographics providing a compelling investment case. EM economies are better positioned to withstand a US tightening cycle, given factors such as the aggregate EM current account surplus, reduced dependence on external financing, foreign exchange buffers, benign inflation and positive real interest rates.

Geopolitical risk is another important consideration, with trade relations between China and the US at the forefront of discussions. Current tariff announcements are containable, with the real risk coming from the threat of an escalation to the trade war.

Valuations remain relatively attractive, with the added benefit of healthy yield support in many cases due to strong free cashflow generation.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	26,744	61,654
Revenue	3	7,639	6,179
Expenses	4	(3,276)	(3,129)
Interest payable and similar charges	5	(6)	(2)
Net revenue before taxation		4,357	3,048
Taxation	6	(765)	(442)
Net revenue after taxation		3,592	2,606
Total return before distributions		30,336	64,260
Distributions	7	(3,602)	(2,606)
Change in net assets attributable to shareholders from investment activities		26,734	61,654

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		321,108	305,884
Current assets:			
Debtors	8	8,231	5,108
Cash and bank balances		7,020	15,585
Total assets		336,359	326,577
Liabilities:			
Investment liabilities		(1)	–
Creditors:			
Bank overdrafts		(1,028)	(2,253)
Other creditors	9	(6,346)	(4,994)
Total liabilities		(7,375)	(7,247)
Net assets attributable to shareholders		328,984	319,330

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	319,330	246,904
Amounts receivable on the issue of shares	87,434	112,596
Amounts payable on the cancellation of shares	(108,287)	(104,780)
	(20,853)	7,816
Dilution adjustment	209	154
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	26,734	61,654
Retained distribution on accumulation shares	3,564	2,802
Closing net assets attributable to shareholders	328,984	319,330

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	0.3310	–	0.3310	0.2812
Group 2				
01/05/17 to 30/04/18	–	0.3310	0.3310	0.2812
Total distributions in the period			0.3310	0.2812

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	1.0549	–	1.0549	0.8987
Group 2				
01/05/17 to 30/04/18	0.2897	0.7652	1.0549	0.8987
Total distributions in the period			1.0549	0.8987

Threadneedle Global Emerging Markets Equity Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 30/04/18	2.3893	–	2.3893	2.0053
Group 2				
01/05/17 to 30/04/18	2.3893	–	2.3893	2.0053
Total distributions in the period			2.3893	2.0053

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	2.0045	–	2.0045	1.6637
Group 2				
01/05/17 to 30/04/18	0.7302	1.2743	2.0045	1.6637
Total distributions in the period			2.0045	1.6637

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	1.5013	–	1.5013	1.2711
Group 2				
01/05/17 to 30/04/18	0.4457	1.0556	1.5013	1.2711
Total distributions in the period			1.5013	1.2711

Group 2: shares purchased during a distribution period.

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	105.03	84.26	96.07	112.22	89.51	101.48
Return before operating charges (p)	10.63	22.40	(10.39)	11.37	23.85	(11.02)
Operating charges (p)	(1.90)	(1.63)	(1.42)	(1.34)	(1.14)	(0.95)
Return after operating charges (p)*	8.73	20.77	(11.81)	10.03	22.71	(11.97)
Distributions (p)	(0.33)	(0.28)	(0.64)	(1.05)	(0.90)	(1.05)
Retained distributions on accumulation shares (p)	0.33	0.28	0.64	1.05	0.90	1.05
Closing net asset value per share (p)	113.76	105.03	84.26	122.25	112.22	89.51
*after direct transaction costs of (p)	0.37	0.45	0.55	0.39	0.48	0.56
Performance						
Return after charges (%)	8.31	24.65	(12.29)	8.94	25.37	(11.80)
Other information						
Closing net asset value (£000)	81,432	83,187	70,692	101,039	132,690	110,847
Closing number of shares	71,581,656	79,200,870	83,901,872	82,652,196	118,241,653	123,843,226
Operating charges (%)**	1.67	1.66	1.68	1.10	1.09	1.10
Direct transaction costs (%)***	0.32	0.46	0.65	0.32	0.46	0.65
Prices						
Highest share price (p)	121.08	107.76	97.13	129.92	114.79	102.60
Lowest share price (p)	105.14	80.61	72.32	112.34	85.66	76.53

	Class X – Income shares			Class X – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	115.68	92.93	106.60	98.77	78.02	87.59
Return before operating charges (p)	11.73	24.81	(11.60)	10.01	20.84	(9.49)
Operating charges (p)	(0.08)	(0.05)	(0.05)	(0.11)	(0.09)	(0.08)
Return after operating charges (p)*	11.65	24.76	(11.65)	9.90	20.75	(9.57)
Distributions (p)	(2.39)	(2.01)	(2.02)	(2.00)	(1.66)	(1.71)
Retained distributions on accumulation shares (p)	–	–	–	2.00	1.66	1.71
Closing net asset value per share (p)	124.94	115.68	92.93	108.67	98.77	78.02
*after direct transaction costs of (p)	0.41	0.50	0.59	0.35	0.43	0.49
Performance						
Return after charges (%)	10.07	26.64	(10.93)	10.02	26.60	(10.93)
Other information						
Closing net asset value (£000)	4	3	3	115,966	72,418	29,584
Closing number of shares	3,000	3,000	3,000	106,715,868	73,320,963	37,916,932
Operating charges (%)**	0.06	0.05	0.05	0.10	0.10	0.10
Direct transaction costs (%)***	0.32	0.46	0.65	0.32	0.46	0.65
Prices						
Highest share price (p)	135.13	120.07	107.79	115.33	100.78	88.59
Lowest share price (p)	115.82	89.00	80.65	98.89	74.73	66.27

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	132.91	105.83	119.78
Return before operating charges (p)	13.45	28.20	(13.01)
Operating charges (p)	(1.33)	(1.12)	(0.94)
Return after operating charges (p)*	12.12	27.08	(13.95)
Distributions (p)	(1.50)	(1.27)	(1.22)
Retained distributions on accumulation shares (p)	1.50	1.27	1.22
Closing net asset value per share (p)	145.03	132.91	105.83
*after direct transaction costs of (p)	0.46	0.57	0.66
Performance			
Return after charges (%)	9.12	25.59	(11.65)
Other information			
Closing net asset value (£000)	30,543	31,032	35,778
Closing number of shares	21,059,232	23,348,073	33,806,826
Operating charges (%)**	0.92	0.91	0.92
Direct transaction costs (%)***	0.32	0.46	0.65
Prices			
Highest share price (p)	154.10	135.84	121.11
Lowest share price (p)	133.06	101.29	90.38

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

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

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	28,215	60,062
Forward currency contracts	162	19
Other (losses)/gains	(1,625)	1,591
Transaction costs	(8)	(18)
Net capital gains	26,744	61,654

3 REVENUE

	2018 £000	2017 £000
UK dividends	213	76
Overseas dividends	7,272	6,017
Interest on short term investments	106	61
Bank interest	48	25
Total revenue	7,639	6,179

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,823)	(2,799)
Registration fees	(210)	(188)
	(3,033)	(2,987)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(42)	(33)
Safe custody fees	(88)	(71)
Revenue collection expenses	(43)	(10)
	(173)	(114)
Other expenses:		
Regulatory fees	(8)	(6)
Audit fees	(13)	(12)
Audit fees – non-audit services	(20)	(8)
Professional fees	(29)	(2)
	(70)	(28)
Total expenses*	(3,276)	(3,129)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(6)	(2)
Total interest payable & similar charges	(6)	(2)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(765)	(442)
Total current tax (note 6b)	(765)	(442)
Total tax charge for the period	(765)	(442)

b) Factors affecting taxation charge for period

	2018 £000	2017 £000
Net revenue before taxation	4,357	3,048
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(871)	(610)
Effects of:		
Revenue not subject to taxation	1,434	1,085
Overseas taxes	(765)	(442)
Overseas tax expensed	11	17
Excess expenses	(572)	(492)
Retail Distribution Review (RDR) conversion transfer from capital	(2)	–
Current tax charge for period (note 6a)	(765)	(442)

The fund has not recognised a deferred tax asset of £3,290,231 (2017: £2,718,758) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	3,564	2,802
	3,564	2,802
Add: Revenue deducted on the cancellation of shares	820	596
Deduct: Revenue received on the creation of shares	(782)	(792)
Net distribution for the period	3,602	2,606
Net revenue after taxation	3,592	2,606
Equalisation on conversion	10	–
Total distributions	3,602	2,606

Details of the distribution per share are set out in the table on pages 112 and 113.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	1,463	198
Sales awaiting settlement	6,166	4,150
Accrued revenue	602	756
Foreign withholding tax recoverable	–	4
Total debtors	8,231	5,108

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(48)	(459)
Purchases awaiting settlement	(6,061)	(4,258)
Accrued expenses	(20)	(28)
Amounts payable to ACD	(217)	(249)
Total other creditors	(6,346)	(4,994)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

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

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

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

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 114 and 115. The distribution per share class is given in the distribution table on pages 112 and 113. All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Accumulation shares	
Opening shares	79,200,870
Shares issued	14,538,433
Shares redeemed	(20,861,750)
Net conversions	(1,295,897)
Closing shares	71,581,656
Class 2 – Accumulation shares	
Opening shares	118,241,653
Shares issued	16,096,804
Shares redeemed	(51,686,261)
Net conversions	–
Closing shares	82,652,196
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class X – Accumulation shares	
Opening shares	73,320,963
Shares issued	46,397,506
Shares redeemed	(13,002,601)
Net conversions	–
Closing shares	106,715,868
Class Z – Accumulation shares	
Opening shares	23,348,073
Shares issued	1,560,853
Shares redeemed	(4,867,031)
Net conversions	1,017,337
Closing shares	21,059,232

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.88% and vice versa (2017: 4.68%).

Currency exposures

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

Currency 2018	Total £000
Australian Dollar	1
Brazilian Real	10,459
Canadian Dollar	3,541
Czech Koruna	3,444
Euro	1
Hong Kong Dollar	65,820
Indian Rupee	29,538
Indonesian Rupiah	5,097
Mexican Peso	5,332
Norwegian Krone	1
Philippines Peso	2,251
Polish Zloty	3,624
Russian Ruble	1,143
Singapore Dollar	3
South Africa Rand	21,956
South Korean Won	47,489
Taiwan Dollar	11,944
Thai Baht	12,691
Turkish Lira	482
UAE Dirham	66
US Dollar	103,056

Currency 2017	£000
Brazilian Real	16,333
Czech Koruna	7,442
Hong Kong Dollar	33,217
Indian Rupee	30,996
Indonesian Rupiah	13,947
Mexican Peso	21,634
Norwegian Krone	1
Philippines Peso	912
Polish Zloty	11,647
Russian Ruble	2,539
Singapore Dollar	3
South Africa Rand	16,277
South Korean Won	29,042
Taiwan Dollar	16,956
Thai Baht	11,023
Turkish Lira	7,450
UAE Dirham	71
US Dollar	99,995

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
Currency 2018	%	%
Hong Kong Dollar	7.01	1.40
South Korean Won	0.46	0.07
US Dollar	6.05	1.90
Currency 2017	%	%
Hong Kong Dollar	11.22	1.17
US Dollar	11.45	3.59

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
2018	£000
Counterparty	
Citigroup	10
HSBC	5

	Forward Foreign Exchange Contracts Exposure
2017	£000
Counterparty	
Citigroup	1

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

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Australian Dollar	1	—	—	1
Brazilian Real	1,488	—	8,971	10,459
Canadian Dollar	—	—	3,541	3,541
Czech Koruna	—	—	3,444	3,444
Euro	1	—	—	1
Hong Kong Dollar	502	—	68,759	69,261
Indian Rupee	2,705	—	29,453	32,158
Indonesian Rupiah	22	—	5,075	5,097
Mexican Peso	—	—	5,332	5,332
Norwegian Krone	1	—	—	1
Philippines Peso	6	—	2,245	2,251
Polish Zloty	—	—	3,624	3,624
Russian Ruble	—	—	1,143	1,143
Singapore Dollar	3	—	—	3
South Africa Rand	—	—	23,810	23,810
South Korean Won	175	—	47,314	47,489
Taiwan Dollar	1,681	—	10,263	11,944
Thai Baht	107	—	12,584	12,691
Turkish Lira	—	—	482	482
UK Sterling	262	—	2,035	2,297
UAE Dirham	66	—	—	66
US Dollar	—	—	104,084	104,084
Currency 2017	£000	£000	£000	£000
Brazilian Real	828	—	15,505	16,333
Czech Koruna	—	—	7,442	7,442
Hong Kong Dollar	—	—	34,755	34,755
Indian Rupee	93	—	30,903	30,996
Indonesian Rupiah	—	—	13,947	13,947
Mexican Peso	184	—	21,450	21,634
Norwegian Krone	1	—	—	1
Philippines Peso	7	—	905	912
Polish Zloty	—	—	11,647	11,647
Russian Ruble	—	—	7,512	7,512
Singapore Dollar	3	—	—	3
South Africa Rand	2	—	16,275	16,277
South Korean Won	—	—	29,042	29,042
Taiwan Dollar	330	—	16,626	16,956
Thai Baht	89	—	10,934	11,023

Currency 2017	£000	£000	£000	£000
Turkish Lira	1	—	7,449	7,450
UK Sterling	238	—	344	582
UAE Dirham	71	—	—	71
US Dollar	13,738	—	86,402	100,140

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Hong Kong Dollar	—	—	(3,441)	(3,441)
Indian Rupee	—	—	(2,620)	(2,620)
South Africa Rand	—	—	(1,854)	(1,854)
UK Sterling	—	—	(1,252)	(1,252)
US Dollar	(1,028)	—	—	(1,028)

Currency 2017	£000	£000	£000	£000
Hong Kong Dollar	—	—	(1,538)	(1,538)
Russian Ruble	(2,253)	—	(2,720)	(4,973)
UK Sterling	—	—	(737)	(737)
US Dollar	—	—	(145)	(145)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts with an asset value of £15,000 (2017: £1,000) and a liability value of £1,000 (2017: £Nil).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	321,093	—	305,883	—
Level 2	15	(1)	1	—
	321,108	(1)	305,884	—

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

30 April 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	356,935	344	0.10	183	0.05
Collective investment schemes	10,449	—	—	—	—
Corporate actions	534	—	—	—	—
Total	367,918	344		183	

Gross purchases total: **368,445**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	371,925	391	0.11	199	0.05
Collective investment schemes	10,094	—	—	—	—
Corporate actions	21	—	—	—	—
Total	382,040	391		199	

Total sales net of transaction costs: **381,450**

Transaction costs as a percentage of average Net Assets

Commissions:	0.21%
Taxes:	0.11%

30 April 2017

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	339,338	476	0.14	156	0.05
Corporate actions	97	—	—	—	—
Total	339,435	476		156	

Gross purchases total: **340,067**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	321,262	519	0.16	231	0.07
Corporate actions	225	—	—	—	—
Total	321,487	519		231	

Total sales net of transaction costs: **320,737**

Transaction costs as a percentage of average Net Assets

Commissions:	0.33%
Taxes:	0.13%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.14% (2017: 0.17%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Emerging Market Local Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – income shares in the Threadneedle Emerging Market Local Fund has fallen from 92.75p to 88.40p.

For comparison, using noon prices, the performance of the Class 1 share class was +2.08%. The performance of the Class 1 gross accumulation share class was +2.07% and +2.91% 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 +1.80%.

Market Overview and Portfolio Activity

Despite weakening at the end of the period, emerging-market (EM) debt performed well over the year, with the JP Morgan GBI-EM Global Diversified Composite index returning 8.4%.

For much of the period, fundamentals for EMs were largely positive, with risk assets supported and yields remaining attractive. Trade concerns were prominent throughout the year, notably in the on-off progress of the NAFTA negotiations and, later in the period, amid the threat of a trade war between China and the US. The external environment remained largely supportive for much of the year, with the dollar trending weaker and yields in core markets remaining low. In the final quarter of the period, however, sentiment towards emerging markets soured somewhat amid growing geopolitical tensions in the Middle east and rising US Treasury yields; the latter was spurred by faster wage growth fuelling fears of an increased pace of interest-rate rises.

In Brazil, the period started off well as labour-market reform was approved by the lower house of Congress and the social-security reform report continued to make progress. Though the president, Michel Temer, was ultimately cleared of corruption allegations, his government was dogged by challenges that impeded the progress of crucial legislation in areas such as pensions. Towards the end of the period, Fitch downgraded Brazil to BB-, expressing disappointment over the country's lack of progress with fiscal reform. Mexico initially continued its recovery, buoyed by softening US rhetoric on trade and solid data on GDP, trade and the labour market. However, growth prospects were later revised down on worries about the course of North Atlantic Free Trade Agreement (NAFTA) negotiations.

Midway through the period, Turkey saw its bond yields rise and its currency hit near record lows against the US dollar on worsening economic news and a continuing dispute with the US over alleged breaches of sanctions against Iran. However, tax cuts and government credit measures subsequently fuelled a boom in consumer spending, prompting an 11.1% rise in GDP in the third quarter (though the rise was somewhat flattered by the extremely low base of GDP over the same period in the previous year, following an attempted military coup).

In South Africa, persistent corruption allegations against President Zuma and his administration rattled investor confidence earlier in the year. However, the country's bonds rallied on the victory of Cyril Ramaphosa, deemed to be the more market-friendly candidate, in leadership elections for the ruling ANC party, and there was a further boost when Ramaphosa subsequently became president in February, following Zuma's resignation.

Earlier in the period, we opted to switch some of our Brazilian bond exposure to further down the curve, selling BLTN 20s and BNTNF 21s and switching into BNTNF 23s, 25s and 27s. We felt that the short-end bonds were substantially pricing in potential policy easing by the central bank and saw more value extending down the curve, where there was more opportunity for rates to rally given that the curve appeared too steep. We established a flattener position on the Brazil curve by paying Brazil 21 via an interest-rate swap to control our overall duration risk.

In the second half of the year, we switched our Argentina 20s to 18s and our Nigeria 27s to local bills 18s and 19s. We initiated a position in Polish government debt and increased exposure to South Africa, the Dominican Republic and Mexico. Towards the end of the period, we opened corporate positions in Cnac Finbridge, Tullow Oil and Cemex.

Healthy inflows into EM fixed-income should continue, driven by faster growth in EM economies relative to developed markets. EM growth should be spurred by major EM economies that have turned or are turning the corner, and by a broader recovery across Latin America. However, much will depend on elections through the year, particularly in Brazil, Mexico and Colombia.

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

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(4,114)	3,381
Revenue	3	6,884	4,285
Expenses	4	(683)	(662)
Interest payable and similar charges	5	(157)	(19)
Net revenue before taxation		6,044	3,604
Taxation	6	–	–
Net revenue after taxation		6,044	3,604
Total return before distributions		1,930	6,985
Distributions	7	(6,616)	(4,169)
Change in net assets attributable to shareholders from investment activities		(4,686)	2,816

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		83,275	62,606
Current assets:			
Debtors	8	3,988	1,292
Cash and bank balances	9	3,176	10,680
Total assets		90,439	74,578
Liabilities:			
Investment liabilities		(1,417)	(707)
Creditors:			
Bank overdrafts	9	(110)	(228)
Distribution payable		(150)	(119)
Other creditors	10	(772)	(61)
Total liabilities		(2,449)	(1,115)
Net assets attributable to shareholders		87,990	73,463

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	73,463	25,057
Amounts receivable on the issue of shares	22,123	82,229
Amounts payable on the cancellation of shares	(9,386)	(41,375)
	12,737	40,854
Dilution adjustment	15	122
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,686)	2,816
Retained distribution on accumulation shares	6,461	4,614
Closing net assets attributable to shareholders	87,990	73,463

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	3.5208	–	3.5208	2.7469
01/11/17 to 30/04/18	3.5199	–	3.5199	2.6376
Group 2				
01/05/17 to 31/10/17	1.7437	1.7771	3.5208	2.7469
01/11/17 to 30/04/18	0.7855	2.7344	3.5199	2.6376
Total distributions in the period			7.0407	5.3845

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	5.7550	–	5.7550	5.2679
01/11/17 to 30/04/18	5.9853	–	5.9853	4.1886
Group 2				
01/05/17 to 31/10/17	4.6808	1.0742	5.7550	5.2679
01/11/17 to 30/04/18	2.0387	3.9466	5.9853	4.1886
Total distributions in the period			11.7403	9.4565

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Emerging Market Local Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	6.7372	–	6.7372	6.1159
01/11/17 to 30/04/18	7.0292	–	7.0292	4.8972
Group 2				
01/05/17 to 31/10/17	4.6667	2.0705	6.7372	6.1159
01/11/17 to 30/04/18	1.6361	5.3931	7.0292	4.8972
Total distributions in the period			13.7664	11.0131

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	3.7897	–	3.7897	3.6423
01/11/17 to 30/04/18	3.8128	–	3.8128	2.8254
Group 2				
01/05/17 to 31/10/17	3.7897	–	3.7897	3.6423
01/11/17 to 30/04/18	3.8128	–	3.8128	2.8254
Total distributions in the period			7.6025	6.4677

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	8.2552	–	8.2552	7.4426
01/11/17 to 30/04/18	8.6433	–	8.6433	5.9693
Group 2				
01/05/17 to 31/10/17	5.4088	2.8464	8.2552	7.4426
01/11/17 to 30/04/18	3.9837	4.6596	8.6433	5.9693
Total distributions in the period			16.8985	13.4119

Class Z – Income shares[†]

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	3.1438	–	3.1438	2.4326
01/11/17 to 30/04/18	3.1582	–	3.1582	2.3442
Group 2				
01/05/17 to 31/10/17	0.9547	2.1891	3.1438	2.4326
01/11/17 to 30/04/18	0.7933	2.3649	3.1582	2.3442
Total distributions in the period			6.3020	4.7768

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	4.1954	–	4.1954	3.8063
01/11/17 to 30/04/18	4.3815	–	4.3815	3.0396
Group 2				
01/05/17 to 31/10/17	1.2955	2.8999	4.1954	3.8063
01/11/17 to 30/04/18	1.6679	2.7136	4.3815	3.0396
Total distributions in the period			8.5769	6.8459

Group 2: shares purchased during a distribution period.

[†]Distributions paid before 6 April 2017 have been paid net.

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	90.03	80.90	87.18	147.17	124.04	124.82
Return before operating charges (p)	3.29	16.08	0.60	5.49	25.57	1.27
Operating charges (p)	(1.52)	(1.57)	(1.42)	(2.54)	(2.44)	(2.05)
Return after operating charges (p)*	1.77	14.51	(0.82)	2.95	23.13	(0.78)
Distributions (p)	(7.04)	(5.38)	(5.46)	(11.74)	(9.46)	(7.71)
Retained distributions on accumulation shares (p)**	–	–	–	11.74	9.46	7.71
Closing net asset value per share (p)	84.76	90.03	80.90	150.12	147.17	124.04
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.97	17.94	(0.94)	2.00	18.65	(0.62)
Other information						
Closing net asset value (£000)	1,018	1,042	390	18,594	19,912	8,587
Closing number of shares	1,200,965	1,157,863	482,384	12,385,958	13,530,180	6,922,799
Operating charges (%)***	1.68	1.72	1.79	1.68	1.71	1.78
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	95.86	99.71	88.32	156.70	153.84	127.16
Lowest share price (p)	86.39	76.55	71.89	145.88	117.44	106.52
	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	170.23	142.30	142.02	95.57	84.57	89.58
Return before operating charges (p)	6.35	29.38	1.54	3.49	17.60	0.70
Operating charges (p)	(1.52)	(1.45)	(1.26)	(0.12)	(0.13)	(0.16)
Return after operating charges (p)*	4.83	27.93	0.28	3.37	17.47	0.54
Distributions (p)	(13.77)	(11.01)	(8.98)	(7.60)	(6.47)	(5.55)
Retained distributions on accumulation shares (p)**	13.77	11.01	8.98	–	–	–
Closing net asset value per share (p)	175.06	170.23	142.30	91.34	95.57	84.57
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.84	19.63	0.20	3.53	20.66	0.60
Other information						
Closing net asset value (£000)	34,519	24,351	13,769	142	549	219
Closing number of shares	19,718,113	14,305,251	9,674,891	155,625	574,467	258,972
Operating charges (%)***	0.87	0.88	0.96	0.12	0.14	0.20
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	181.76	177.20	145.83	102.31	105.71	90.76
Lowest share price (p)	168.81	134.81	121.61	92.51	80.16	74.71

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	208.18	172.73	171.03	80.21	71.43	76.18
Return before operating charges (p)	7.79	35.72	1.97	2.92	14.21	0.51
Operating charges (p)	(0.26)	(0.27)	(0.27)	(0.64)	(0.65)	(0.61)
Return after operating charges (p)*	7.53	35.45	1.70	2.28	13.56	(0.10)
Distributions (p)	(16.90)	(13.41)	(10.81)	(6.30)	(4.78)	(4.65)
Retained distributions on accumulation shares (p)**	16.90	13.41	10.81	–	–	–
Closing net asset value per share (p)	215.71	208.18	172.73	76.19	80.21	71.43
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.62	20.52	0.99	2.84	18.98	(0.13)
Other information						
Closing net asset value (£000)	30,895	24,857	5	2,460	2,487	1,635
Closing number of shares	14,322,799	11,940,032	3,000	3,228,656	3,100,397	2,289,633
Operating charges (%)***	0.12	0.13	0.17	0.79	0.81	0.88
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	222.86	215.90	176.97	85.66	88.41	77.18
Lowest share price (p)	206.53	163.73	146.94	77.38	67.63	63.15

	Class Z – Gross accumulation shares [§]		
	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	107.04	89.41	89.20
Return before operating charges (p)	3.99	18.46	0.94
Operating charges (p)	(0.87)	(0.83)	(0.73)
Return after operating charges (p)*	3.12	17.63	0.21
Distributions (p)	(8.58)	(6.85)	(5.84)
Retained distributions on accumulation shares (p)**	8.58	6.85	5.84
Closing net asset value per share (p)	110.16	107.04	89.41
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	2.91	19.72	0.24
Other information			
Closing net asset value (£000)	362	265	452
Closing number of shares	328,650	247,652	505,822
Operating charges (%)***	0.79	0.82	0.88
Direct transaction costs (%)****	–	–	–
Prices			
Highest share price (p)	114.32	111.38	91.63
Lowest share price (p)	106.15	84.71	76.41

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

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

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

[§]Only available to eligible investors.

Threadneedle Emerging Market Local Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(5,847)	5,984
Derivative contracts	(396)	(139)
Forward currency contracts	2,518	(2,577)
Other (losses)/gains	(388)	115
Transaction costs	(1)	(2)
Net capital (losses)/gains	(4,114)	3,381

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	6,817	4,231
Interest on short term investments	31	35
Bank interest	36	19
Total revenue	6,884	4,285

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(572)	(565)
Registration fees	(47)	(39)
	(619)	(604)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(10)	(7)
Safe custody fees	(28)	(22)
Revenue collection expenses	(2)	(7)
	(40)	(36)
Other expenses:		
Regulatory fees	(8)	(5)
Audit fees	(15)	(14)
Audit fees – non-audit services	(1)	(1)
Professional fees	–	(2)
	(24)	(22)
Total expenses*	(683)	(662)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(12)	(3)
Derivative expense	(145)	(16)
Total interest payable & similar charges	(157)	(19)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	6,044	3,604
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,209)	(721)
Effects of:		
Distributions treated as tax deductible	1,209	721
Current tax charge for period (note 6a)	–	–

Interest distributions were made in respect of all distributions during the prior period. Income tax at 20% on net share classes paid prior to 6 April 2017 was accounted for on shareholders' behalf to HM Revenue & Customs.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	3,224	2,780
Final	3,530	2,107
	6,754	4,887
Add: Revenue deducted on the cancellation of shares	244	630
Deduct: Revenue received on the creation of shares	(382)	(1,348)
Net distribution for the period	6,616	4,169
Net revenue after taxation	6,044	3,604
Annual management charge to capital	572	565
Total distributions	6,616	4,169

Details of the distribution per share are set out in the table on pages 120 and 121.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	293	328
Sales awaiting settlement	2,410	–
Accrued revenue	1,281	960
Foreign withholding tax recoverable	4	4
Total debtors	3,988	1,292

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	1,014	435
Cash and bank balances	2,162	10,245
	3,176	10,680
Bank overdrafts	(110)	–
Cash overdrafts at broker	–	(228)
Total cash and bank balances	3,066	10,452

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(5)	–
Purchases awaiting settlement	(704)	–
Accrued expenses	(13)	(14)
Amounts payable to ACD	(50)	(47)
Total other creditors	(772)	(61)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.45%*
Class 2 shares	0.75%
Class X shares	N/A**
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 122 and 123. The distribution per share class is given in the distribution table on pages 120 and 121.

All classes have the same rights on winding up.

*Class 1 shares Annual management charge changed from 1.50% to 1.45% on 1 February 2018.

**X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	1,157,863
Shares issued	442,779
Shares redeemed	(399,677)
Net conversions	–
Closing shares	1,200,965
Class 1 – Gross accumulation shares	
Opening shares	13,530,180
Shares issued	1,545,767
Shares redeemed	(2,689,989)
Net conversions	–
Closing shares	12,385,958
Class 2 – Gross accumulation shares	
Opening shares	14,305,251
Shares issued	6,920,961
Shares redeemed	(1,508,099)
Net conversions	–
Closing shares	19,718,113
Class X – Gross income shares	
Opening shares	574,467
Shares issued	–
Shares redeemed	(418,842)
Net conversions	–
Closing shares	155,625
Class X – Gross accumulation shares	
Opening shares	11,940,032
Shares issued	2,722,274
Shares redeemed	(339,507)
Net conversions	–
Closing shares	14,322,799
Class Z – Income shares	
Opening shares	3,100,397
Shares issued	1,747,443
Shares redeemed	(1,619,184)
Net conversions	–
Closing shares	3,228,656

2018

Class Z – Gross accumulation shares

Opening shares	247,652
Shares issued	180,479
Shares redeemed	(99,481)
Net conversions	–
Closing shares	328,650

14 RISK MANAGEMENT

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

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.5 x benchmark¹ and is measured using the covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 8.4% (2017: 7.9%). This means that there is estimated to be a 1% chance that the fund could lose more than 8.4% (2017: 7.9%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 80% (2017: 72%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 69% (2017: 67%), the highest VaR utilisation was 89% (2017: 83%) and the average utilisation was 79% (2017: 74%).

Currency exposures

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

Currency 2018	Total £000
Argentina Peso	648
Brazilian Real	8,839
Chilean Peso	2,118
Colombian Peso	6,408
Czech Koruna	8,764
Dominican Republic Peso	4,279
Egyptian Pound	4,199
Euro	79
Hungarian Forint	4,107
Indonesian Rupiah	8,145
Malaysian Ringgit	4,987
Mexican Peso	8,848
Nigeria Naira	1,873
Peruvian New Sol	2,345
Philippines Peso	200
Polish Zloty	7,950
Romanian Leu	(2,703)
Russian Ruble	6,400
South Africa Rand	7,671
Thai Baht	6,963
Turkish Lira	5,837
Uruguay Peso	1,433
US Dollar	(11,422)
Currency 2017	£000
Brazilian Real	6,682
Chilean Peso	829
China Renminbi	(6,612)
Colombian Peso	5,871
Czech Koruna	5,879
Dominican Republic Peso	448
Euro	(6,666)
Hungarian Forint	3,582
Indonesian Rupiah	7,305
Malaysian Ringgit	5,985

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

Currency 2017	£000
Mexican Peso	7,190
Peruvian New Sol	1,585
Philippines Peso	222
Polish Zloty	7,434
Romanian Leu	2,230
Russian Ruble	4,329
Serbian Dinar	686
South Africa Rand	6,780
Thai Baht	5,573
Turkish Lira	6,422
US Dollar	7,515

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
	%	%
Currency 2018		
Brazilian Real	15.18	1.53
Mexican Peso	4.15	0.42
US Dollar	6.05	0.79

	Currency Movement	Fund Movement
	%	%
Currency 2017		
Polish Zloty	11.65	1.18
US Dollar	11.45	1.17

Credit/Counterparty exposure

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

	Credit Default Swaps Exposure	Interest Rate Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	£000	£000	£000	£000
2018				
Counterparty				
Citigroup	—	—	—	220
Credit Suisse	—	—	7	—
HSBC	—	—	—	510
J.P. Morgan	5	—	112	189
RBS	—	—	—	95
UBS	—	132	26	—

	Credit Default Swaps Exposure	Interest Rate Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	£000	£000	£000	£000
2017				
Counterparty				
Bank of Scotland	—	—	175	—
Barclays	—	—	142	—
Citigroup	—	—	373	—
Goldman Sachs	—	—	7	—
HSBC	—	—	—	201
J.P. Morgan	—	—	7	—
UBS	—	68	—	—

The fund held £36,000 (2017: £506,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
A	—	—	3,914	6.32
A-	7,346	8.97	2,883	4.66
A3	2,463	3.01	2,424	3.92
BBB	7,083	8.65	2,427	3.92
Baa2	7,807	9.54	6,925	11.19
BBB-	4,456	5.44	10,465	16.91
Baa3	—	—	3,544	5.72
BB+	12,465	15.23	—	—
BB	3,004	3.67	11,323	18.29
Ba2	—	—	3,051	4.93
BB-	14,974	18.29	1,381	2.23
B+	887	1.08	—	—
B	956	1.17	377	0.61
Ba3	863	1.06	—	—
B2	648	0.79	—	—
B-	606	0.74	—	—
Not Rated*	19,200	23.46	12,723	20.55
Derivatives**	(900)	(1.10)	462	0.75
	81,858	100.00	61,899	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

**The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2018				
Argentina Peso	—	648	—	648
Brazilian Real	4	11,849	—	11,853
Chilean Peso	—	—	2,118	2,118
Colombian Peso	—	5,652	844	6,496
Czech Koruna	—	—	8,764	8,764
Dominican Republic Peso	—	4,109	170	4,279
Egyptian Pound	—	4,199	—	4,199
Euro	228	863	828	1,919
Hungarian Forint	—	—	4,107	4,107
Indonesian Rupiah	—	7,638	507	8,145
Malaysian Ringgit	—	2,112	2,875	4,987
Mexican Peso	—	4,189	4,744	8,933
Nigeria Naira	—	1,873	—	1,873
Peruvian New Sol	—	2,829	40	2,869
Philippines Peso	—	198	2	200
Polish Zloty	—	680	7,383	8,063
Romanian Leu	—	—	2,406	2,406
Russian Ruble	—	8,280	1,179	9,459
South Africa Rand	—	11,241	288	11,529
Thai Baht	—	—	6,963	6,963
Turkish Lira	—	3,833	2,004	5,837
UK Sterling	220	—	543	763
Uruguay Peso	—	1,424	9	1,433
US Dollar	2,724	11,141	19,577	33,442

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

Currency 2017	£000	£000	£000	£000
Brazilian Real	—	13,029	—	13,029
Chilean Peso	—	—	829	829
Colombian Peso	—	4,782	1,089	5,871
Czech Koruna	11	—	5,868	5,879
Dominican Republic Peso	—	433	15	448
Euro	19	—	—	19
Hungarian Forint	10	2,622	995	3,627
Indonesian Rupiah	—	6,230	1,075	7,305
Malaysian Ringgit	—	2,056	3,929	5,985
Mexican Peso	12	4,282	3,385	7,679
Peruvian New Sol	—	2,883	42	2,925
Philippines Peso	—	220	2	222
Polish Zloty	—	—	7,573	7,573
Romanian Leu	98	1,861	271	2,230
Russian Ruble	—	9,713	123	9,836
Serbian Dinar	—	679	7	686
South Africa Rand	—	6,378	402	6,780
Thai Baht	—	—	5,573	5,573
Turkish Lira	1	3,165	3,256	6,422
UK Sterling	884	—	666	1,550
US Dollar	9,645	3,104	21,813	34,562

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Brazilian Real	—	—	(3,014)	(3,014)
Colombian Peso	—	—	(88)	(88)
Euro	—	—	(1,840)	(1,840)
Mexican Peso	—	—	(85)	(85)
Peruvian New Sol	—	—	(524)	(524)
Polish Zloty	—	—	(113)	(113)
Romanian Leu	—	—	(5,109)	(5,109)
Russian Ruble	—	—	(3,059)	(3,059)
South Africa Rand	—	—	(3,858)	(3,858)
UK Sterling	(110)	—	(631)	(741)
US Dollar	—	—	(44,864)	(44,864)

Currency 2017	£000	£000	£000	£000
Brazilian Real	—	—	(6,347)	(6,347)
China Renminbi	—	—	(6,612)	(6,612)
Euro	(40)	—	(6,645)	(6,685)
Hungarian Forint	—	—	(45)	(45)
Mexican Peso	—	—	(489)	(489)
Peruvian New Sol	—	—	(1,340)	(1,340)
Polish Zloty	—	—	(139)	(139)
Russian Ruble	—	—	(5,507)	(5,507)
UK Sterling	—	—	(1,356)	(1,356)
US Dollar	(188)	—	(26,859)	(27,047)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts and interest rate swaps with an asset value of £517,000 (2017: £1,169,000) and a liability value of £1,417,000 (2017: £707,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Valuation technique				
Level 2	83,275	(1,417)	62,606	(707)
	83,275	(1,417)	62,606	(707)

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £108,072,520 (2017: £100,779,124) and £81,985,605 (2017: £69,389,913) respectively. The purchases and sales are not subject to portfolio transaction costs.

The commissions incurred by the fund when buying and selling futures and options in the current year was £Nil (2017: £Nil).

At the balance sheet date, the portfolio dealing spread was 0.31% (2017: 0.25%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Extended Alpha Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

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

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle Global Extended Alpha Fund has risen from 259.27p to 284.93p.

For comparison, using noon prices, the performance of the Class 1 share class was +9.90% and +10.81% for the Class 2 share class compared to a return of +7.65% 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 in sterling terms, the MSCI All Country World index gained 7.80% during the period.

Market Overview and Portfolio Activity

Global equities started the 12 months to 30 April 2018 strongly, before a return to volatility from February onwards saw a portion of these gains returned. Against this backdrop, the MSCI All Country World index gained 14.8% in dollar terms. US equities were supported by the anticipation, and eventual passing, of President Trump's flagship tax-cutting bill. His later plans for tariffs on steel, aluminium and Chinese goods, however – coupled with nascent wage inflation – sparked a rise in volatility, as bond yields fluctuated first on broader inflationary expectations, and then concerns over the implications of protectionist policy on economic growth. Nonetheless, strong corporate earnings and sound fundamentals drove overall appreciation.

It was a positive period for European equities, as the eurozone economy gathered momentum. 2017 was its best year for GDP growth in a decade. Unemployment reached nine-year lows and the purchasing managers' index reached near twelve-year highs. The end of 2017 saw UK and European officials conclude the first stage of Brexit negotiations, with agreements on some key sticking points, including the so-called "divorce settlement". Asian markets also performed strongly, despite the bouts of volatility and trading tensions late on. Japanese equities benefited from a weaker dollar, and the landslide victory for Prime Minister Abe's Liberal-Democratic Party in October's snap general election.

Our largest new position over the period was that of oilfield services provider Halliburton. We believe the company is well positioned to benefit from the nascent recovery in US oil services pricing, across pressure pumping, tubulars and land rigs. The company's business mix and cost advantage ensures it retains a superior margin relative to smaller peers. Elsewhere, we purchased Brazilian digital payments processor PagSeguro Digital, participating in its January IPO. The company possesses a branded, self-serve distribution channel which cannot be replicated by incumbents, a durable competitive advantage which we felt was being underestimated by the

market. We also opened a holding in Microsoft. In our view, cloud computing is currently one of the strongest structural trends driving markets, and Microsoft's platform should ensure it remains a long-term beneficiary of generational business migration into this space. Its large distribution channels, installed customer base and expanding margins act as sustainable competitive advantages.

Sales to fund these purchases included wholesale membership warehouse operator Costco. Having seen the stock appreciate to an all-time high, and considering the potential implications of Amazon's entry into the grocery space, we felt that more compelling opportunities existed elsewhere. We also closed positions in Chinese internet service provider Tencent, speciality chemicals producer Sherwin-Williams, and semiconductor device manufacturer Micron Technology, all of which had experienced strong runs. The latter had outperformed the index by over 130 percentage points since its purchase in October 2016.

In the short book, we initiated new positions in a department store retailer, a marketing communications company, and a homebuilder.

Having experienced unusually smooth appreciation through 2017, recent months have seen the return of volatility to equity markets. Key challenges include a rising interest rate environment, especially in the US, where we are monitoring nascent inflation, the risk of higher tariffs and reduced trade, and the scope for tighter regulation of fast-growing technology giants. While these risks are real, and may curtail valuation multiples, we draw confidence from the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings. Within this context we continue to focus on companies that can sustain high returns over time and can benefit from secular growth across a range of different market conditions, while shorting those with structurally challenged business models.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	23,729	47,002
Revenue	3	4,033	3,381
Expenses	4	(3,114)	(2,453)
Interest payable and similar charges	5	(1,614)	(1,036)
Net expense before taxation		(695)	(108)
Taxation	6	(365)	(312)
Net expense after taxation		(1,060)	(420)
Total return before distributions		22,669	46,582
Distributions	7	(168)	(239)
Change in net assets attributable to shareholders from investment activities		22,501	46,343

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		241,020	199,219
Current assets:			
Debtors	8	10,275	1,538
Cash and bank balances	9	22,736	8,680
Total assets		274,031	209,437
Liabilities:			
Investment liabilities		(2,035)	–
Creditors:			
Other creditors	10	(633)	(596)
Total liabilities		(2,668)	(596)
Net assets attributable to shareholders		271,363	208,841

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	208,841	165,494
Amounts receivable on the issue of shares	157,433	92,308
Amounts payable on the cancellation of shares	(117,790)	(95,764)
	39,643	(3,456)
Dilution adjustment	148	149
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	22,501	46,343
Retained distribution on accumulation shares	230	311
Closing net assets attributable to shareholders	271,363	208,841

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: Nil).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	0.0811	–	0.0811	0.5746
Group 2				
01/05/17 to 30/04/18	–	0.0811	0.0811	0.5746
Total distributions in the period			0.0811	0.5746

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Global Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class P – Accumulation shares*

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue.

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 30/04/18	1.1014	–	1.1014	1.2052
Group 2				
01/05/17 to 30/04/18	0.4821	0.6193	1.1014	1.2052
Total distributions in the period			1.1014	1.2052

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2017 to 30 April 2018, as expenses exceed revenue (2017: 0.181).

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ¹	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	133.60	104.07	100.00	259.10	201.74	198.35
Return before operating charges (p)	14.60	31.57	4.39	30.33	61.29	6.65
Operating charges (p)	(2.38)	(2.04)	(0.31)	(4.62)	(3.93)	(3.26)
Return after operating charges (p)*	12.22	29.53	4.08	25.71	57.36	3.39
Distributions (p)	–	–	(0.01)	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	145.82	133.60	104.07	284.81	259.10	201.74
*after direct transaction costs of (p)	0.17	0.18	0.04	0.33	0.35	0.42
Performance						
Return after charges (%)	9.15	28.38	4.08	9.92	28.43	1.71
Other information						
Closing net asset value (£000)	21	8	3	125,195	101,649	99,436
Closing number of shares	14,086	6,311	3,000	43,957,510	39,231,252	49,289,441
Operating charges (%)**	1.64	1.63	1.65 ¹	1.64	1.65	1.65
Performance fee (%)	0.48	–	1.33	–	–	–
Direct transaction costs (%)***	0.12	0.14	0.22	0.12	0.14	0.22
Prices						
Highest share price (p)	155.21	136.74	107.67	303.47	265.19	208.99
Lowest share price (p)	133.02	102.79	100.00	257.98	199.65	178.47

	Class 2 – Accumulation shares			Class P – Accumulation shares
	30/04/2018	30/04/2017	30/04/2016	30/04/2018 ²
Change in net assets per share				
Opening net asset value per share (p)	276.96	213.87	209.29	100.00
Return before operating charges (p)	32.46	65.21	6.30	9.08
Operating charges (p)	(2.48)	(2.12)	(1.72)	(1.32)
Return after operating charges (p)*	29.98	63.09	4.58	7.76
Distributions (p)	(0.08)	(0.57)	(0.32)	–
Retained distributions on accumulation shares (p)	0.08	0.57	0.32	–
Closing net asset value per share (p)	306.94	276.96	213.87	107.76
*after direct transaction costs of (p)	0.36	0.37	0.45	0.12
Performance				
Return after charges (%)	10.82	29.50	2.19	7.76
Other information				
Closing net asset value (£000)	103,242	86,416	65,885	3,278
Closing number of shares	33,635,483	31,201,424	30,805,568	3,042,311
Operating charges (%)**	0.82	0.83	0.82	1.35 [†]
Performance fee (%)	0.02	–	1.44	–
Direct transaction costs (%)***	0.12	0.14	0.22	0.12
Prices				
Highest share price (p)	326.00	283.16	221.48	114.72
Lowest share price (p)	275.88	211.75	188.87	97.30

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ³	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	131.16	100.70	100.00	128.41	99.24	96.70
Return before operating charges (p)	13.32	30.55	0.70	15.08	30.31	3.40
Operating charges (p)	(0.10)	(0.09)	–	(1.25)	(1.14)	(0.86)
Return after operating charges (p)*	13.22	30.46	0.70	13.83	29.17	2.54
Distributions (p)	(1.10)	(1.21)	(0.20)	–	(0.18)	(0.15)
Retained distributions on accumulation shares (p)	1.10	1.21	0.20	–	0.18	0.15
Closing net asset value per share (p)	144.38	131.16	100.70	142.24	128.41	99.24
*after direct transaction costs of (p)	0.17	0.19	0.03	0.17	0.18	0.21
Performance						
Return after charges (%)	10.08	30.25	0.70	10.77	29.39	2.63
Other information						
Closing net asset value (£000)	26,553	13,138	3	13,074	7,630	167
Closing number of shares	18,391,279	10,017,162	3,000	9,191,576	5,941,918	168,525
Operating charges (%)**	0.07	0.07	0.04 ¹	0.89	0.91	0.89
Performance fee (%)	1.42	–	0.07	–	–	0.74
Direct transaction costs (%)***	0.12	0.14	0.22	0.12	0.14	0.22
Prices						
Highest share price (p)	153.03	134.19	104.09	151.10	131.30	102.77
Lowest share price (p)	130.78	99.51	98.55	127.90	98.25	87.65

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

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

¹Commenced 24 February 2016.

²Commenced 17 May 2017.

³Commenced 16 March 2016.

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

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	23,312	42,673
Derivative contracts	994	3,918
Forward currency contracts	154	(89)
Other (losses)/gains	(730)	502
Transaction costs	(1)	(2)
Net capital gains	23,729	47,002

3 REVENUE

	2018 £000	2017 £000
UK dividends	428	414
Overseas dividends	3,185	2,586
Interest on short term investments	111	48
Derivative revenue	261	315
Bank interest	48	18
Total revenue	4,033	3,381

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,545)	(2,210)
Performance fees*	(316)	(22)
Registration fees	(180)	(149)
	(3,041)	(2,381)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(30)	(21)
Safe custody fees	(20)	(19)
	(50)	(40)
Other expenses:		
Regulatory fees	(8)	(5)
Audit fees	(14)	(13)
Audit fees – non-audit services	(1)	(12)
Professional fees	–	(2)
	(23)	(32)
Total expenses**	(3,114)	(2,453)

*The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the MSCI All Countries World Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. The performance fee paid during the reporting period in respect of the calendar year ended 31 December 2017 was £338,109 (2016: £Nil).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Dividends payable on short positions	(1,608)	(1,035)
Interest payable	(6)	(1)
Total interest payable & similar charges	(1,614)	(1,036)

6 TAXATION

a) Analysis of charge in period

	2018 £000	2017 £000
Overseas taxes	(365)	(312)
Total current tax (note 6b)	(365)	(312)
Total tax charge for the period	(365)	(312)

b) Factors affecting taxation charge for period

	2018 £000	2017 £000
Net expense before taxation	(695)	(108)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	139	22
Effects of:		
Revenue not subject to taxation	712	585
Overseas taxes	(365)	(312)
Overseas tax expensed	2	3
Excess expenses	(853)	(610)
Current tax charge for period (note 6a)	(365)	(312)

The fund has not recognised a deferred tax asset of £2,687,670 (2017: £1,834,307) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	230	311
	230	311
Add: Revenue deducted on the cancellation of shares	30	34
Deduct: Revenue received on the creation of shares	(92)	(106)
Net distribution for the period	168	239
Net expense after taxation	(1,060)	(420)
Performance fee charged to capital	316	22
Shortfall transfer from capital to revenue	912	637
Total distributions	168	239

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 128 and 129.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	9,719	848
Sales awaiting settlement	–	297
Accrued revenue	433	315
Foreign withholding tax recoverable*	123	78
Total debtors	10,275	1,538

*As per a Memorandum of Understanding ("MOU") between the governments of Switzerland and the U.K., a U.K. OEIC is entitled to reclaim Swiss withholding tax ("WHT") that is suffered on dividend income payments. However since October 2016 the Swiss Tax Authority (STA) have requested additional information to support these reclaims and, whilst the Fund continues to be eligible, our claims have not currently been accepted as we have not currently been able to satisfy the detailed information requested due largely to data protection issues. As at 30 April 2018 within foreign tax recoverable we continue to accrue for the refunds which amount to £18,092 which represents 0.01% of the overall NAV. We are monitoring the situation with the STA and should our view on recovery change, for example, if claims are formally rejected, the accruals may be written off.

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	2,354	–
Cash and bank balances	20,382	8,680
Total cash and bank balances	22,736	8,680

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(85)	(249)
Purchases awaiting settlement	(54)	(98)
Accrued expenses	(267)	(30)
Amounts payable to ACD	(227)	(197)
Accrued performance fee	—	(22)
Total other creditors	(633)	(596)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	0.75%
Class P shares	1.25%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class P shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 130 and 131. The distribution per share class is given in the distribution table on pages 128 and 129.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	6,311
Shares issued	11,086
Shares redeemed	(3,311)
Net conversions	—
Closing shares	14,086
Class 1 – Accumulation shares	
Opening shares	39,231,252
Shares issued	37,250,820
Shares redeemed	(32,524,562)
Net conversions	—
Closing shares	43,957,510

	2018
Class 2 – Accumulation shares	
Opening shares	31,201,424
Shares issued	10,748,000
Shares redeemed	(8,313,941)
Net conversions	—
Closing shares	33,635,483
Class P – Accumulation shares*	
Opening shares	—
Shares issued	3,042,311
Shares redeemed	—
Net conversions	—
Closing shares	3,042,311
Class X – Accumulation shares	
Opening shares	10,017,162
Shares issued	8,776,515
Shares redeemed	(402,398)
Net conversions	—
Closing shares	18,391,279
Class Z – Accumulation shares	
Opening shares	5,941,918
Shares issued	3,705,327
Shares redeemed	(455,669)
Net conversions	—
Closing shares	9,191,576

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

14 RISK MANAGEMENT

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

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.6 x benchmark¹ VAR and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 9.4% (2017: 9.4%) This means that there is estimated to be a 1% chance that the fund could lose more than 9.4% (2017: 9.4%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 72% (2017: 72%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 68% (2017: 67%), the highest VaR utilisation was 75% (2017: 74%) and the average utilisation was 71% (2017: 70%).

¹The benchmark of the fund is shown on page 216.

Currency exposures

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

Currency 2018	Total £000
Australian Dollar	(80)
Danish Krone	2,236
Euro	15,666
Hong Kong Dollar	9,592
Indian Rupee	8,913
Indonesian Rupiah	3,878
Japanese Yen	11,878
Swedish Krona	(196)
Swiss Franc	21
US Dollar	196,767

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

Currency 2017	£000
Australian Dollar	1
Brazilian Real	1,570
Danish Krone	1,911
Euro	12,721
Hong Kong Dollar	14,083
Indian Rupee	4,197
Indonesian Rupiah	4,913
Japanese Yen	9,580
Swiss Franc	5,707
US Dollar	144,002

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 6.05% (2017: 11.45%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 4.39% (2017: 7.90%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
2018			
Counterparty			
Citigroup	5	—	—
UBS	—	—	2,353
	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
2017			
Counterparty			
UBS	—	1,033	—

The fund did not hold any collateral received from the fund's counterparties in the current year (2017: £1,437,000). The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Australian Dollar	2	—	—	2
Danish Krone	1	—	2,247	2,248
Euro	13	—	16,268	16,281
Hong Kong Dollar	—	—	9,610	9,610
Indian Rupee	266	—	8,647	8,913
Indonesian Rupiah	—	—	3,878	3,878
Japanese Yen	—	—	11,884	11,884
Swedish Krona	1	—	—	1
Swiss Franc	3	—	18	21
UK Sterling	925	—	22,884	23,809
US Dollar	21,525	—	176,333	197,858

Currency 2017	£000	£000	£000	£000
Australian Dollar	1	—	—	1
Brazilian Real	—	—	1,570	1,570
Danish Krone	—	—	1,911	1,911
Euro	2	—	12,788	12,790
Hong Kong Dollar	1	—	14,082	14,083
Indian Rupee	—	—	4,197	4,197
Indonesian Rupiah	—	—	4,913	4,913
Japanese Yen	—	—	9,583	9,583
Swiss Franc	—	—	5,707	5,707
UK Sterling	73	—	10,588	10,661
US Dollar	8,603	—	135,410	144,013

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2018				
Australian Dollar	—	—	(82)	(82)
Danish Krone	—	—	(12)	(12)
Euro	—	—	(615)	(615)
Hong Kong Dollar	—	—	(18)	(18)
Japanese Yen	—	—	(6)	(6)
Swedish Krona	—	—	(197)	(197)
UK Sterling	—	—	(1,121)	(1,121)
US Dollar	—	—	(1,091)	(1,091)
Currency 2017				
Euro	—	—	(69)	(69)
Japanese Yen	—	—	(3)	(3)
UK Sterling	—	—	(505)	(505)
US Dollar	—	—	(11)	(11)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

Derivatives including forward foreign exchange contracts and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. At 30 April 2018, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £5,000 (2017: £1,033,000) and a liability value of £2,035,000 (2017: £Nil).

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

15 FAIR VALUE DISCLOSURE

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

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

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

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

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

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	241,015	–	198,186	–
Level 2	5	(2,035)	1,033	–
	<u>241,020</u>	<u>(2,035)</u>	<u>199,219</u>	<u>–</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2018

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	140,436	94	0.07	100	0.07
Total	140,436	94		100	

Gross purchases total: **140,630**

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	121,050	80	0.07	20	0.02
Corporate actions	209	–	–	–	–
Total	121,259	80		20	

Total sales net of transaction costs: **121,159**

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.05%

30 April 2017

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	122,209	111	0.09	58	0.05
Total	122,209	111		58	

Gross purchases total: **122,378**

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	119,243	108	0.09	3	0.00
Corporate actions	(50)	–	–	–	–
Total	119,193	108		3	

Total sales net of transaction costs: **119,082**

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.03%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (2017: 0.10%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (£)		
	30 April 2018	07 August 2018	% Movement
Class 1 – Income shares	145.89	161.62	10.78
Class 1 – Accumulation shares	284.93	315.97	10.89
Class 2 – Accumulation shares	307.07	340.63	10.93
Class P – Accumulation shares	107.80	119.65	10.99
Class X – Accumulation shares	144.44	160.39	11.04
Class Z – Accumulation shares	142.30	157.73	10.84

Threadneedle Global Equity Income Fund

Investment Report

Investment Objective

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

Investment Policy

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

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

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2018, the published share price of Class 1 – income shares in the Threadneedle Global Equity Income Fund has fallen from 137.57p to 135.18p.

For comparison, using noon prices, the performance of the Class 1 share class was +1.80% and +2.35% for the Class 2 share class compared to a return of +4.51% 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 in sterling terms, the MSCI All Country World index gained 7.80% during the period.

Market Overview and Portfolio Activity

Global equities started the 12 months to 30 April 2018 strongly, before a return to volatility from February onwards saw a portion of these gains returned. Against this backdrop, the MSCI All Country World index gained 14.8% in dollar terms. US equities were supported by the

anticipation, and eventual passing, of President Trump's flagship tax-cutting bill. His later plans for tariffs on steel, aluminium and Chinese goods, however coupled with nascent wage inflation sparked a rise in volatility, as bond yields fluctuated first on broader inflationary expectations, and then concerns over the implications of protectionist policy on economic growth. Nonetheless, strong corporate earnings and sound fundamentals drove overall appreciation.

It was a positive period for European equities, as the eurozone economy gathered momentum. 2017 was its best year for GDP growth in a decade. Unemployment reached nine-year lows and the purchasing managers' index reached near twelve-year highs. The end of 2017 saw UK and European officials conclude the first stage of Brexit negotiations, with agreements on some key sticking points, including the so-called "divorce settlement". Asian markets also performed strongly, despite the bouts of volatility and trading tensions late on; while Japanese equities benefited from a weaker dollar, and the landslide victory for Prime Minister Abe's Liberal-Democratic Party in October's snap general election.

Our largest new position over the year was that of Canadian insurer Manulife Financial. We believe the company is well-placed to increase its core return on equity in the coming years. Business restructuring, capital and cost optimisation efforts, and the potential for multiple expansion through exposure to high-growth markets, all bode well for performance. We also purchased beverage manufacturer Coca-Cola. We believe the company can benefit from its shift in focus from volume to value in the US, and the realignment of its bottling operations. Subsequent results saw markets retain their positivity around the company's progress in these areas.

Other additions included ANTA Sports, a developer and marketer of sportswear, which we believe can become a

multi-brand champion owing to rising Chinese demand within this space. Semiconductor equipment manufacturer Tokyo Electron was also purchased. In our view, the company can utilise its competitive advantage in etching precision to expand its business opportunities. Both its earnings and dividend growth prospects look strong relative to peers.

These purchases were funded by sales which included European mass media company ProSiebenSat.1 Media. We exited the position on declining expectations for the German TV advertising market. Elsewhere, we closed positions in global chemical company DowDuPont, fragrance manufacturer Givaudan, and pharmaceutical company AbbVie, all of which had experienced strong runs of performance. AbbVie performed particularly well in the early stages of September when its eczema treatment, upadacitinib, met its primary endpoint in its second phase 3 study. 2017 also saw the completion of British American Tobacco's acquisition of Reynolds American – previously a key portfolio holding.

This period ultimately comprised a challenging environment for dividend investors, with US bond yields rising on signs of improved economic growth and creeping inflationary expectations. Nonetheless, we believe that recent trends are only likely to persist on a short-term basis, and that more deeply entrenched structural factors which favour a low-growth, low-inflation environment remain firmly in place for the long-term. These include debt, demographics and technological disruption. We note that the fund continues to outperform both its factor reference benchmark, the MSCI ACWI High Dividend Yield Index and the MSCI ACWI, since inception. We feel this evidences the strength of our quality income approach: investing in names with robust balance sheets, the ability to grow earnings over time, and high, growing and sustainable dividends.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(794)	306,559
Revenue	3	70,640	74,555
Expenses	4	(15,700)	(15,840)
Interest payable and similar charges	5	(12)	(8)
Net revenue before taxation		54,928	58,707
Taxation	6	(6,920)	(7,015)
Net revenue after taxation		48,008	51,692
Total return before distributions		47,214	358,251
Distributions	7	(61,570)	(65,370)
Change in net assets attributable to shareholders from investment activities		(14,356)	292,881

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		1,632,186	1,781,716
Current assets:			
Debtors	8	8,839	11,905
Cash and bank balances	9	34,397	16,800
Total assets		1,675,422	1,810,421
Liabilities:			
Investment liabilities		(15)	(30)
Creditors:			
Distribution payable		(10,547)	(12,834)
Other creditors	10	(8,484)	(5,377)
Total liabilities		(19,046)	(18,241)
Net assets attributable to shareholders		1,656,376	1,792,180

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	1,792,180	1,534,089
Amounts receivable on the issue of shares	653,339	369,843
Amounts payable on the cancellation of shares	(797,665)	(427,993)
	(144,326)	(58,150)
Dilution adjustment	–	325
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(14,356)	292,881
Retained distribution on accumulation shares	22,878	23,035
Closing net assets attributable to shareholders	1,656,376	1,792,180

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.3692	–	1.3692	1.1774
01/08/17 to 31/10/17	1.1112	–	1.1112	1.1789
01/11/17 to 31/01/18	0.8330	–	0.8330	0.9075
01/02/18 to 30/04/18	1.3913	–	1.3913	1.5607
Group 2				
01/05/17 to 31/07/17	0.6967	0.6725	1.3692	1.1774
01/08/17 to 31/10/17	0.1667	0.9445	1.1112	1.1789
01/11/17 to 31/01/18	0.3537	0.4793	0.8330	0.9075
01/02/18 to 30/04/18	0.8307	0.5606	1.3913	1.5607
Total distributions in the period			4.7047	4.8245

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Monthly income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/05/17	0.4925	–	0.4925	0.3215
01/06/17 to 30/06/17	0.5994	–	0.5994	0.5279
01/07/17 to 31/07/17	0.0899	–	0.0899	0.1672
01/08/17 to 31/08/17	0.5083	–	0.5083	0.3999
01/09/17 to 30/09/17	0.3443	–	0.3443	0.3939
01/10/17 to 31/10/17	0.1073	–	0.1073	0.2232
01/11/17 to 30/11/17	0.2574	–	0.2574	0.2565
01/12/17 to 31/12/17	0.4324	–	0.4324	0.4803
01/01/18 to 31/01/18	0.0301	–	0.0301	0.0462
01/02/18 to 28/02/18	0.2946	–	0.2946	0.3912
01/03/18 to 31/03/18	0.4812	–	0.4812	0.6152
01/04/18 to 30/04/18	0.4229	–	0.4229	0.3259
Group 2				
01/05/17 to 31/05/17	0.4364	0.0561	0.4925	0.3215
01/06/17 to 30/06/17	0.3088	0.2906	0.5994	0.5279
01/07/17 to 31/07/17	0.0598	0.0301	0.0899	0.1672
01/08/17 to 31/08/17	0.2668	0.2415	0.5083	0.3999
01/09/17 to 30/09/17	0.2514	0.0929	0.3443	0.3939
01/10/17 to 31/10/17	0.0628	0.0445	0.1073	0.2232
01/11/17 to 30/11/17	0.1970	0.0604	0.2574	0.2565
01/12/17 to 31/12/17	0.2730	0.1594	0.4324	0.4803
01/01/18 to 31/01/18	0.0101	0.0200	0.0301	0.0462
01/02/18 to 28/02/18	0.0855	0.2091	0.2946	0.3912
01/03/18 to 31/03/18	0.2791	0.2021	0.4812	0.6152
01/04/18 to 30/04/18	0.3129	0.1100	0.4229	0.3259
Total distributions in the period			4.0603	4.1489

Class 1 SGD Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.1241	–	1.1241	0.9923
01/08/17 to 31/10/17	0.9311	–	0.9311	0.9951
01/11/17 to 31/01/18	0.7035	–	0.7035	0.7252
01/02/18 to 30/04/18	1.1983	–	1.1983	1.2679
Group 2				
01/05/17 to 31/07/17	–	1.1241	1.1241	0.9923
01/08/17 to 31/10/17	–	0.9311	0.9311	0.9951
01/11/17 to 31/01/18	–	0.7035	0.7035	0.7252
01/02/18 to 30/04/18	–	1.1983	1.1983	1.2679
Total distributions in the period			3.9570	3.9805

Class 1 AUD Hedged – Monthly income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/05/17	0.4778	–	0.4778	0.3073
01/06/17 to 30/06/17	0.5917	–	0.5917	0.5080
01/07/17 to 31/07/17	0.0924	–	0.0924	0.1630
01/08/17 to 31/08/17	0.5262	–	0.5262	0.3991
01/09/17 to 30/09/17	0.3584	–	0.3584	0.3907
01/10/17 to 31/10/17	0.1090	–	0.1090	0.2225
01/11/17 to 30/11/17	0.2572	–	0.2572	0.2544
01/12/17 to 31/12/17	0.4367	–	0.4367	0.4565
01/01/18 to 31/01/18	0.0239	–	0.0239	0.0437
01/02/18 to 28/02/18	0.3051	–	0.3051	0.3961
01/03/18 to 31/03/18	0.4888	–	0.4888	0.6228
01/04/18 to 30/04/18	0.4248	–	0.4248	0.3205
Group 2				
01/05/17 to 31/05/17	0.1319	0.3459	0.4778	0.3073
01/06/17 to 30/06/17	0.1725	0.4192	0.5917	0.5080
01/07/17 to 31/07/17	0.0365	0.0559	0.0924	0.1630
01/08/17 to 31/08/17	0.3147	0.2115	0.5262	0.3991
01/09/17 to 30/09/17	0.2722	0.0862	0.3584	0.3907
01/10/17 to 31/10/17	0.0188	0.0902	0.1090	0.2225
01/11/17 to 30/11/17	–	0.2572	0.2572	0.2544
01/12/17 to 31/12/17	0.2214	0.2153	0.4367	0.4565
01/01/18 to 31/01/18	–	0.0239	0.0239	0.0437
01/02/18 to 28/02/18	–	0.3051	0.3051	0.3961
01/03/18 to 31/03/18	–	0.4888	0.4888	0.6228
01/04/18 to 30/04/18	–	0.4248	0.4248	0.3205
Total distributions in the period			4.0920	4.0846

Class 1 SGD Hedged – Monthly income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/05/17	0.4815	–	0.4815	0.3225
01/06/17 to 30/06/17	0.5923	–	0.5923	0.5346
01/07/17 to 31/07/17	0.0899	–	0.0899	0.1702
01/08/17 to 31/08/17	0.5092	–	0.5092	0.4091
01/09/17 to 30/09/17	0.3473	–	0.3473	0.3986
01/10/17 to 31/10/17	0.1076	–	0.1076	0.2216
01/11/17 to 30/11/17	0.2591	–	0.2591	0.2543
01/12/17 to 31/12/17	0.4418	–	0.4418	0.4567
01/01/18 to 31/01/18	0.0328	–	0.0328	0.0435
01/02/18 to 28/02/18	0.3061	–	0.3061	0.3699
01/03/18 to 31/03/18	0.4974	–	0.4974	0.6130
01/04/18 to 30/04/18	0.4368	–	0.4368	0.3194
Group 2				
01/05/17 to 31/05/17	–	0.4815	0.4815	0.3225
01/06/17 to 30/06/17	0.1503	0.4420	0.5923	0.5346
01/07/17 to 31/07/17	–	0.0899	0.0899	0.1702
01/08/17 to 31/08/17	–	0.5092	0.5092	0.4091
01/09/17 to 30/09/17	–	0.3473	0.3473	0.3986
01/10/17 to 31/10/17	–	0.1076	0.1076	0.2216
01/11/17 to 30/11/17	–	0.2591	0.2591	0.2543
01/12/17 to 31/12/17	–	0.4418	0.4418	0.4567
01/01/18 to 31/01/18	–	0.0328	0.0328	0.0435
01/02/18 to 28/02/18	0.1757	0.1304	0.3061	0.3699
01/03/18 to 31/03/18	0.1908	0.3066	0.4974	0.6130
01/04/18 to 30/04/18	0.0273	0.4095	0.4368	0.3194
Total distributions in the period			4.1018	4.1134

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	2.1254	–	2.1254	1.7625
01/08/17 to 31/10/17	1.7414	–	1.7414	1.7810
01/11/17 to 31/01/18	1.3167	–	1.3167	1.3834
01/02/18 to 30/04/18	2.2119	–	2.2119	2.3908
Group 2				
01/05/17 to 31/07/17	1.3968	0.7286	2.1254	1.7625
01/08/17 to 31/10/17	0.5416	1.1998	1.7414	1.7810
01/11/17 to 31/01/18	0.6913	0.6254	1.3167	1.3834
01/02/18 to 30/04/18	0.7334	1.4785	2.2119	2.3908
Total distributions in the period			7.3954	7.3177

Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.1615	–	1.1615	0.9882
01/08/17 to 31/10/17	0.9545	–	0.9545	0.9938
01/11/17 to 31/01/18	0.7012	–	0.7012	0.7391
01/02/18 to 30/04/18	1.2131	–	1.2131	1.2847
Group 2				
01/05/17 to 31/07/17	1.1615	–	1.1615	0.9882
01/08/17 to 31/10/17	0.9545	–	0.9545	0.9938
01/11/17 to 31/01/18	0.7012	–	0.7012	0.7391
01/02/18 to 30/04/18	1.2131	–	1.2131	1.2847
Total distributions in the period			4.0303	4.0058

Class 1 SGD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.2880	–	1.2880	1.0920
01/08/17 to 31/10/17	1.0777	–	1.0777	1.1083
01/11/17 to 31/01/18	0.8205	–	0.8205	0.8163
01/02/18 to 30/04/18	1.4049	–	1.4049	1.4354
Group 2				
01/05/17 to 31/07/17	0.0632	1.2248	1.2880	1.0920
01/08/17 to 31/10/17	–	1.0777	1.0777	1.1083
01/11/17 to 31/01/18	–	0.8205	0.8205	0.8163
01/02/18 to 30/04/18	0.0951	1.3098	1.4049	1.4354
Total distributions in the period			4.5911	4.4520

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.4603	–	1.4603	1.2501
01/08/17 to 31/10/17	1.1922	–	1.1922	1.2557
01/11/17 to 31/01/18	0.9041	–	0.9041	0.9746
01/02/18 to 30/04/18	1.4878	–	1.4878	1.6645
Group 2				
01/05/17 to 31/07/17	0.7349	0.7254	1.4603	1.2501
01/08/17 to 31/10/17	0.4683	0.7239	1.1922	1.2557
01/11/17 to 31/01/18	0.0615	0.8426	0.9041	0.9746
01/02/18 to 30/04/18	1.1104	0.3774	1.4878	1.6645
Total distributions in the period			5.0444	5.1449

Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.0186	–	1.0186	0.8937
01/08/17 to 31/10/17	0.8767	–	0.8767	0.8873
01/11/17 to 31/01/18	0.6563	–	0.6563	0.6544
01/02/18 to 30/04/18	1.1115	–	1.1115	1.1086
Group 2				
01/05/17 to 31/07/17	1.0186	–	1.0186	0.8937
01/08/17 to 31/10/17	0.8767	–	0.8767	0.8873
01/11/17 to 31/01/18	0.4163	0.2400	0.6563	0.6544
01/02/18 to 30/04/18	1.1115	–	1.1115	1.1086
Total distributions in the period			3.6631	3.5440

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	2.2832	–	2.2832	1.8851
01/08/17 to 31/10/17	1.8816	–	1.8816	1.9097
01/11/17 to 31/01/18	1.4367	–	1.4367	1.4953
01/02/18 to 30/04/18	2.3835	–	2.3835	2.5635
Group 2				
01/05/17 to 31/07/17	0.5186	1.7646	2.2832	1.8851
01/08/17 to 31/10/17	0.2462	1.6354	1.8816	1.9097
01/11/17 to 31/01/18	1.0028	0.4339	1.4367	1.4953
01/02/18 to 30/04/18	1.3129	1.0706	2.3835	2.5635
Total distributions in the period			7.9850	7.8536

Class W – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.0064	–	1.0064	
01/08/17 to 31/10/17	0.8237	–	0.8237	
01/11/17 to 31/01/18	0.6236	–	0.6236	
01/02/18 to 30/04/18	1.0490	–	1.0490	
Group 2				
01/05/17 to 31/07/17	0.2630	0.7434	1.0064	
01/08/17 to 31/10/17	0.3446	0.4791	0.8237	
01/11/17 to 31/01/18	0.2162	0.4074	0.6236	
01/02/18 to 30/04/18	0.5998	0.4492	1.0490	
Total distributions in the period			3.5027	

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.2918	–	1.2918	1.0652
01/08/17 to 31/10/17	1.0625	–	1.0625	1.0990
01/11/17 to 31/01/18	0.7945	–	0.7945	0.8529
01/02/18 to 30/04/18	1.3150	–	1.3150	1.4498
Group 2				
01/05/17 to 31/07/17	1.2918	–	1.2918	1.0652
01/08/17 to 31/10/17	0.1337	0.9288	1.0625	1.0990
01/11/17 to 31/01/18	0.4202	0.3743	0.7945	0.8529
01/02/18 to 30/04/18	1.3150	–	1.3150	1.4498
Total distributions in the period			4.4638	4.4669

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.4683	–	1.4683	1.1682
01/08/17 to 31/10/17	1.2198	–	1.2198	1.2155
01/11/17 to 31/01/18	0.9194	–	0.9194	0.9523
01/02/18 to 30/04/18	1.5309	–	1.5309	1.6298
Group 2				
01/05/17 to 31/07/17	0.1083	1.3600	1.4683	1.1682
01/08/17 to 31/10/17	1.2198	–	1.2198	1.2155
01/11/17 to 31/01/18	0.5394	0.3800	0.9194	0.9523
01/02/18 to 30/04/18	1.5309	–	1.5309	1.6298
Total distributions in the period			5.1384	4.9658

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.4753	–	1.4753	1.2591
01/08/17 to 31/10/17	1.1988	–	1.1988	1.2630
01/11/17 to 31/01/18	0.8982	–	0.8982	0.9743
01/02/18 to 30/04/18	1.5072	–	1.5072	1.6833
Group 2				
01/05/17 to 31/07/17	0.8702	0.6051	1.4753	1.2591
01/08/17 to 31/10/17	0.6187	0.5801	1.1988	1.2630
01/11/17 to 31/01/18	0.3808	0.5174	0.8982	0.9743
01/02/18 to 30/04/18	0.9074	0.5998	1.5072	1.6833
Total distributions in the period			5.0795	5.1797

Class Z SGD Hedged – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/07/17	1.1392	–	1.1392	0.9936
01/08/17 to 31/10/17	0.9470	–	0.9470	1.0029
01/11/17 to 31/01/18				0.7320
01/02/18 to 30/04/18				1.2829
Group 2				
01/05/17 to 31/07/17	1.1392	–	1.1392	0.9936
01/08/17 to 31/10/17	0.9470	–	0.9470	1.0029
01/11/17 to 31/01/18				0.7320
01/02/18 to 30/04/18				1.2829
Total distributions in the period			2.0862	4.0114

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.4669	–	1.4669	1.2081
01/08/17 to 31/10/17	1.2040	–	1.2040	1.2227
01/11/17 to 31/01/18	0.9117	–	0.9117	0.9511
01/02/18 to 30/04/18	1.5352	–	1.5352	1.6498
Group 2				
01/05/17 to 31/07/17	0.3409	1.1260	1.4669	1.2081
01/08/17 to 31/10/17	0.6232	0.5808	1.2040	1.2227
01/11/17 to 31/01/18	0.4516	0.4601	0.9117	0.9511
01/02/18 to 30/04/18	0.7901	0.7451	1.5352	1.6498
Total distributions in the period			5.1178	5.0317

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.1790	–	1.1790	0.9969
01/08/17 to 31/10/17	0.9710	–	0.9710	1.0035
01/11/17 to 31/01/18	0.7156	–	0.7156	0.7488
01/02/18 to 30/04/18	1.2387	–	1.2387	1.3008
Group 2				
01/05/17 to 31/07/17	1.1790	–	1.1790	0.9969
01/08/17 to 31/10/17	0.9710	–	0.9710	1.0035
01/11/17 to 31/01/18	0.7156	–	0.7156	0.7488
01/02/18 to 30/04/18	1.2387	–	1.2387	1.3008
Total distributions in the period			4.1043	4.0500

Class Z SGD Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/07/17	1.2735	–	1.2735	1.0743
01/08/17 to 31/10/17	1.0673	–	1.0673	1.0909
01/11/17 to 31/01/18				0.8070
01/02/18 to 30/04/18				1.4188
Group 2				
01/05/17 to 31/07/17	1.2735	–	1.2735	1.0743
01/08/17 to 31/10/17	1.0673	–	1.0673	1.0909
01/11/17 to 31/01/18				0.8070
01/02/18 to 30/04/18				1.4188
Total distributions in the period			2.3408	4.3910

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Monthly Income shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	135.91	114.61	116.66	117.61	99.29	101.08
Return before operating charges (p)	4.76	28.25	4.13	4.04	24.34	3.55
Operating charges (p)	(2.25)	(2.13)	(1.81)	(1.94)	(1.87)	(1.56)
Return after operating charges (p)*	2.51	26.12	2.32	2.10	22.47	1.99
Distributions (p)	(4.70)	(4.82)	(4.37)	(4.06)	(4.15)	(3.78)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	133.72	135.91	114.61	115.65	117.61	99.29
*after direct transaction costs of (p)	0.16	0.19	0.15	0.13	0.17	0.13
Performance						
Return after charges (%)	1.85	22.79	1.99	1.79	22.63	1.97
Other information						
Closing net asset value (£000)	121,197	176,453	155,697	2,049	1,003	462
Closing number of shares	90,637,264	129,827,544	135,848,797	1,771,578	852,625	465,137
Operating charges (%)**	1.63	1.63	1.63	1.63	1.63	1.63
Direct transaction costs (%)***	0.11	0.15	0.13	0.11	0.15	0.13
Prices						
Highest share price (p)	144.13	143.12	118.98	123.98	123.42	103.02
Lowest share price (p)	127.89	111.05	101.42	109.88	96.20	87.93
	Class 1 SGD Hedged – Income shares			Class 1 AUD Hedged – Monthly Income shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	111.14	97.64	100.44	114.99	98.37	102.70
Return before operating charges (p)	8.97	19.23	2.30	5.14	22.52	0.74
Operating charges (p)	(1.89)	(1.75)	(1.49)	(1.97)	(1.82)	(1.46)
Return after operating charges (p)*	7.08	17.48	0.81	3.17	20.70	(0.72)
Distributions (p)	(3.96)	(3.98)	(3.61)	(4.09)	(4.08)	(3.61)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	114.26	111.14	97.64	114.07	114.99	98.37
*after direct transaction costs of (p)	0.13	0.16	0.12	0.14	0.16	0.12
Performance						
Return after charges (%)	6.37	17.90	0.81	2.76	21.04	(0.70)
Other information						
Closing net asset value (£000)	6,332	9,175	12,215	175	427	258
Closing number of shares	5,541,743	8,255,637	12,510,818	153,602	371,044	262,037
Operating charges (%)**	1.63	1.63	1.63	1.62	1.63	1.62
Direct transaction costs (%)***	0.11	0.15	0.13	0.11	0.15	0.13
Prices						
Highest share price (p)	124.27	116.57	101.34	130.80	124.09	104.47
Lowest share price (p)	110.15	92.03	81.78	110.18	89.82	80.13

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 SGD Hedged – Monthly Income shares			Class 1 – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	115.36	101.39	104.17	210.96	171.58	167.94
Return before operating charges (p)	9.23	19.92	2.48	7.34	42.63	6.28
Operating charges (p)	(1.96)	(1.84)	(1.54)	(3.53)	(3.25)	(2.64)
Return after operating charges (p)*	7.27	18.08	0.94	3.81	39.38	3.64
Distributions (p)	(4.10)	(4.11)	(3.72)	(7.40)	(7.32)	(6.38)
Retained distributions on accumulation shares (p)	–	–	–	7.40	7.32	6.38
Closing net asset value per share (p)	118.53	115.36	101.39	214.77	210.96	171.58
*after direct transaction costs of (p)	0.14	0.16	0.13	0.25	0.29	0.22
Performance						
Return after charges (%)	6.30	17.83	0.90	1.81	22.95	2.17
Other information						
Closing net asset value (£000)	1,552	355	330	68,140	121,084	74,378
Closing number of shares	1,309,709	308,091	325,460	31,726,139	57,397,197	43,348,183
Operating charges (%)**	1.64	1.64	1.63	1.63	1.63	1.63
Direct transaction costs (%)***	0.11	0.15	0.13	0.11	0.15	0.13
Prices						
Highest share price (p)	128.23	120.60	104.93	227.77	219.64	175.96
Lowest share price (p)	113.52	95.59	85.04	203.30	166.26	147.55
	Class 1 CHF Hedged – Accumulation shares			Class 1 SGD Hedged – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016 ¹	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	113.91	97.62	100.00	127.35	107.87	106.78
Return before operating charges (p)	0.72	18.05	(1.02)	10.25	21.45	2.70
Operating charges (p)	(1.93)	(1.76)	(1.36)	(2.20)	(1.97)	(1.61)
Return after operating charges (p)*	(1.21)	16.29	(2.38)	8.05	19.48	1.09
Distributions (p)	(4.03)	(4.01)	(3.16)	(4.59)	(4.45)	(3.89)
Retained distributions on accumulation shares (p)	4.03	4.01	3.16	4.59	4.45	3.89
Closing net asset value per share (p)	112.70	113.91	97.62	135.40	127.35	107.87
*after direct transaction costs of (p)	0.13	0.16	0.11	0.15	0.18	(0.13)
Performance						
Return after charges (%)	(1.06)	16.69	(2.38)	6.32	18.06	1.02
Other information						
Closing net asset value (£000)	11	11	10	1,037	1,242	1,391
Closing number of shares	10,000	10,000	10,000	765,943	974,977	1,289,765
Operating charges (%)**	1.63	1.62	1.63 ¹	1.63	1.64	1.63
Direct transaction costs (%)***	0.11	0.15	0.13	0.11	0.15	0.13
Prices						
Highest share price (p)	126.73	118.01	100.06	144.90	132.07	110.65
Lowest share price (p)	110.42	91.87	85.00	126.45	101.71	87.93

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 EUR Hedged – Income shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	142.25	119.39	120.93	96.52	86.07	85.80
Return before operating charges (p)	4.91	29.45	4.30	11.20	14.94	4.37
Operating charges (p)	(1.52)	(1.45)	(1.21)	(1.11)	(0.95)	(0.83)
Return after operating charges (p)*	3.39	28.00	3.09	10.09	13.99	3.54
Distributions (p)	(5.04)	(5.14)	(4.63)	(3.66)	(3.54)	(3.27)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	140.60	142.25	119.39	102.95	96.52	86.07
*after direct transaction costs of (p)	0.16	0.20	0.15	0.12	0.14	0.11
Performance						
Return after charges (%)	2.38	23.45	2.56	10.45	16.25	4.13
Other information						
Closing net asset value (£000)	416,554	161,216	160,323	9	3	3
Closing number of shares	296,274,681	113,332,670	134,280,772	8,625	3,001	3,001
Operating charges (%)**	1.06	1.06	1.05	1.05	1.02	1.02
Direct transaction costs (%)***	0.11	0.15	0.13	0.11	0.15	0.13
Prices						
Highest share price (p)	151.37	149.74	123.93	113.84	99.82	88.95
Lowest share price (p)	134.46	115.71	105.33	96.45	81.93	76.19
	Class 2 – Accumulation shares			Class W – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018 ^c		
Change in net assets per share						
Opening net asset value per share (p)	222.34	179.90	175.21	100.00		
Return before operating charges (p)	7.69	44.65	6.49	2.96		
Operating charges (p)	(2.43)	(2.21)	(1.80)	(1.05)		
Return after operating charges (p)*	5.26	42.44	4.69	1.91		
Distributions (p)	(7.99)	(7.85)	(6.81)	(3.50)		
Retained distributions on accumulation shares (p)	7.99	7.85	6.81	3.50		
Closing net asset value per share (p)	227.60	222.34	179.90	101.91		
*after direct transaction costs of (p)	0.26	0.30	0.23	0.12		
Performance						
Return after charges (%)	2.37	23.59	2.68	1.91		
Other information						
Closing net asset value (£000)	87,296	143,899	143,389	111,343		
Closing number of shares	38,355,617	64,719,749	79,704,909	109,258,299		
Operating charges (%)**	1.06	1.06	1.06	1.03 ^f		
Direct transaction costs (%)***	0.11	0.15	0.13	0.11		
Prices						
Highest share price (p)	240.97	231.34	184.46	107.89		
Lowest share price (p)	215.36	174.35	154.18	96.44		

(continued)

142

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016 ¹
Change in net assets per share						
Opening net asset value per share (p)	145.47	117.53	114.22	115.56	98.31	100.00
Return before operating charges (p)	5.00	29.14	4.29	0.67	18.20	(0.95)
Operating charges (p)	(1.32)	(1.20)	(0.98)	(1.05)	(0.95)	(0.74)
Return after operating charges (p)*	3.68	27.94	3.31	(0.38)	17.25	(1.69)
Distributions (p)	(5.12)	(5.03)	(4.36)	(4.10)	(4.05)	(3.17)
Retained distributions on accumulation shares (p)	5.12	5.03	4.36	4.10	4.05	3.17
Closing net asset value per share (p)	149.15	145.47	117.53	115.18	115.56	98.31
*after direct transaction costs of (p)	0.17	0.20	0.15	0.14	0.16	0.11
Performance						
Return after charges (%)	2.53	23.77	2.90	(0.33)	17.55	(1.69)
Other information						
Closing net asset value (£000)	121,887	151,841	115,615	12	11	10
Closing number of shares	81,718,586	104,377,174	98,371,222	10,000	10,000	10,000
Operating charges (%)**	0.88	0.88	0.88	0.87	0.87	0.88 ¹
Direct transaction costs (%)***	0.11	0.15	0.13	0.11	0.15	0.13
Prices						
Highest share price (p)	157.84	151.34	120.49	129.29	119.62	100.76
Lowest share price (p)	141.13	113.91	100.63	112.80	92.56	85.20
	Class Z SGD Hedged – Accumulation shares					
	23/11/2017 ²	30/04/2017	30/04/2016			
Change in net assets per share						
Opening net asset value per share (p)	125.26	105.30	103.43			
Return before operating charges (p)	11.33	20.97	2.71			
Operating charges (p)	(0.64)	(1.01)	(0.84)			
Return after operating charges (p)*	10.69	19.96	1.87			
Distributions (p)	(2.34)	(4.39)	(3.79)			
Retained distributions on accumulation shares (p)	2.34	4.39	3.79			
Closing net asset value per share (p)	135.95	125.26	105.30			
*after direct transaction costs of (p)	0.08	0.17	0.13			
Performance						
Return after charges (%)	8.53	18.96	1.81			
Other information						
Closing net asset value (£000)	–	4	3			
Closing number of shares	–	3,001	3,001			
Operating charges (%)**	–	0.85	0.87			
Direct transaction costs (%)***	–	0.15	0.13			
Prices						
Highest share price (p)	136.24	129.80	108.00			
Lowest share price (p)	124.39	99.32	85.41			

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

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

¹Commenced 3 June 2015.

²Commenced 3 May 2017.

³Closed 23 November 2017.

⁴The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle Global Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	292	305,430
Forward currency contracts	463	(520)
Other (losses)/gains	(1,541)	1,653
Transaction costs	(8)	(4)
Net capital (losses)/gains	(794)	306,559

3 REVENUE

	2018 £000	2017 £000
UK dividends	10,071	13,450
Overseas dividends	60,304	61,019
Interest distributions	—	14
Interest on short term investments	182	27
Bank interest	76	22
Management fee rebate on collective investment scheme holdings	7	23
Total revenue	70,640	74,555

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(13,804)	(14,012)
Registration fees	(1,467)	(1,462)
	(15,271)	(15,474)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(217)	(196)
Safe custody fees	(140)	(118)
Revenue collection expenses	(42)	(26)
	(399)	(340)
Other expenses:		
Regulatory fees	(8)	(6)
Audit fees	(22)	(20)
	(30)	(26)
Total expenses*	(15,700)	(15,840)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(12)	(8)
Total interest payable & similar charges	(12)	(8)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(6,920)	(7,015)
Total current tax (note 6b)	(6,920)	(7,015)
Total tax charge for the period	(6,920)	(7,015)
b) Factors affecting taxation charge for period		
Net revenue before taxation	54,928	58,707
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(10,986)	(11,741)

	2018 £000	2017 £000
Effects of:		
Revenue not subject to taxation	12,464	12,527
Overseas taxes	(6,920)	(7,015)
Overseas tax expensed	167	241
Excess expenses	(1,645)	(1,027)
Current tax charge for period (note 6a)	(6,920)	(7,015)

The fund has not recognised a deferred tax asset of £5,876,142 (2017: £4,230,717) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	43,306	44,883
Final	17,191	20,498
	60,497	65,381
Add: Revenue deducted on the cancellation of shares	4,712	1,927
Deduct: Revenue received on the creation of shares	(3,639)	(1,938)
Net distribution for the period	61,570	65,370
Net revenue after taxation	48,008	51,692
Annual management charge to capital	13,804	14,012
Equalisation on conversion	1	—
Tax relief on capitalised fees	(243)	(333)
Undistributed revenue brought forward	1	—
Undistributed revenue carried forward	(1)	(1)
Total distributions	61,570	65,370

Details of the distribution per share are set out in the table on pages 136 to 138.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	598	4,755
Sales awaiting settlement	—	4
Accrued revenue	6,261	5,291
Foreign withholding tax recoverable*	1,980	1,853
United Kingdom income tax recoverable	—	2
Total debtors	8,839	11,905

*As per a Memorandum of Understanding ("MOU") between the governments of Switzerland and the U.K., a U.K. OEIC is entitled to reclaim Swiss withholding tax ("WHT") that is suffered on dividend income payments. However since October 2016 the Swiss Tax Authority (STA) have requested additional information to support these claims and, whilst the Fund continues to be eligible, our claims have not currently been accepted as we have not currently been able to satisfy the detailed information requested due largely to data protection issues. As at 30 April 2018 within foreign withholding tax recoverable we continue to accrue for the refunds which amount to £979,282 which represents 0.06% of the overall NAV. We are monitoring the situation with the STA and should our view on recovery change, for example, if claims are formally rejected, the accruals may be written off.

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	230	110
Cash and bank balances	34,167	16,690
Total cash and bank balances	34,397	16,800

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(7,281)	(2,595)
Purchases awaiting settlement	–	(1,366)
Accrued expenses	(43)	(64)
Amounts payable to ACD	(1,137)	(1,329)
Corporation tax payable	(23)	(23)
Total other creditors	(8,484)	(5,377)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

A balance of £Nil (2017: £22,000), in respect of annual management rebates is receivable at the end of the accounting period.

The fund invests in a sub-fund managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

The fund has received £Nil (2017: £14,000) interest distributions and £7,000 (2017: £23,000) management fee rebate on collective investment scheme holdings. In addition this investment has produced a non-derivative security gain of £3,152 (2017: £12,914).

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

13 SHAREHOLDER FUNDS

Threadneedle Global Equity Income Fund currently has five share classes; Class 1, Class 2, Class W, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class W shares	0.90%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class W shares	0.110%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 139 to 143. The distribution per share class is given in the distribution table on pages 136 to 138.

All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	129,827,544
Shares issued	8,277,924
Shares redeemed	(42,270,949)
Net conversions	(5,197,255)
Closing shares	90,637,264
Class 1 – Monthly Income shares	
Opening shares	852,625
Shares issued	1,385,377
Shares redeemed	(466,424)
Net conversions	–
Closing shares	1,771,578
Class 1 SGD Hedged – Income shares	
Opening shares	8,255,637
Shares issued	160,079
Shares redeemed	(2,873,973)
Net conversions	–
Closing shares	5,541,743
Class 1 AUD Hedged – Monthly Income shares	
Opening shares	371,044
Shares issued	55,639
Shares redeemed	(273,081)
Net conversions	–
Closing shares	153,602
Class 1 SGD Hedged – Monthly Income shares	
Opening shares	308,091
Shares issued	1,311,272
Shares redeemed	(309,654)
Net conversions	–
Closing shares	1,309,709
Class 1 – Accumulation shares	
Opening shares	57,397,197
Shares issued	9,966,271
Shares redeemed	(35,486,444)
Net conversions	(150,885)
Closing shares	31,726,139
Class 1 CHF Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class 1 SGD Hedged – Accumulation shares	
Opening shares	974,977
Shares issued	163,119
Shares redeemed	(372,153)
Net conversions	–
Closing shares	765,943
Class 2 – Income shares	
Opening shares	113,332,670
Shares issued	245,979,182
Shares redeemed	(68,992,211)
Net conversions	5,955,040
Closing shares	296,274,681
Class 2 EUR Hedged – Income shares	
Opening shares	3,001
Shares issued	5,624
Shares redeemed	–
Net conversions	–
Closing shares	8,625

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

	2018
Class 2 – Accumulation shares	
Opening shares	64,719,749
Shares issued	17,463,732
Shares redeemed	(43,809,578)
Net conversions	(18,286)
Closing shares	<u>38,355,617</u>
Class W – Accumulation shares*	
Opening shares	–
Shares issued	122,177,494
Shares redeemed	(12,919,195)
Net conversions	–
Closing shares	<u>109,258,299</u>
Class X – Income shares	
Opening shares	58,957,425
Shares issued	399,579
Shares redeemed	(3,532,025)
Net conversions	–
Closing shares	<u>55,824,979</u>
Class X – Accumulation shares	
Opening shares	177,703,368
Shares issued	288,809
Shares redeemed	(7,111,041)
Net conversions	–
Closing shares	<u>170,881,136</u>
Class Z – Income shares	
Opening shares	472,699,311
Shares issued	38,925,648
Shares redeemed	(239,486,711)
Net conversions	(2,554,079)
Closing shares	<u>269,584,169</u>
Class Z SGD Hedged – Income shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	(3,001)
Net conversions	–
Closing shares	<u>–</u>
Class Z – Accumulation shares	
Opening shares	104,377,174
Shares issued	19,309,639
Shares redeemed	(43,764,677)
Net conversions	1,796,450
Closing shares	<u>81,718,586</u>
Class Z CHF Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class Z SGD Hedged – Accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	(3,001)
Net conversions	–
Closing shares	<u>–</u>

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

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.71% and vice versa (2017: 4.75%).

Currency exposures

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

	Total £000
Currency 2018	
Australian Dollar	87,466
Brazilian Real	46,819
Canadian Dollar	83,375
Danish Krone	17,715
Euro	260,244
Hong Kong Dollar	57,288
Indonesian Rupiah	23,090
Japanese Yen	88,741
Mexican Peso	9,204
Norwegian Krone	127
Singapore Dollar	19,065
South Africa Rand	7,941
Swiss Franc	55,826
Taiwan Dollar	50,976
Thai Baht	23,714
US Dollar	590,409
Currency 2017	£000
Australian Dollar	107,379
Brazilian Real	40,534
Canadian Dollar	37,688
Danish Krone	15,941
Euro	192,188
Hong Kong Dollar	53,211
Japanese Yen	66,953
Mexican Peso	40,238
Norwegian Krone	242
Singapore Dollar	11,349
South Africa Rand	7,261
Swiss Franc	99,004
Taiwan Dollar	63,658
Thai Baht	566
US Dollar	764,274

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency Movement	Fund Movement
	%	%
Currency 2018		
Euro	4.09	0.64
US Dollar	6.05	2.16
Currency 2017		
	Currency Movement	Fund Movement
	%	%
Euro	7.75	0.83
US Dollar	11.45	4.88

Credit/Counterparty exposure

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

	Collateral Pledged £000
2018	
Counterparty	
J.P. Morgan	230
2017	
Counterparty	£000
J.P. Morgan	110

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

The fund held £20,000 (2017: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Australian Dollar	1	—	87,465	87,466
Brazilian Real	117	—	46,702	46,819
Canadian Dollar	232	—	83,143	83,375
Danish Krone	1	—	17,714	17,715
Euro	3	—	260,241	260,244
Hong Kong Dollar	—	—	57,288	57,288
Indonesian Rupiah	—	—	23,090	23,090
Japanese Yen	—	—	88,741	88,741
Mexican Peso	—	—	9,204	9,204
Norwegian Krone	1	—	126	127
Singapore Dollar	154	—	18,916	19,070
South Africa Rand	—	—	7,941	7,941
Swiss Franc	—	—	55,826	55,826
Taiwan Dollar	535	—	50,441	50,976
Thai Baht	585	—	23,129	23,714
UK Sterling	4,576	—	248,829	253,405
US Dollar	28,192	—	571,293	599,485
Currency 2017	£000	£000	£000	£000
Australian Dollar	7	—	107,372	107,379
Brazilian Real	135	—	40,399	40,534
Canadian Dollar	219	—	37,469	37,688
Danish Krone	—	—	15,941	15,941
Euro	1	—	192,187	192,188
Hong Kong Dollar	—	—	53,211	53,211
Japanese Yen	1,365	—	66,954	68,319
Mexican Peso	776	—	39,462	40,238
Norwegian Krone	1	—	241	242
Singapore Dollar	297	—	11,053	11,350
South Africa Rand	1	—	7,260	7,261
Swiss Franc	4	—	99,000	99,004
Taiwan Dollar	556	—	63,114	63,670
Thai Baht	566	—	—	566
UK Sterling	11,342	—	297,185	308,527
US Dollar	1,530	—	774,232	775,762
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Singapore Dollar	—	—	(5)	(5)
UK Sterling	—	—	(19,029)	(19,029)
US Dollar	—	—	(9,076)	(9,076)
Currency 2017	£000	£000	£000	£000
Japanese Yen	—	—	(1,366)	(1,366)
Singapore Dollar	—	—	(1)	(1)
Taiwan Dollar	—	—	(12)	(12)
UK Sterling	—	—	(16,833)	(16,833)
US Dollar	—	—	(11,488)	(11,488)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2017: £Nil) and a liability value of £15,000 (2017: £30,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,632,174	—	1,768,710	—
Level 2	12	(15)	13,006	(30)
	1,632,186	(15)	1,781,716	(30)

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2018

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	869,401	596	0.07	618	0.07
Collective investment schemes	26,935	—	—	—	—
Total	896,336	596		618	
Gross purchases total:	897,550				

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	1,006,897	677	0.07	156	0.02
Collective investment schemes	39,786	—	—	—	—
Corporate actions	1,337	—	—	—	—
Total	1,048,020	677		156	

Total sales net of transaction costs: 1,047,187

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.04%

30 April 2017

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	892,348	981	0.11	568	0.06
Collective investment schemes	40,019	—	—	—	—
Corporate actions	396	—	—	—	—
Total	932,763	981		568	

Gross purchases total: 934,312

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	941,923	896	0.10	159	0.02
Collective investment schemes	27,000	—	—	—	—
Corporate actions	1,969	—	—	—	—
Total	970,892	896		159	

Total sales net of transaction costs: 969,837

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.04%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.11% (2017: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Focus Fund*

Investment Report

Investment Objective

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

Investment Policy

The Fund will invest primarily in a concentrated portfolio of global equities. This approach means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility.

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

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

Performance of Class Z – Gross accumulation shares**

From 17 April 2018 to 30 April 2018*, the published share price of Class Z – Gross accumulation shares in the Threadneedle Global Focus Fund has risen from 100.00p to 102.24p.

For comparison, using noon prices, the performance of the Class Z share class was +2.24% compared to a return of +3.47% 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 the MSCI AC World was +2.69%.

Market Overview and Portfolio Activity

In the 12 months to 30 April 2018, global equities performed positively for much of the year, before a slump in early 2018

saw most major indices retract somewhat. In US dollar terms the MSCI All Country World index gained 14.77% during the period. US equities received further support from anticipation that Congress would approve President Trump's flagship tax-cutting bill. The bill, which was eventually passed on 20 December, features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. But volatility returned to equity markets in the first quarter of 2018 and equities fell sharply at the start of March when Trump announced steep US import tariffs on steel and aluminium, and later, when he ordered levies on \$60bn of unspecified Chinese goods.

It was also a positive period for European equities, as the eurozone economy gathered momentum – 2017 was the best year for GDP growth in a decade, unemployment reached a nine-year low and the purchasing managers' index reached its highest level in almost 12 years, before cooling slightly, the end of 2017 saw UK and European officials conclude the first stage of the Brexit negotiations, with agreement on some key sticking points, including the so-called "divorce settlement".

Though Asian markets performed strongly over the period, they experienced a bout of volatility in early 2018, when investors were unsettled by stronger-than-expected wage growth in the US, which fuelled fears of higher inflation and a steeper trajectory for US interest-rate hikes. This volatility continued towards the end of the reporting period, led by concerns over US-China trade tensions. Japanese equities benefited from a weakening dollar, and the landslide victory of Abe's Liberal-Democratic Party in the snap general elections in October further bolstered confidence that his policies would continue to be implemented.

The fund, launched shortly before the end of the period. We have been building positions to mirror, where possible, the Global Focus strategy.

In line with our expectation, 2018 has seen volatility return to equity markets after unusually smooth appreciation throughout 2017. Key challenges facing equity markets include a rising interest rate environment, especially in the US, where we are monitoring nascent inflation, the risk of higher tariffs and reduced trade, and the scope for tighter regulation of fast-growing technology giants. While these risks are real, and may curtail valuation multiples, we draw confidence from the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings. Within this context we continue to focus on companies that can sustain high returns over time and can benefit from secular growth across a range of different market conditions.

STATEMENT OF TOTAL RETURN

for the accounting period 17 April 2018 to 30 April 2018

	Notes	2018 £000
Income		
Net capital gains	2	31
Revenue	3	2
Expenses	4	–
Net revenue before taxation		2
Taxation	5	–
Net revenue after taxation		2
Total return before distributions		33
Distributions	6	(2)
Change in net assets attributable to shareholders from investment activities		31

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000
Assets:		
Fixed assets:		
Investments		1,547
Current assets:		
Debtors	7	104
Cash and bank balances		40
Total assets		1,691
Liabilities:		
Creditors:		
Other creditors	8	(41)
Total liabilities		(41)
Net assets attributable to shareholders		1,650

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 17 April 2018 to 30 April 2018

	2018 £000
Opening net assets attributable to shareholders	–
Amounts receivable on the issue of shares	1,617
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	31
Retained distribution on accumulation shares	2
Closing net assets attributable to shareholders	1,650

DISTRIBUTION TABLE

for the accounting period 17 April 2018 to 30 April 2018

Dividend distribution in pence per share

Class 2 – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018
Group 1 17/04/18 to 30/04/18	0.0940	–	0.0940
Group 2 17/04/18 to 30/04/18	0.0940	–	0.0940
Total distributions in the period			0.0940

Class Q – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018
Group 1 17/04/18 to 30/04/18	0.1050	–	0.1050
Group 2 17/04/18 to 30/04/18	0.1050	–	0.1050
Total distributions in the period			0.1050

*Fund launched on 17 April 2018.

**In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Global Focus Fund

DISTRIBUTION TABLE

(continued)

Class Z – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018
Group 1			
17/04/18 to 30/04/18	0.0930	—	0.0930
Group 2			
17/04/18 to 30/04/18	0.0902	0.0028	0.0930
Total distributions in the period			0.0930

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Focus Fund

Comparative Table Disclosure

	Class 2 – Gross accumulation shares [§] 30/04/2018 [†]	Class Q – Gross accumulation shares [§] 30/04/2018 [†]
Change in net assets per share		
Opening net asset value per share (p)	100.00	100.00
Return before operating charges (p)	2.89	2.60
Operating charges (p)	(0.84)	(0.53)
Return after operating charges (p)*	2.05	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)	102.05	102.07
*after direct transaction costs of (p)	0.09	0.09
Performance		
Return after charges (%)	2.05	2.07
Other information		
Closing net asset value (£000)	1	1
Closing number of shares	1,000	1,000
Operating charges (%)**	0.84 [†]	0.53 [†]
Direct transaction costs (%)***	0.09	0.09
Prices		
Highest share price (p)	102.24	102.25
Lowest share price (p)	98.78	98.79
Class Z – Gross accumulation shares[§] 30/04/2018[†]		
Change in net assets per share		
Opening net asset value per share (p)	100.00	
Return before operating charges (p)	2.93	
Operating charges (p)	(0.87)	
Return after operating charges (p)*	2.06	
Distributions (p)	(0.09)	
Retained distributions on accumulation shares (p)	0.09	
Closing net asset value per share (p)	102.06	
*after direct transaction costs of (p)	0.09	
Performance		
Return after charges (%)	2.06	
Other information		
Closing net asset value (£000)	1,648	
Closing number of shares	1,614,353	
Operating charges (%)**	0.87 [†]	
Direct transaction costs (%)***	0.09	
Prices		
Highest share price (p)	102.24	
Lowest share price (p)	98.78	

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

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

[§]Only available to eligible investors.

[†]Commenced 17 April 2018.

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

Threadneedle Global Focus Fund

Notes to the financial statements

for the accounting period 17 April 2018 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000
Non-derivative securities	40
Other losses	(9)
Net capital gains	31

3 REVENUE

	2018 £000
Overseas dividends	2
Total revenue	2

4 EXPENSES

The amounts payable to the ACD, the depositary and other expenses each totalled less than £500.

5 TAXATION

	2018 £000
a) Analysis of charge in period	
Total current tax (note 5b)	—
Total tax charge for the period	—
b) Factors affecting taxation charge for period	
Net revenue before taxation	2
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	—
Effects of:	
Current tax charge for period (note 5a)	—
The fund has not recognised a deferred tax asset of £91 arising as a result of having unutilised management expenses.	

6 DISTRIBUTIONS

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

	2018 £000
Final	2
Net distribution for the period	2
Details of the distribution per share are set out in the table on pages 149 and 150.	

7 DEBTORS

	2018 £000
Amounts receivable for the issue of shares	102
Accrued revenue	2
Total debtors	104

8 OTHER CREDITORS

	2018 £000
Purchases awaiting settlement	(40)
Amounts payable to ACD	(1)
Total other creditors	(41)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

Threadneedle Global Focus Fund currently has three share classes; Class 2, Class Q and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 2 shares	0.75%
Class Q shares	0.50%
Class Z shares	0.75%

Registration fees

Class 2 shares	0.035%
Class Q shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 151. The distribution per share class is given in the distribution table on pages 149 and 150.

All classes have the same rights on winding up.

Reconciliation of shares

	2018
Class 2 – Gross accumulation shares*	
Opening shares	—
Shares issued	1,000
Shares redeemed	—
Net conversions	—
Closing shares	1,000
Class Q – Gross accumulation shares*	
Opening shares	—
Shares issued	1,000
Shares redeemed	—
Net conversions	—
Closing shares	1,000
Class Z – Gross accumulation shares*	
Opening shares	—
Shares issued	1,614,353
Shares redeemed	—
Net conversions	—
Closing shares	1,614,353

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

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

12 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase in net asset value of the fund by 4.63% and vice versa.

Currency exposures

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

Currency 2018	Total £000
Australian Dollar	12
Euro	242
Hong Kong Dollar	79
Indonesian Rupiah	9
Japanese Yen	64
South Korean Won	31
Swedish Krona	17
US Dollar	1,002

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

Currency 2018	Currency movement %	Fund movement %
Euro	4.09	0.60
US Dollar	6.05	3.68

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

Currency 2018	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Australian Dollar	—	—	12	12
Euro	—	—	247	247
Hong Kong Dollar	—	—	80	80
Indonesian Rupiah	—	—	9	9
Japanese Yen	—	—	64	64
South Korean Won	—	—	31	31
Swedish Krona	—	—	18	18
UK Sterling	2	—	193	195
US Dollar	38	—	997	1,035

Currency 2018	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Euro	—	—	(5)	(5)
Hong Kong Dollar	—	—	(1)	(1)
Swedish Krona	—	—	(1)	(1)
UK Sterling	—	—	(1)	(1)
US Dollar	—	—	(33)	(33)

Interest rate risk sensitivity

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

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2018	
Valuation technique	Assets £000	Liabilities £000
Level 1	1,547	—
	1,547	—

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding.

15 PORTFOLIO TRANSACTION COSTS

30 April 2018

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	1,549	—	—	1	0.05
Total	1,549	—		1	

Gross purchases total:

1,550

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	43	—	0.07%	—	—
Total	43	—		—	

Total sales net of transaction costs:

43

Transaction costs as a percentage of average Net Assets

Commissions:	0.03%
Taxes:	0.06%

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.04%, being the difference between the respective buying and selling prices for the fund's investments.

16 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (£)		
	30 April 2018	07 August 2018	% Movement
Class 2 – Gross accumulation shares	102.24	113.37	10.89
Class Q – Gross accumulation shares	102.25	113.45	10.95
Class Z – Gross accumulation shares	102.25	113.34	10.85

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 twelve months to 30 April 2018, the published share price of Class 1 – accumulation shares in the Threadneedle Global Opportunities Bond Fund has fallen from 91.07p to 89.66p.

For comparison, using noon prices, the performance of the Class 1 share class was -1.55% compared to a return of +1.26% 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 Eurodeposit was +0.37%.

Market Overview and Portfolio Activity

For much of the period, equities outperformed bonds, due to positive global economic data, improving corporate results and the prospect, then reality that President Trump would overhaul the US tax code. However, in early 2018, equities sold off sharply. Initially, this was due to increased fears that copious central bank stimulus could soon come to an end. Later, worries about a trade war came into

focus as the Trump administration announced sweeping tariffs on a range of imports.

Core government bond yields rose over the period as key central banks made further moves to normalise policy, and as investors feared that further steps in this direction could be stronger than previously anticipated. The aforementioned optimism over earnings, Trump's tax cuts and economic markers also hurt core bonds but aided riskier debt, particularly high yield bonds.

Over the review period, the Federal Reserve hiked rates three times, and in October, started scaling down its balance sheet. However, neither these moves, nor generally buoyant US economic markers, were sufficient to stem the dollar's slide. The currency was hurt by jitters about protectionism, anticipation that Trump's tax cuts would increase the US fiscal deficit and the various controversies engulfing his administration. By contrast, the euro trended higher due to robust economic indicators from the eurozone and generally less angst about euro-scepticism. These factors encouraged the European Central Bank to reduce its bond purchases in January though the bank extended the scheme till September 2018. High inflation prompted the Bank of England to raise rates in November, despite sluggish domestic growth and Brexit-related uncertainty. The latter was compounded by the loss of the Conservatives' parliamentary majority in June's general election. By contrast, in Japan, a landslide victory for Prime Minister Shinzo Abe's party in a snap election in October prompted increased optimism over the country's political and economic prospects.

Within rates strategies, we generally favoured US Treasuries relative to German bunds, given the attractive spreads and our expectations of relative monetary policy movements. We retain this preference; we see the prospects of normalising European Central Bank (ECB) policy lifting eurozone bond yields.

Initially, we held curve steepening exposure at the front end of the US money market curve, where expectations for policy tightening looked under-priced. We also positioned for the re-steepening of the bund curve, where we expected policy normalisation to come in the form of tapering of bond purchases rather than rate hikes.

In the second half of 2017, we broadly held a long duration bias as we viewed the drivers of lower yields as remaining generally intact.

In early 2018, we opened a position in South African government bonds; we felt optimism around politics would lead foreign investors to appreciate a steep curve and high real rates.

Within currency strategies, we generally held, and still favour, a negative bias to the US dollar. We initially maintained a long euro bias given the improving economic backdrop, reduced political risk and increased market focus on the ECB's tapering. This was held against shorts in the yen and the pound; we expected no hawkish shifts from central banks in the UK and Japan. We pared back our long euro bias over the third quarter of 2017 to leave the portfolio neutral on the euro given that pricing around the euro and the dollar had become asymmetric with regards to central bank policy and political risks.

We held positive exposure to risk assets over the period. We favoured investment grade bonds and emerging market (EM) bonds over high yield bonds. High-yield spreads looked too tight relative to history, particularly when compared to investment grade bonds. By contrast, EM bonds were less richly valued and we thought these would benefit from slowing inflationary pressures which would allow EM central banks to retain a dovish bias. Additionally, EM economies have generally improved their current account positions since the "taper tantrum", which should make them more resilient to exogenous funding shocks as well as to low foreign participation by historic standards allowing room for inflows to continue.

The flattening of the US yield curve in response to a faster pace of US rate hikes is not one we expect to reverse; we still feel that dynamics favour low long-dated bond yields. The boost to US growth from the fiscal package should prove temporary, rather than durable, as corporates appear to be favouring increased buybacks over raising wages and increasing investment. This should prevent the US curve steepening.

The increase in the US federal deficit on the back of the recently-announced fiscal boost could widen the current-account deficit, given the economy's proximity to full employment. As has been the case historically, a larger combined federal and current-account deficit could lead to a weaker dollar. Moreover, the flattening US yield curve decreases the attractiveness of US fixed income on a hedged basis. This should hurt the US dollar in the context of funding a wider current-account deficit.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 30 April 2018

	Notes	2018 £000	2017 £000
Income			
Net capital losses	2	(1,837)	(3,335)
Revenue	3	3,010	3,379
Expenses	4	(451)	(739)
Interest payable and similar charges	5	(1,315)	(1,966)
Net revenue before taxation		1,244	674
Taxation	6	—	—
Net revenue after taxation		1,244	674
Total return before distributions		(593)	(2,661)
Distributions	7	(1,244)	(674)
Change in net assets attributable to shareholders from investment activities		(1,837)	(3,335)

BALANCE SHEET

as at 30 April 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		57,954	80,305
Current assets:			
Debtors	8	664	739
Cash and bank balances	9	9,314	15,357
Total assets		67,932	96,401
Liabilities:			
Investment liabilities		(3,901)	(3,333)
Creditors:			
Bank overdrafts	9	(586)	(7,103)
Other creditors	10	(963)	(545)
Total liabilities		(5,450)	(10,981)
Net assets attributable to shareholders		62,482	85,420

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 30 April 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	85,420	114,507
Amounts receivable on the issue of shares	3,846	23,858
Amounts payable on the cancellation of shares	(26,156)	(50,308)
	(22,310)	(26,450)
Dilution adjustment	41	42
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,837)	(3,335)
Retained distribution on accumulation shares	1,168	656
Closing net assets attributable to shareholders	62,482	85,420

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 30 April 2018

Interest distribution in pence per share

Class 1 – Income shares **

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.7046	—	0.7046	0.1790
01/11/17 to 30/04/18	—	—	—	—
Group 2				
01/05/17 to 31/10/17	0.7046	—	0.7046	0.1790
01/11/17 to 30/04/18	—	—	—	—
Total distributions in the period			0.7046	0.1790

*In pound Sterling and against UK peer group (see Performance summary on pages 217 and 218).

Threadneedle Global Opportunities Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares[†]

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.6866	–	0.6866	0.1745
01/11/17 to 30/04/18	0.4190	–	0.4190	–
Group 2				
01/05/17 to 31/10/17	0.6866	–	0.6866	0.1745
01/11/17 to 30/04/18	0.4190	–	0.4190	–
Total distributions in the period			1.1056	0.1745

Class 1 – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.7143	–	0.7143	0.2183
01/11/17 to 30/04/18	–	–	–	–
Group 2				
01/05/17 to 31/10/17	0.7143	–	0.7143	0.2183
01/11/17 to 30/04/18	–	–	–	–
Total distributions in the period			0.7143	0.2183

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	1.2696	–	1.2696	0.7977
01/11/17 to 30/04/18	0.9885	–	0.9885	0.5115
Group 2				
01/05/17 to 31/10/17	1.2696	–	1.2696	0.7977
01/11/17 to 30/04/18	0.3252	0.6633	0.9885	0.5115
Total distributions in the period			2.2581	1.3092

Class Z – Income shares[†]

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.8978	–	0.8978	0.3458
01/11/17 to 30/04/18	0.6194	–	0.6194	0.1680
Group 2				
01/05/17 to 31/10/17	0.6787	0.2191	0.8978	0.3458
01/11/17 to 30/04/18	0.3940	0.2254	0.6194	0.1680
Total distributions in the period			1.5172	0.5138

Class Z – Accumulation shares[†]

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017/2018	Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.9068	–	0.9068	0.3473
01/11/17 to 30/04/18	0.6324	–	0.6324	0.1699
Group 2				
01/05/17 to 31/10/17	0.4505	0.4563	0.9068	0.3473
01/11/17 to 30/04/18	0.5153	0.1171	0.6324	0.1699
Total distributions in the period			1.5392	0.5172

Class Z – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018	Distribution Paid 2016/2017
Group 1				
01/05/17 to 31/10/17	0.9120	–	0.9120	0.4357
01/11/17 to 30/04/18	–	–	–	0.1693
Group 2				
01/05/17 to 31/10/17	0.9120	–	0.9120	0.4357
01/11/17 to 30/04/18	–	–	–	0.1693
Total distributions in the period			0.9120	0.6050

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018	Gross Revenue Accumulated 2016/2017
Group 1				
01/05/17 to 31/10/17	0.9089	–	0.9089	0.4347
01/11/17 to 30/04/18	0.6336	–	0.6336	0.1701
Group 2				
01/05/17 to 31/10/17	0.9089	–	0.9089	0.4347
01/11/17 to 30/04/18	0.1536	0.4800	0.6336	0.1701
Total distributions in the period			1.5425	0.6048

Group 2: shares purchased during a distribution period.

[†]Distributions paid before 6 April 2017 have been paid net.

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

Threadneedle Global Opportunities Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	14/11/2017 ¹	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	90.70	93.77	100.33	90.87	93.79	100.32
Return before operating charges (p)	0.42	(1.73)	(5.37)	(0.25)	(1.70)	(5.34)
Operating charges (p)	(0.59)	(1.12)	(1.19)	(1.15)	(1.17)	(1.17)
Return after operating charges (p)*	(0.17)	(2.85)	(6.56)	(1.40)	(2.87)	(6.51)
Distributions (p)	(0.70)	(0.22)	–	(1.11)	(0.22)	(0.08)
Retained distributions on accumulation shares (p)**	–	–	–	1.11	0.17	0.06
Closing net asset value per share (p)	89.83	90.70	93.77	89.47	90.87	93.79
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.19)	(3.04)	(6.54)	(1.54)	(3.06)	(6.49)
Other information						
Closing net asset value (£000)	–	3	3	40	63	24
Closing number of shares	–	3,000	3,000	44,505	69,588	25,101
Operating charges (%)***	–	1.22	1.23	1.26	1.27	1.23
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	91.18	94.27	102.57	91.96	94.27	102.58
Lowest share price (p)	89.83	90.54	90.15	89.63	90.71	90.18

	Class 1 – Gross accumulation shares [§]			Class X – Gross accumulation shares [§]		
	14/11/2017 ¹	30/04/2017	30/04/2016 ²	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	95.22	98.27	100.00	94.08	95.91	101.41
Return before operating charges (p)	0.45	(1.82)	(1.11)	(0.27)	(1.70)	(5.47)
Operating charges (p)	(0.65)	(1.23)	(0.62)	(0.09)	(0.13)	(0.03)
Return after operating charges (p)*	(0.20)	(3.05)	(1.73)	(0.36)	(1.83)	(5.50)
Distributions (p)	(0.71)	(0.22)	(0.11)	(2.26)	(1.31)	(1.11)
Retained distributions on accumulation shares (p)**	0.71	0.22	0.11	2.26	1.31	1.11
Closing net asset value per share (p)	95.02	95.22	98.27	93.72	94.08	95.91
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.21)	(3.10)	(1.73)	(0.38)	(1.91)	(5.42)
Other information						
Closing net asset value (£000)	–	3	3	16,280	19,607	3
Closing number of shares	–	3,000	3,000	17,370,462	20,841,190	3,001
Operating charges (%)***	–	1.27	1.24 [†]	0.09	0.14	0.03
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	95.72	98.78	101.27	96.06	96.52	103.77
Lowest share price (p)	94.87	95.05	94.47	93.88	93.29	91.98

Threadneedle Global Opportunities Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	30/04/2018	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	91.42	94.50	101.02	92.38	94.96	101.21
Return before operating charges (p)	(0.25)	(1.73)	(5.37)	(0.26)	(1.74)	(5.42)
Operating charges (p)	(0.74)	(0.75)	(0.76)	(0.75)	(0.76)	(0.75)
Return after operating charges (p)*	(0.99)	(2.48)	(6.13)	(1.01)	(2.50)	(6.17)
Distributions (p)	(1.52)	(0.60)	(0.39)	(1.54)	(0.60)	(0.42)
Retained distributions on accumulation shares (p)**	–	–	–	1.54	0.52	0.34
Closing net asset value per share (p)	88.91	91.42	94.50	91.37	92.38	94.96
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.08)	(2.62)	(6.07)	(1.09)	(2.63)	(6.10)
Other information						
Closing net asset value (£000)	48	56	74	166	241	5,217
Closing number of shares	53,816	61,548	77,939	181,460	260,730	5,493,832
Operating charges (%)***	0.81	0.81	0.79	0.81	0.81	0.79
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	91.96	95.02	103.37	93.81	95.48	103.50
Lowest share price (p)	89.69	91.42	91.09	91.53	92.21	91.24

	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	14/11/2017 [†]	30/04/2017	30/04/2016	30/04/2018	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	91.78	94.87	101.02	92.59	95.10	101.24
Return before operating charges (p)	0.45	(1.73)	(5.34)	(0.27)	(1.75)	(5.37)
Operating charges (p)	(0.39)	(0.75)	(0.81)	(0.75)	(0.76)	(0.77)
Return after operating charges (p)*	0.06	(2.48)	(6.15)	(1.02)	(2.51)	(6.14)
Distributions (p)	(0.91)	(0.61)	0.00	(1.54)	(0.60)	(0.39)
Retained distributions on accumulation shares (p)**	–	–	–	1.54	0.60	0.39
Closing net asset value per share (p)	90.93	91.78	94.87	91.57	92.59	95.10
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.07	(2.61)	(6.09)	(1.10)	(2.64)	(6.06)
Other information						
Closing net asset value (£000)	–	3	45	45,948	65,444	109,138
Closing number of shares	–	3,000	47,362	50,177,154	70,679,825	114,767,950
Operating charges (%)***	–	0.80	0.80	0.81	0.81	0.79
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	92.33	95.41	103.39	94.02	95.63	103.56
Lowest share price (p)	90.93	91.78	91.12	91.73	92.39	91.33

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

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

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

[§]Only available to eligible investors.

[†]Closed 14 November 2017.

[‡]Commenced 28 October 2015.

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

Threadneedle Global Opportunities Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 30 April 2018

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	(907)	10,548
Derivative contracts	(1,390)	(2,669)
Forward currency contracts	(592)	(11,851)
Other gains	1,053	638
Transaction costs	(1)	(1)
Net capital losses	(1,837)	(3,335)

3 REVENUE

	2018 £000	2017 £000
Unfranked dividend distributions	164	–
Interest on debt securities	2,809	3,300
Interest on short term investments	2	8
Bank interest	28	22
Management fee rebate on collective investment scheme holdings	7	49
Total revenue	3,010	3,379

4 EXPENSES

	2018 £000	2017 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(351)	(585)
Registration fees	(65)	(101)
	(416)	(686)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(8)	(10)
Safe custody fees	(12)	(16)
	(20)	(26)
Other expenses:		
Audit fees	(15)	(27)
	(15)	(27)
Total expenses*	(451)	(739)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(6)	(9)
Derivative expense	(1,309)	(1,957)
Total interest payable & similar charges	(1,315)	(1,966)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,244	674
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(249)	(135)
Effects of:		
Distributions treated as tax deductible	249	135
Current tax charge for period (note 6a)	–	–

Interest distributions were made in respect of all distributions during the prior period. Income tax at 20% on net share classes paid prior to 6 April 2017 was accounted for on shareholders' behalf to HM Revenue & Customs.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	677	432
Final	491	227
	1,168	659
Add: Revenue deducted on the cancellation of shares	100	102
Deduct: Revenue received on the creation of shares	(24)	(87)
Net distribution for the period	1,244	674

Details of the distribution per share are set out in the table on pages 155 and 156.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of shares	2	–
Sales awaiting settlement	90	–
Accrued revenue	572	739
Total debtors	664	739

9 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	4,215	11,522
Cash and bank balances	5,099	3,835
	9,314	15,357
Cash overdrafts at broker	(586)	(7,103)
Total cash and bank balances	8,728	8,254

10 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of shares	(705)	–
Purchases awaiting settlement	(216)	(490)
Accrued expenses	(12)	(13)
Amounts payable to ACD	(30)	(42)
Total other creditors	(963)	(545)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

A balance of £Nil (2017: £17,000), in respect of annual management rebates is receivable at the end of the accounting period.

The fund invests in other sub-funds managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement. In addition this investment has produced a non-derivative security loss of £933,708 (2017: £720,034).

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

Threadneedle Global Opportunities Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.10%
Class X shares	N/A*
Class Z shares	0.65%
Registration fees	
Class 1 shares	0.110%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 157 and 158. The distribution per share class is given in the distribution table on pages 155 and 156. All classes have the same rights on winding up.

*X Shares are not subject to an Annual management charge.

Reconciliation of shares

	2018
Class 1 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	(3,000)
Net conversions	–
Closing shares	–
Class 1 – Accumulation shares	
Opening shares	69,588
Shares issued	–
Shares redeemed	(25,083)
Net conversions	–
Closing shares	44,505
Class 1 – Gross accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	(3,000)
Net conversions	–
Closing shares	–
Class X – Gross accumulation shares	
Opening shares	20,841,190
Shares issued	2,719,689
Shares redeemed	(6,190,417)
Net conversions	–
Closing shares	17,370,462
Class Z – Income shares	
Opening shares	61,548
Shares issued	902
Shares redeemed	(8,634)
Net conversions	–
Closing shares	53,816
Class Z – Accumulation shares	
Opening shares	260,730
Shares issued	69,009
Shares redeemed	(148,279)
Net conversions	–
Closing shares	181,460
Class Z – Gross income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	(3,000)
Net conversions	–
Closing shares	–

2018

Class Z – Gross accumulation shares

Opening shares	70,679,825
Shares issued	1,322,760
Shares redeemed	(21,825,431)
Net conversions	–
Closing shares	50,177,154

14 RISK MANAGEMENT

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

Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 6.0% and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 1.6% (2017: 2.0%) This means that there is estimated to be a 1% chance that the fund could lose more than 1.6% (2017: 2.0%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 26% (2017: 34%) (actual VaR/VaR limit). During the year ended 30 April, 2018 the lowest VaR utilisation was 20% (2017: 0%), the highest VaR utilisation was 52% (2017: 72%) and the average utilisation was 26% (2017: 32%).

Currency exposures

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

	Total £000
Currency 2018	
Australian Dollar	12
Canadian Dollar	3,157
Euro	(1,646)
Mexican Peso	(3)
Norwegian Krone	6,335
Romanian Leu	2
Russian Ruble	210
South Africa Rand	95
Swedish Krona	154
Swiss Franc	(6)
Turkish Lira	1
US Dollar	(8,216)
Currency 2017	
£000	
Australian Dollar	73
Canadian Dollar	(1)
China Renminbi	(94)
Czech Koruna	4,494
Euro	10,347
Hungarian Forint	(91)
Japanese Yen	(8,415)
Mexican Peso	4
New Zealand Dollar	(1)
Norwegian Krone	2
Polish Zloty	(254)
Romanian Leu	2
Russian Ruble	(238)
Swiss Franc	2,929
Turkish Lira	1
US Dollar	(569)

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

Threadneedle Global Opportunities Bond Fund

Notes to the financial statements

(continued)

	Currency Movement	Fund Movement
Currency 2018	%	%
Norwegian Krone	0.63	0.06
US Dollar	6.05	0.80

	Currency Movement	Fund Movement
Currency 2017	%	%
Euro	7.75	0.94

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2018		
Counterparty		
Bank of Scotland	249	—
Barclays	1	130
Citigroup	4	410
Goldman Sachs	—	1,140
HSBC	—	320
J.P. Morgan	—	940
UBS	787	—

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2017		
Counterparty		
Barclays	—	80
Citigroup	10	320
Goldman Sachs	6	1,640
HSBC	28	—
J.P. Morgan	149	520
UBS	372	50

The fund held £600,000 (2017: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
AAA	379	0.70	433	0.56
Aaa	6,483	11.99	1,377	1.79
AaaU	1,753	3.24	9,494	12.33
Aa1u	—	—	5,015	6.52
AA	205	0.38	221	0.29
AA-	—	—	183	0.24
A+	432	0.80	331	0.43
A	270	0.50	155	0.20
A-	1,486	2.75	1,513	1.97
BBB+	6,249	11.56	10,112	13.14
Baa1	137	0.25	139	0.18
BBB	4,597	8.51	6,989	9.08
Baa2	1,170	2.16	963	1.25
BBB-	6,099	11.28	5,395	7.01
Baa3	416	0.77	1,934	2.51
BB+	7,057	13.06	3,945	5.13
Ba1	—	—	817	1.06
BB	1,484	2.75	3,081	4.00
Ba2	553	1.02	—	—
(P)Ba2	249	0.46	—	—
BB-	3,276	6.06	3,278	4.26
B+	2,020	3.74	333	0.43
B	2,512	4.65	3,200	4.16

	2018		2017	
	Value £000	% of Investment	Value £000	% of Investment
Ba3	855	1.58	903	1.17
B2e	—	—	203	0.26
B2u	—	—	222	0.29
B-	1,287	2.38	432	0.56
B3	1,146	2.12	172	0.22
CCC+	—	—	543	0.71
Not Rated*	6,512	12.05	13,305	17.29
Collective investment schemes	10	0.02	4,059	5.27
Derivatives**	(2,584)	(4.78)	(1,775)	(2.31)
	54,053	100.00	76,972	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

**The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2018				
Australian Dollar	79	33	1	113
Canadian Dollar	13	—	3,219	3,232
Euro	4,328	13,369	6,540	24,237
Japanese Yen	13	—	—	13
Mexican Peso	13	—	—	13
New Zealand Dollar	13	—	—	13
Norwegian Krone	—	—	6,435	6,435
Romanian Leu	2	—	—	2
Russian Ruble	—	5,802	3,707	9,509
South Africa Rand	—	3,677	80	3,757
Swedish Krona	81	—	8,981	9,062
Swiss Franc	12	—	—	12
Turkish Lira	1	—	—	1
UK Sterling	10,618	6,745	47,506	64,869
US Dollar	2,269	18,873	16,334	37,476
Currency 2017				
Australian Dollar	17	1,377	4,433	5,827
Canadian Dollar	17	—	—	17
China Renminbi	—	—	14,516	14,516
Czech Koruna	—	—	13,971	13,971
Euro	5,753	20,778	10,205	36,736
Japanese Yen	16	—	—	16
Mexican Peso	17	—	—	17
New Zealand Dollar	17	—	—	17
Norwegian Krone	2	—	—	2
Polish Zloty	—	—	18	18
Romanian Leu	2	—	—	2
Russian Ruble	—	12,016	162	12,178
Swedish Krona	17	—	—	17
Swiss Franc	17	—	2,912	2,929
Turkish Lira	1	—	—	1
UK Sterling	19,714	12,916	48,401	81,031
US Dollar	2,695	14,673	32,395	49,763

Threadneedle Global Opportunities Bond Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2018	£000	£000	£000	£000
Australian Dollar	(35)	—	(66)	(101)
Canadian Dollar	—	—	(75)	(75)
Euro	—	—	(25,883)	(25,883)
Japanese Yen	—	—	(13)	(13)
Mexican Peso	—	—	(16)	(16)
New Zealand Dollar	—	—	(13)	(13)
Norwegian Krone	—	—	(100)	(100)
Russian Ruble	—	—	(9,299)	(9,299)
South Africa Rand	—	—	(3,662)	(3,662)
Swedish Krona	—	—	(8,908)	(8,908)
Swiss Franc	—	—	(18)	(18)
UK Sterling	—	—	(2,482)	(2,482)
US Dollar	(551)	—	(45,141)	(45,692)
Currency 2017	£000	£000	£000	£000
Australian Dollar	(198)	—	(5,556)	(5,754)
Canadian Dollar	—	—	(18)	(18)
China Renminbi	—	—	(14,610)	(14,610)
Czech Koruna	—	—	(9,477)	(9,477)
Euro	(1,919)	—	(24,470)	(26,389)
Hungarian Forint	—	—	(91)	(91)
Japanese Yen	(476)	—	(7,955)	(8,431)
Mexican Peso	—	—	(13)	(13)
New Zealand Dollar	—	—	(18)	(18)
Polish Zloty	—	—	(272)	(272)
Russian Ruble	—	—	(12,416)	(12,416)
Swedish Krona	—	—	(17)	(17)
UK Sterling	—	—	(3,800)	(3,800)
US Dollar	(4,510)	—	(45,822)	(50,332)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

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

At 30 April 2018, the fund had outstanding credit default swaps, forward foreign exchange contracts, futures and options and interest rate swaps with an asset value of £1,317,000 (2017: £1,558,000) and a liability value of £3,901,000 (2017: £3,333,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	8,376	(314)	15,122	(904)
Level 2	49,578	(3,587)	65,183	(2,429)
	57,954	(3,901)	80,305	(3,333)

Included within Level 1 are debt securities of £8,236,000 (2017: £14,509,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £33,554,174 (2017: £143,121,211) and £49,968,790 (2017: £153,150,834) respectively. Collective investment schemes purchases and sales amounted to £10,397 (2017: £83,439) and £4,160,570 (2017: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2017: £Nil) and £634,734 (2017: £826,130) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £20,327 (2017: £18,159).

At the balance sheet date, the portfolio dealing spread was 0.47% (2017: 0.44%), being the difference between the respective buying and selling prices for the fund's investments.

**Statement of Authorised Corporate Director's (ACD)
Responsibilities in relation to the Financial
Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of each sub-fund and its net revenue/(expenses) and the net gains/(losses) on the property of each sub-fund for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Threadneedle Specialist Investment Funds ICVC (the Company) for the Period ended 30 April 2018

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank Europe plc,
UK Branch
London

10 August 2018

Independent Auditors' Report to the Shareholders of Threadneedle Specialist Investment Funds ICVC

Report on the financial statements

Our opinion

In our opinion, Threadneedle Specialist Investment Funds ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 April 2018 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as the period 17 April 2018 to 30 April 2018 for the Threadneedle Global Focus Fund sub-fund and the year ended 30 April 2018 for all other sub-funds of the Company); and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Threadneedle Specialist Investment Funds ICVC (the "company") is an Open Ended Investment Company ("OEIC") with 21 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 30 April 2018; the statements of total return and the statements of change in net assets attributable to shareholders for the respective periods then ended; the distribution tables; the comparative tables and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the company set out on page 163, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Edinburgh
10 August 2018

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle UK Mid 250 Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.02% (1.93%)				CONSUMER SERVICES 14.05% (24.60%)			
	Oil Equipment, Services & Distribution 4.02% (1.93%)				General Retailers 1.67% (7.50%)		
686,162	John Wood Group	3,882	4.02	784,973	N Brown Group	1,614	1.67
	Total Oil & Gas	3,882	4.02		Media 6.25% (6.66%)		
				888,771	Ascential	3,703	3.84
BASIC MATERIALS 5.26% (5.54%)				179,425	Euromoney Institutional Investor	2,325	2.41
	Chemicals 5.26% (4.19%)				Travel & Leisure 6.13% (10.44%)		
1,089,027	Elementis	3,088	3.20	251,854	GVC Holdings	2,254	2.33
401,160	Synthomer	1,984	2.06	600,587	Restaurant Group	1,783	1.85
	Mining 0.00% (1.35%)			290,356	SSP Group	1,882	1.95
	Total Basic Materials	5,072	5.26		Total Consumer Services	13,561	14.05
INDUSTRIALS 29.74% (22.00%)				FINANCIALS 12.84% (17.00%)			
	Construction & Materials 7.38% (5.48%)				Banks 0.00% (1.61%)		
3,013,128	¹ Breedon Aggregates	2,519	2.61		Life Insurance 4.77% (3.37%)		
1,072,168	Ibstock	3,171	3.28	3,258,453	Just Group	4,601	4.77
633,908	Melrose Industries	1,439	1.49		Real Estate Investment & Services 0.00% (1.41%)		
	Aerospace & Defence 2.06% (2.06%)				Real Estate Investment Trusts 2.52% (2.27%)		
1,719,030	Cobham	1,985	2.06	76,327	Derwent London	2,433	2.52
	General Industrials 5.31% (0.00%)				Financial Services 4.23% (6.97%)		
4,356,896	Coats Group	3,433	3.56	373,708	Intermediate Capital Group	4,085	4.23
321,002	DS Smith	1,691	1.75		Equity Investment Instruments 1.23% (1.37%)		
	Electronic & Electrical Equipment 2.07% (2.18%)			142,472	Electra Private Equity	1,191	1.23
218,992	Oxford Instruments	1,999	2.07		Nonequity Investment Instruments 0.09% (0.00%)		
	Industrial Engineering 5.37% (0.00%)			69,908	Wilmcote Holdings	82	0.09
172,378	IMI	1,888	1.96		Total Financials	12,392	12.84
713,062	Rotork	2,345	2.43				
16,414	Spirax-Sarco Engineering	942	0.98				
	Support Services 7.55% (12.28%)			TECHNOLOGY 11.70% (10.63%)			
426,471	Electrocomponents	2,620	2.71		Software & Computer Services 9.76% (8.80%)		
511,140	Howden Joinery Group	2,443	2.53	121,891	AVEVA Group	2,606	2.70
363,204	Sanne Group IPO	2,226	2.31	86,274	¹ Blue Prism Group	1,215	1.26
	Total Industrials	28,701	29.74	193,826	FDM Group Holdings IPO	1,989	2.06
				49,801	¹ First Derivatives	1,878	1.95
CONSUMER GOODS 9.53% (5.31%)				136,049	Micro Focus International	1,730	1.79
	Beverages 3.70% (0.00%)				Technology Hardware & Equipment 1.94% (1.83%)		
494,304	Britvic	3,566	3.70	1,567,055	Spirent Communications	1,871	1.94
	Household Goods & Home Construction 2.91% (3.55%)				Total Technology	11,289	11.70
346,376	¹ Victoria	2,806	2.91				
	Personal Goods 2.92% (1.76%)			Total value of investments			
105,336	Ted Baker	2,821	2.92		92,316	95.67	
	Total Consumer Goods	9,193	9.53		Net other assets (4.38%)	4,180	4.33
					Net assets	96,496	100.00
HEALTH CARE 8.53% (8.61%)							
	Pharmaceuticals & Biotechnology 8.53% (8.61%)			<i>April 2017 comparatives in brackets.</i>			
450,737	BTG	3,081	3.20	<i>¹Alternative Investment Market.</i>			
339,116	¹ Clinigen Group	2,984	3.09				
27,478	Dechra Pharmaceuticals	760	0.79				
1,696,631	Vectura Group	1,401	1.45				
	Total Health Care	8,226	8.53				

Threadneedle Ethical UK Equity Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS	1.65% (2.83%)					16,061	Genus	409	1.65
	Oil Equipment, Services & Distribution 0.00% (0.99%)					142,554	GlaxoSmithKline	2,105	8.50
						228,675	Vectura Group	189	0.76
	Alternative Energy 1.65% (1.84%)					Total Health Care			
	500,000	†Atlantis Resources (Suspended)	176	0.71		4,745 19.15			
	1,341,680	†Ceres Power Holdings	174	0.70					
	288,064	†Ilika	58	0.24		CONSUMER SERVICES 15.76% (14.03%)			
	Total Oil & Gas					General Retailers 0.00% (3.69%)			
						Media 8.35% (7.86%)			
						179,027	Ascential	746	3.01
						291,719	ITV	442	1.78
						56,483	RELX	881	3.56
BASIC MATERIALS	6.25% (4.77%)					Travel & Leisure 7.41% (2.48%)			
	Chemicals 6.25% (3.31%)					58,099	Compass Group	907	3.66
	7,922	Croda International	356	1.44		198,331	Gym Group	483	1.95
	26,255	Johnson Matthey	871	3.51		9,672	InterContinental Hotels Group	446	1.80
	12,465	Victrex	322	1.30		Total Consumer Services			
	Mining 0.00% (1.46%)					3,905 15.76			
Total Basic Materials									
1,549 6.25									
INDUSTRIALS	16.01% (19.61%)					TELECOMMUNICATIONS 1.08% (1.67%)			
	Construction & Materials 2.83% (3.79%)					Fixed Line Telecommunications 1.08% (1.67%)			
	12,155	Kingspan Group (EUR)	405	1.63		337,468	†CityFibre Infrastructure Holdings	268	1.08
	131,247	Melrose Industries	298	1.20		Total Telecommunications			
	General Industrials 4.14% (1.79%)					268 1.08			
	571,904	Coats Group	451	1.82					
	109,034	DS Smith	574	2.32		UTILITIES 0.00% (1.69%)			
	Electronic & Electrical Equipment 0.50% (1.81%)					Gas, Water & Multiutilities 0.00% (1.69%)			
	25,000	Dialight	125	0.50		Total Utilities			
	Industrial Engineering 2.97% (1.81%)					— —			
	12,796	Spirax-Sarco Engineering	735	2.97		FINANCIALS 23.69% (20.60%)			
	Support Services 5.57% (10.41%)					Banks 1.22% (1.46%)			
	88,150	Mears Group	287	1.16		15,000	Secure Trust Bank	303	1.22
	146,530	Rentokil Initial	456	1.84		Nonlife Insurance 2.09% (1.88%)			
	40,346	Ricardo	381	1.54		78,471	RSA Insurance Group	517	2.09
	32,404	†Smart Metering Systems	256	1.03		Life Insurance 11.97% (9.67%)			
	Total Industrials					338,152	Just Group	478	1.93
	3,968 16.01					320,206	Legal & General Group	868	3.50
CONSUMER GOODS	10.16% (11.02%)					85,379	Prudential	1,622	6.54
	Food Producers 1.34% (2.22%)					Financial Services 8.41% (7.59%)			
	87,294	†Hotel Chocolat Group	332	1.34		229,050	John Laing Group	645	2.60
	Household Goods & Home Construction 1.36% (3.11%)					17,637	London Stock Exchange Group	761	3.07
	94,001	Countryside Properties	336	1.36		387,538	Xafinity	678	2.74
	Personal Goods 7.46% (5.69%)					Total Financials			
	21,006	Burberry Group	385	1.55		5,872 23.69			
	35,628	Unilever	1,464	5.91					
	Total Consumer Goods					TECHNOLOGY 3.89% (7.15%)			
	2,517 10.16					Software & Computer Services 3.89% (7.15%)			
						34,613	FDM Group Holdings IPO	355	1.43
						33,590	Micro Focus International	427	1.72
HEALTH CARE	19.15% (16.86%)					4,922,011	†Shearwater Group	182	0.74
	Health Care Equipment & Services 1.94% (2.51%)					Total Technology			
	26,698	Smith & Nephew	372	1.50		964 3.89			
	470,000	†Totally (Suspended)	110	0.44		Total value of investments			
	Pharmaceuticals & Biotechnology 17.21% (14.35%)					24,196 97.64			
	21,447	AstraZeneca	1,099	4.44		Net other assets/(liabilities) (-0.23%)			
	67,476	BTG	461	1.86		585 2.36			
						Net assets			
						24,781 100.00			
April 2017 comparatives in brackets.									

Threadneedle UK Extended Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.15% (–0.08%)			
	Portfolio Swap 0.15% (-0.08%)		
	UBS Portfolio Swap	189	0.15
	Total Derivatives	189	0.15
<hr/>			
Total value of investments		125,902	98.65
Net other assets (5.65%)		1,719	1.35
Net assets		127,621	100.00

April 2017 comparatives in brackets.

[†]Alternative Investment Market.

Threadneedle UK Equity Alpha Income Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.16% (4.60%)				TELECOMMUNICATIONS 3.34% (2.99%)			
	Oil & Gas Producers 4.16% (4.60%)				Fixed Line Telecommunications 3.34% (2.99%)		
1,250,499	Royal Dutch Shell B Shares	32,357	4.16	10,340,247	BT Group	25,938	3.34
	Total Oil & Gas	32,357	4.16		Total Telecommunications	25,938	3.34
BASIC MATERIALS 2.36% (0.00%)				UTILITIES 5.99% (7.24%)			
	Chemicals 2.36% (0.00%)				Gas, Water & Multiutilities 5.99% (7.24%)		
551,831	Johnson Matthey	18,304	2.36	19,788,828	Centrica	30,584	3.93
	Total Basic Materials	18,304	2.36	2,280,480	Pennon Group	16,004	2.06
INDUSTRIALS 16.98% (23.70%)					Total Utilities	46,588	5.99
	Aerospace & Defence 3.66% (7.15%)			FINANCIALS 17.60% (13.46%)			
24,624,534	Cobham	28,441	3.66		Nonlife Insurance 4.87% (4.41%)		
	General Industrials 2.99% (3.32%)			5,746,609	RSA Insurance Group	37,882	4.87
1,453,288	Smiths Group	23,231	2.99		Life Insurance 8.13% (6.77%)		
	Industrial Engineering 1.32% (1.43%)			11,963,291	Legal & General Group	32,444	4.18
2,568,836	Castings	10,301	1.32	3,872,040	Phoenix Group Holdings	30,667	3.95
	Support Services 9.01% (11.80%)				Real Estate Investment Trusts 2.64% (2.28%)		
6,872,530	Electrocomponents	42,225	5.43	10,832,166	Londonmetric Property REIT	20,549	2.64
8,938,587	Rentokil Initial	27,808	3.58		Financial Services 1.96% (0.00%)		
	Total Industrials	132,006	16.98	14,492,790	Sherborne Investors Guernsey	15,217	1.96
CONSUMER GOODS 11.90% (12.71%)					Total Financials	136,759	17.60
	Food Producers 2.83% (3.97%)			TECHNOLOGY 2.77% (2.52%)			
3,768,889	Tate & Lyle	21,995	2.83		Technology Hardware & Equipment 2.77% (2.52%)		
	Personal Goods 3.08% (3.60%)			18,034,575	Spirent Communications	21,533	2.77
581,936	Unilever	23,918	3.08		Total Technology	21,533	2.77
	Tobacco 5.99% (5.14%)			Total value of investments			
1,773,177	Imperial Brands	46,572	5.99			774,148	99.61
	Total Consumer Goods	92,485	11.90	Net other assets (1.29%)			
HEALTH CARE 13.61% (12.19%)						3,050	0.39
	Pharmaceuticals & Biotechnology 13.61% (12.19%)			Net assets			
1,225,115	AstraZeneca	62,787	8.08			777,198	100.00
2,911,508	GlaxoSmithKline	42,991	5.53				
	Total Health Care	105,778	13.61				
CONSUMER SERVICES 20.90% (19.30%)				<i>April 2017 comparatives in brackets.</i>			
	Food & Drug Retailers 5.20% (4.86%)						
16,707,101	WM Morrison Supermarkets	40,448	5.20				
	General Retailers 3.51% (3.95%)						
9,431,890	Marks & Spencer Group	27,249	3.51				
	Media 7.37% (6.48%)						
15,561,085	ITV	23,559	3.03				
4,051,547	Pearson	33,701	4.34				
	Travel & Leisure 4.82% (4.01%)						
5,516,729	Restaurant Group	16,374	2.11				
13,419,530	Stagecoach Group	21,069	2.71				
	Total Consumer Services	162,400	20.90				

Threadneedle UK Absolute Alpha Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GOVERNMENT BONDS 19.95% (12.84%)					Media 7.96% (7.63%)				
		Government Bonds 19.95% (12.84%)							
GBP	61,000,000	United Kingdom Gilt 0% 08/05/2018	60,974	9.58		2,642,838	Ascential	11,010	1.73
GBP	6,100,000	United Kingdom Gilt 0% 29/05/2018	6,095	0.96		2,042,090	Informa	15,079	2.37
GBP	14,400,000	United Kingdom Gilt 0% 04/06/2018	14,393	2.26		5,389,763	ITV	8,160	1.28
GBP	45,500,000	United Kingdom Gilt 0% 11/06/2018	45,474	7.15		1,051,470	RELX	16,403	2.58
		Total Government Bonds	126,936	19.95					
OIL & GAS 2.37% (2.25%)							Travel & Leisure 2.45% (5.99%)		
		Oil & Gas Producers 2.37% (0.83%)				1,000,000	Compass Group	15,615	2.45
	581,903	Royal Dutch Shell B Shares	15,057	2.37			Total Consumer Services	84,066	13.21
		Oil Equipment, Services & Distribution 0.00% (1.42%)			FINANCIALS 18.97% (13.87%)				
		Total Oil & Gas	15,057	2.37			Banks 1.07% (2.18%)		
BASIC MATERIALS 7.09% (3.46%)						1,598,921	Barclays	3,331	0.52
		Chemicals 4.60% (3.46%)				478,914	HSBC Holdings	3,494	0.55
	5,101,168	Elementis	14,467	2.27			Life Insurance 8.25% (5.93%)		
	445,915	Johnson Matthey	14,791	2.33		7,109,057	Legal & General Group	19,280	3.03
		Mining 2.49% (0.00%)				1,044,745	Prudential	19,845	3.12
	397,022	Rio Tinto	15,865	2.49		1,167,824	St James's Place	13,325	2.10
		Total Basic Materials	45,123	7.09			Real Estate Investment Trusts 1.75% (0.00%)		
INDUSTRIALS 9.61% (8.36%)						350,000	Derwent London	11,155	1.75
		Construction & Materials 6.87% (4.04%)					Financial Services 7.90% (5.76%)		
	15,536,092	Breedon Aggregates	12,988	2.04		1,554,520	Intermediate Capital Group	16,991	2.67
	628,573	CRH (London Listing)	16,211	2.55		312,920	London Stock Exchange Group	13,503	2.12
	6,390,851	Melrose Industries	14,507	2.28		141,038	Schroders Non-voting	3,307	0.52
		General Industrials 2.74% (2.80%)				10,552,253	Sherborne Investors Guernsey	11,080	1.74
	3,310,477	DS Smith	17,440	2.74		1,134,270	Tullett Prebon	5,371	0.85
		Support Services 0.00% (1.52%)					Total Financials	120,682	18.97
		Total Industrials	61,146	9.61	TECHNOLOGY 1.80% (1.51%)				
CONSUMER GOODS 6.86% (8.12%)							Software & Computer Services 1.80% (1.51%)		
		Beverages 2.10% (2.01%)				1,799,749	Sage Group	11,482	1.80
	518,258	Diageo	13,368	2.10			Total Technology	11,482	1.80
		Household Goods & Home Construction 0.00% (1.88%)			COLLECTIVE INVESTMENT SCHEMES 7.87% (0.00%)				
		Personal Goods 1.54% (1.50%)					Liquidity Funds 7.87% (0.00%)		
	238,689	Unilever	9,810	1.54		50,076,038	BlackRock Institutional Cash Series		
		Tobacco 3.22% (2.73%)					Sterling Liquidity Platinum	50,076	7.87
	506,613	British American Tobacco	20,493	3.22			Total Collective Investment Schemes	50,076	7.87
		Total Consumer Goods	43,671	6.86	DERIVATIVES -1.05% (-0.26%)				
HEALTH CARE 2.52% (4.38%)							Futures and Options -0.42% (0.21%)		
		Health Care Equipment & Services 1.20% (1.04%)			GBP	(735)	UBS FTSE 100 Future Expiring June 2018	(2,679)	(0.42)
	548,021	Smith & Nephew	7,631	1.20			Forward Foreign Exchange Contracts 0.13% (-0.12%)		
		Pharmaceuticals & Biotechnology 1.32% (3.34%)					Sell GBP 182,689		
	215,065	Shire	8,425	1.32			Buy CHF 249,407 J.P. Morgan	1	—
		Total Health Care	16,056	2.52			Sell GBP 11,384,564		
CONSUMER SERVICES 13.21% (13.62%)							Buy EUR 12,987,256 J.P. Morgan	71	0.01
		Food & Drug Retailers 2.80% (0.00%)					Sell GBP 50,708,837		
	7,484,872	Tesco	17,799	2.80			Buy EUR 57,847,509 J.P. Morgan	315	0.05
							Sell GBP 75,768,466		
							Buy EUR 86,434,973 J.P. Morgan	471	0.07
							Sell EUR 2,414,906		
							Buy GBP 2,113,769 J.P. Morgan	(16)	—

Threadneedle UK Absolute Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -1.05% (-0.26%) (continued)			
	Sell EUR 25,061		
	Buy GBP 21,880 J.P. Morgan	—	—
	Sell EUR 25,451		
	Buy GBP 22,315 J.P. Morgan	—	—
	Sell EUR 3,761		
	Buy GBP 3,284 J.P. Morgan	—	—
	Sell EUR 40,511		
	Buy GBP 35,591 J.P. Morgan	—	—
	Sell EUR 4,653		
	Buy GBP 4,088 J.P. Morgan	—	—
	Sell EUR 56,415		
	Buy GBP 49,464 J.P. Morgan	(1)	—
	Sell USD 70,001		
	Buy GBP 50,107 J.P. Morgan	(1)	—
	Sell USD 100,000		
	Buy GBP 71,637 J.P. Morgan	(1)	—
	Sell GBP 317,356		
	Buy USD 443,822 J.P. Morgan	6	—
Portfolio Swap -0.76% (-0.35%)			
	UBS Portfolio Swap	(4,846)	(0.76)
	Total Derivatives	(6,680)	(1.05)
<hr/>			
Total value of investments		567,615	89.20
Net other assets (31.85%)		68,747	10.80
Net assets		636,362	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Net Asset Value
Fixed interest	126,936	22.36
Collective Investment Schemes	50,076	8.82
Derivatives	(6,680)	(1.18)
Equity	397,283	69.99
Total value of investments	567,615	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS FTSE 100 Future Expiring June 2018	(55,086)
Total net exposure	(55,086)

April 2017 comparatives in brackets.

*Alternative Investment Market.

Threadneedle Absolute Return Bond Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 6.09% (7.45%)					UNITED KINGDOM 58.39% (32.01%)				
		A- 0.00% (3.45%)					Aa1u 0.00% (20.13%)		
		BBB+ 6.09% (4.00%)					Aa2u 49.05% (0.00%)		
GBP	1,650,000	ENI Finance International 5% 27/01/2019	1,696	6.09	GBP	6,000,000	United Kingdom Gilt 1.25% 22/07/2018	6,010	21.59
		Total Belgium	1,696	6.09	GBP	5,000,000	United Kingdom Gilt 1.75% 22/07/2019	5,065	18.19
FRANCE 0.00% (3.43%)					GBP	2,500,000	United Kingdom Gilt 4.5% 07/03/2019	2,582	9.27
		BBB 0.00% (3.43%)					A 0.00% (3.46%)		
		Total France	—	—			BBB+ 3.79% (4.73%)		
GERMANY 0.00% (3.43%)					GBP	1,000,000	Rolls-Royce 6.75% 30/04/2019	1,055	3.79
		A 0.00% (3.43%)					BBB 5.55% (3.69%)		
		Total Germany	—	—	GBP	1,500,000	Imperial Brands 6.25% 04/12/2018	1,544	5.55
MEXICO 0.00% (3.63%)							Total United Kingdom	16,256	58.39
		BBB+ 0.00% (3.63%)			UNITED STATES OF AMERICA 0.00% (1.97%)				
		Total Mexico	—	—			AA- 0.00% (1.63%)		
NETHERLANDS 7.30% (8.15%)							BBB+ 0.00% (0.34%)		
		A+ 0.00% (3.46%)					Total United States of America	—	—
		BBB+ 7.30% (4.69%)			DERIVATIVES 1.07% (0.97%)				
GBP	2,000,000	Volkswagen Financial Services 2.625% 22/07/2019	2,031	7.30			Interest Rate Swaps 0.00% (-0.09%)		
		Total Netherlands	2,031	7.30			Futures and Options -0.22% (-0.11%)		
NEW ZEALAND 0.00% (3.42%)					EUR	(67)	UBS 3 Month EURO Euribor Future Expiring December 2019	—	—
		AA- 0.00% (3.42%)			AUD	126	UBS Australia 3 Year Bond Future Expiring June 2018	(7)	(0.02)
		Total New Zealand	—	—	EUR	(108)	UBS EURO-Bobl Future Expiring June 2018	(28)	(0.10)
NORWAY 0.00% (3.42%)					EUR	(26)	UBS EURO-Oat Future Expiring June 2018	(39)	(0.14)
		Aaa 0.00% (3.42%)			EUR	1	UBS EURO Bond Future Expiring June 2018	1	—
		Total Norway	—	—	EUR	12	UBS EURO Buxl 30 Year Future Expiring June 2018	30	0.11
RUSSIA 9.05% (13.88%)					USD	(3)	UBS US 2 Year Note Future Expiring June 2018	1	—
		Not Rated 9.05% (13.88%)			USD	48	UBS US 10 Year Note Future Expiring June 2018	(28)	(0.10)
RUB	212,445,000	Russian Federal Bond 7.5% 18/08/2021	2,521	9.05	USD	24	UBS US Ultra Bond Future Expiring June 2018	8	0.03
		Total Russia	2,521	9.05			Forward Foreign Exchange Contracts 1.29% (1.17%)		
SOUTH AFRICA 5.47% (0.00%)							Sell USD 12,135		
		BB+ 5.47% (0.00%)					Buy AUD 15,806 J.P. Morgan	—	—
ZAR	27,227,100	South Africa Government Bond 8.5% 31/01/2037	1,524	5.47			Sell USD 1,002,663		
		Total South Africa	1,524	5.47			Buy CAD 1,263,134 UBS	(15)	(0.05)
SOUTH KOREA 7.60% (6.84%)							Sell USD 1,048,994		
		AA 1.70% (5.29%)					Buy CAD 1,341,621 Goldman Sachs	(4)	(0.02)
USD	650,000	Export-Import Bank of Korea 2.88% 17/09/2018	473	1.70			Sell USD 182,288		
		Aa2 5.90% (1.55%)					Buy EUR 147,975 Bank of Scotland	(2)	(0.01)
GBP	1,000,000	Korea Development Bank 2% 20/12/2018	1,006	3.61			Sell SEK 34,397,629		
USD	875,000	Korea Midland Power 2.75% 11/02/2019	636	2.29			Buy EUR 3,332,643 Bank of Scotland	51	0.18
		Total South Korea	2,115	7.60			Sell USD 47,188		
SPAIN 0.00% (4.71%)							Buy EUR 38,508 HSBC	—	—
		BBB 0.00% (4.71%)					Sell NOK 958,599		
		Total Spain	—	—			Buy EUR 99,194 HSBC	—	—
							Sell EUR 4,658,364		
							Buy GBP 4,080,111 HSBC	(27)	(0.10)

Threadneedle Absolute Return Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 1.07% (0.97%) (continued)				ANALYSIS OF INVESTMENTS BY ASSET CLASS			
	Sell USD 8,006,565			Fixed interest		26,143	98.87
	Buy GBP 5,692,594 HSBC	(136)	(0.49)	Derivatives		299	1.13
	Sell SEK 17,248,631			Total value of investments		26,442	100.00
	Buy NOK 16,154,109 UBS	25	0.09	ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS			
	Sell USD 2,136,370				Value £000		
	Buy NOK 16,755,578 UBS	(28)	(0.10)	UBS 3 Month EURO Euribor Future Expiring December 2019	(14,759)		
	Sell USD 3,396,611			UBS Australia 3 Year Bond Future Expiring June 2018	7,685		
	Buy RUB 210,781,771 HSBC	(37)	(0.13)	UBS EURO-Bobl Future Expiring June 2018	(12,461)		
	Sell USD 6,112,843			UBS EURO-Oat Future Expiring June 2018	(3,520)		
	Buy SEK 51,211,848 J.P. Morgan	(151)	(0.55)	UBS EURO Bond Future Expiring June 2018	140		
	Sell GBP 74,850			UBS EURO Buxl 30 Year Future Expiring June 2018	1,727		
	Buy USD 106,409 Citigroup	3	0.01	UBS US 2 Year Note Future Expiring June 2018	(463)		
	Sell GBP 84,352			UBS US 10 Year Note Future Expiring June 2018	4,178		
	Buy USD 118,001 HSBC	2	0.01	UBS US Ultra Bond Future Expiring June 2018	2,730		
	Sell GBP 91,337			Total net exposure	(14,743)		
	Buy USD 128,103 Bank of Scotland	2	0.01	<i>April 2017 comparatives in brackets.</i>			
	Sell MXN 244,193						
	Buy USD 13,243 Goldman Sachs	—	—				
	Sell GBP 94,737						
	Buy USD 130,650 HSBC	—	—				
	Sell NOK 1,080,290						
	Buy USD 137,340 Goldman Sachs	2	0.01				
	Sell CHF 14,897						
	Buy USD 15,593 Barclays	—	—				
	Sell ZAR 31,900,005						
	Buy USD 2,662,639 Bank of Scotland	74	0.27				
	Sell GBP 196,725						
	Buy USD 276,688 J.P. Morgan	5	0.02				
	Sell CAD 49,524						
	Buy USD 38,619 HSBC	—	—				
	Sell GBP 3,102,276						
	Buy USD 4,456,852 J.P. Morgan	141	0.51				
	Sell NZD 8,620						
	Buy USD 6,272 J.P. Morgan	—	—				
	Sell RUB 433,989,077						
	Buy USD 7,489,802 UBS	438	1.57				
	Sell JPY 943,459						
	Buy USD 8,913 HSBC	—	—				
	Sell GBP 692,985						
	Buy USD 990,575 Bank of Scotland	28	0.10				
	Sell USD 445,688						
	Buy ZAR 5,382,064 Citigroup	(10)	(0.04)				
	Total Derivatives	299	1.07				
Total value of investments		26,442	94.97				
Net other assets (6.69%)		1,401	5.03				
Net assets		27,843	100.00				

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 2.47% (3.12%)					BBB- 0.15% (0.00%)				
		A 0.39% (1.35%)			GBP	340,000	Thames Water Utilities 2.875% 03/05/2027	327	0.15
GBP	710,000	BHP Billiton Finance 4.3% 25/09/2042	879	0.39					
		A- 0.53% (0.16%)					BB- 0.00% (0.20%)		
USD	1,721,000	SGSP Australia Assets 3.25% 29/07/2026	1,182	0.53	USD	681,000	B 0.19% (0.00%) Noble Holding International 6.95% 01/04/2045	425	0.19
GBP	743,000	BBB+ 0.33% (0.37%) Westfield America Management 2.625% 30/03/2029	732	0.33			Total Cayman Islands	7,516	3.35
		BBB 0.82% (0.84%)			DENMARK 0.00% (0.64%)				
GBP	1,807,000	APT Pipelines 3.5% 22/03/2030	1,853	0.82			BBB+ 0.00% (0.52%)		
		BBB- 0.40% (0.40%)					BBB- 0.00% (0.12%)		
GBP	801,000	Asciano Finance 5% 19/09/2023	891	0.40			Total Denmark	—	—
		Total Australia	5,537	2.47	FRANCE 3.97% (4.20%)				
AUSTRIA 0.21% (0.54%)							A- 2.15% (2.51%)		
		Baa2 0.21% (0.54%)			GBP	1,500,000	Electricite de France 5.125% 22/09/2050	1,862	0.83
EUR	400,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	469	0.21	GBP	1,300,000	Electricite de France 5.5% 17/10/2041	1,651	0.73
		Total Austria	469	0.21	GBP	1,000,000	Electricite de France 6.125% 02/06/2034	1,335	0.59
BELGIUM 0.89% (0.00%)							BBB+ 1.02% (0.73%)		
		A- 0.89% (0.00%)			GBP	368,000	*AXA FRN 16/01/2054	412	0.18
GBP	2,080,000	Anheuser-Busch 2.25% 24/05/2029	1,989	0.89	GBP	300,000	Orange 5.375% 22/11/2050	421	0.19
		Total Belgium	1,989	0.89	GBP	280,000	Orange 5.625% 23/01/2034	372	0.17
BRITISH VIRGIN ISLANDS 0.10% (0.77%)					GBP	717,000	Orange 8.125% 20/11/2028	1,071	0.48
		BBB 0.10% (0.77%)					BBB 0.37% (0.46%)		
GBP	200,000	Global Switch Holdings 4.375% 13/12/2022	221	0.10	GBP	700,000	BPCE 5.25% 16/04/2029	823	0.37
		Total British Virgin Islands	221	0.10			B+ 0.00% (0.22%)		
CAYMAN ISLANDS 3.35% (3.18%)					EUR	526,000	B 0.21% (0.00%) Numericable-SFR 5.625% 15/05/2024	479	0.21
		AA+ 0.35% (0.32%)					Not Rated 0.22% (0.28%)		
GBP	850,000	*Trafford Centre Finance FRN 28/07/2035 A3	779	0.35	GBP	433,000	*Credit Agricole 7.5% 31/12/2049	499	0.22
		A 0.55% (0.59%)					Total France	8,925	3.97
GBP	942,000	Dwr Cymru Financing 6.015% 31/03/2028	1,242	0.55	GERMANY 3.01% (2.37%)				
		A- 0.19% (1.52%)					AAA 2.45% (2.37%)		
GBP	301,000	Yorkshire Power Finance Cayman Islands 7.25% 04/08/2028	422	0.19	GBP	3,720,000	KFW 5% 09/06/2036	5,501	2.45
		BBB+ 1.92% (0.00%)					BB+ 0.31% (0.00%)		
GBP	1,167,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	1,105	0.49	EUR	800,000	ADLER Real Estate 3% 27/04/2026	702	0.31
GBP	2,240,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	2,365	1.05			BB- 0.25% (0.00%)		
GBP	775,000	Thames Water Utilities Cayman Finance 4% 19/06/2025	851	0.38	EUR	600,000	Unitymedia NRW 3.5% 15/01/2027	560	0.25
		BBB 0.00% (0.32%)					Total Germany	6,763	3.01
		Baa3 0.00% (0.23%)			GUERNSEY 0.64% (0.87%)				
							BBB+ 0.64% (0.87%)		
					GBP	1,420,000	Credit Suisse Group Funding 2.75% 08/08/2025	1,433	0.64
							Total Guernsey	1,433	0.64

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
JERSEY 2.15% (2.95%)					NORWAY 0.11% (0.40%)				
		A- 1.19% (1.27%)					A+ 0.00% (0.40%)		
GBP	310,000	Heathrow Funding 2.75% 09/08/2049	279	0.12			A3 0.11% (0.00%)		
GBP	150,000	Heathrow Funding 4.625% 31/10/2046	186	0.08	GBP	215,000	WHG Treasury 4.25% 06/10/2045	251	0.11
GBP	1,578,000	Heathrow Funding 5.875% 13/05/2041	2,233	0.99			Total Norway	251	0.11
		BBB+ 0.72% (0.90%)			REPUBLIC OF IRELAND 1.15% (0.95%)				
GBP	170,000	Gatwick Funding 5.25% 23/01/2024	196	0.09			A 0.93% (0.00%)		
GBP	544,000	Gatwick Funding 3.125% 28/09/2039	533	0.24	GBP	1,600,000	GE Capital UK Funding 5.875% 18/01/2033	2,089	0.93
GBP	880,000	Gatwick Funding 3.25% 26/02/2048	873	0.39			AA- 0.00% (0.95%)		
		BBB 0.24% (0.78%)					Not Rated 0.22% (0.00%)		
GBP	419,000	*HSBC Bank Capital Funding Sterling 1 5.844% 29/11/2049	530	0.24	GBP	435,000	PGH Capital 6.625% 28/12/2025	502	0.22
		Total Jersey	4,830	2.15			Total Republic of Ireland	2,591	1.15
LUXEMBOURG 0.23% (0.65%)					SINGAPORE 0.68% (0.77%)				
		BBB 0.00% (0.65%)					AAA 0.68% (0.77%)		
GBP	500,000	Gaz Capital 4.25% 06/04/2024	513	0.23	GBP	1,040,000	Temasek Financial 5.125% 26/07/2040	1,518	0.68
		Total Luxembourg	513	0.23			Total Singapore	1,518	0.68
MEXICO 1.71% (1.22%)					SPAIN 0.69% (0.50%)				
		A- 0.69% (0.61%)					BBB 0.69% (0.50%)		
GBP	1,306,000	America Movil 5% 27/10/2026	1,547	0.69	GBP	1,314,000	Telefonica Emisiones 5.375% 02/02/2026	1,559	0.69
		BBB+ 1.02% (0.61%)					Total Spain	1,559	0.69
GBP	990,000	Petroleos Mexicanos 3.75% 16/11/2025	970	0.43	SUPRANATIONAL 2.36% (1.57%)				
GBP	1,256,000	United Mexican States 5.625% 19/03/2114	1,332	0.59			AAA 1.24% (1.57%)		
		Total Mexico	3,849	1.71	GBP	443,000	European Investment Bank 0% 07/12/2028	363	0.16
NETHERLANDS 4.14% (5.07%)					GBP	1,871,000	European Investment Bank 3.875% 08/06/2037	2,418	1.08
		AAA 0.44% (0.57%)					Aaa 1.12% (0.00%)		
GBP	750,000	Bank Nederlandse Gemeenten 5.2% 07/12/2028	977	0.44	GBP	2,645,000	European Investment Bank 1% 21/09/2026	2,512	1.12
		AA- 0.24% (0.25%)					Total Supranational	5,293	2.36
GBP	500,000	Deutsche Bahn Finance 3.125% 24/07/2026	546	0.24	SWEDEN 0.83% (0.22%)				
		BBB+ 0.76% (0.56%)					BBB+ 0.00% (0.22%)		
GBP	870,000	Deutsche Telekom 2.25% 13/04/2029	829	0.37			BBB 0.83% (0.00%)		
GBP	641,000	Enel Finance International 5.75% 14/09/2040	864	0.39	GBP	1,925,000	Akelius Residential 2.375% 15/08/2025	1,860	0.83
		BBB 2.70% (1.21%)					Total Sweden	1,860	0.83
GBP	630,000	E.ON International Finance 6.375% 07/06/2032	862	0.39	SWITZERLAND 0.94% (0.79%)				
USD	1,090,000	E.ON International Finance 6.65% 30/04/2038	994	0.44			BBB+ 0.81% (0.55%)		
GBP	700,000	E.ON International Finance 6.75% 27/01/2039	1,061	0.47	GBP	670,000	*Credit Suisse 2.125% 12/09/2025	653	0.29
GBP	400,000	Innogy Finance 6.125% 06/07/2039	569	0.25	USD	610,000	*Credit Suisse Group 3.869% 12/01/2029	421	0.18
GBP	1,958,000	Innogy Finance 6.25% 03/06/2030	2,584	1.15	USD	1,023,000	UBS 5.125% 15/05/2024	759	0.34
		BBB- 0.00% (2.48%)					BB+ 0.13% (0.24%)		
		Total Netherlands	9,286	4.14	USD	370,000	*UBS Group 7% 29/12/2049	288	0.13
							Total Switzerland	2,121	0.94

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of
	Holding	Investment	£000	Net Asset Value		Holding	Investment	Net Asset Value
UNITED KINGDOM 54.99% (52.73%)					A+ 3.06% (1.77%)			
		AAA 3.33% (5.80%)			GBP	959,000	Aster Treasury 4.5% 18/12/2043	1,197 0.53
GBP	425,000	Broadgate Financing 4.821% 05/07/2033	548	0.24	GBP	820,000	BG Energy Capital 5% 04/11/2036	1,087 0.48
GBP	615,000	Broadgate Financing 4.949% 05/04/2029	450	0.20	GBP	630,000	Bromford Housing Group 3.125% 03/05/2048	622 0.28
GBP	2,060,000	Meadowhall Finance 4.986% 12/01/2032	1,893	0.84	GBP	196,000	Cambridgeshire Housing Capital 4.25% 15/09/2045	233 0.10
GBP	1,790,000	Santander UK 5.25% 16/02/2029	2,310	1.03	GBP	250,000	Catalyst Housing 3.125% 31/10/2047	248 0.11
GBP	1,355,000	Wellcome Trust Finance 4.625% 25/07/2036	1,807	0.80	GBP	325,000	London & Quadrant 3.125% 28/02/2053	323 0.14
GBP	505,000	Wellcome Trust Finance 2.517% 07/02/2118	488	0.22	GBP	607,000	Motability Operations Group 2.375% 14/03/2032	584 0.26
		Aaa 2.36% (0.00%)			GBP	620,000	Motability Operations Group 4.375% 08/02/2027	719 0.32
GBP	1,325,000	Clydesdale Bank 4.625% 08/06/2026	1,586	0.71	GBP	670,000	Notting Hill Housing Trust 3.25% 12/10/2048	658 0.29
GBP	1,871,000	Lloyds Bank 4.875% 30/03/2027	2,302	1.03	GBP	710,000	QHT 4% 20/07/2049	647 0.29
GBP	504,000	Lloyds Bank 6% 08/02/2029	686	0.31	GBP	530,000	White City Property 5.1202% 17/04/2035	586 0.26
GBP	210,000	University of Cambridge 3.75% 17/10/2052	281	0.13			A1 0.00% (0.35%)	
GBP	405,000	University of Oxford 2.544% 08/12/2117	400	0.18			A 3.46% (4.40%)	
		Aa1 0.00% (0.18%)			GBP	2,300,000	BL Superstore Finance 5.27% 04/07/2025	615 0.27
		Aa1u 0.00% (4.80%)			GBP	1,905,000	Canary Wharf Finance II 6.455% 22/04/2030	550 0.24
		AA 4.99% (5.41%)			GBP	1,578,000	*HSBC Holdings 2.256% 13/11/2026	1,535 0.68
GBP	2,179,000	Integrated Accommodation Services 6.48% 31/03/2029	1,696	0.76	GBP	870,000	HSBC Holdings 2.625% 16/08/2028	855 0.38
GBP	655,000	Land Securities Capital Markets 2.399% 08/02/2029	652	0.29	GBP	95,000	Legal & General Finance 5.875% 05/04/2033	127 0.06
GBP	485,000	Land Securities Capital Markets 2.375% 29/03/2029	486	0.22	GBP	420,000	Lloyds Bank 6.5% 17/09/2040	640 0.29
GBP	1,000,000	Land Securities Capital Markets 2.75% 22/09/2057	979	0.44	GBP	1,430,000	Longstone Finance 4.791% 19/04/2030	1,018 0.45
GBP	1,897,000	LCR Finance 4.5% 07/12/2028	2,383	1.06	GBP	1,150,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	1,174 0.52
GBP	1,741,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	2,447	1.09	GBP	365,000	Penarian Housing 3.212% 07/06/2052	358 0.16
GBP	1,170,000	Octagon Healthcare Funding 5.333% 31/12/2035	1,204	0.54	GBP	835,000	UNITE USAF II 3.921% 30/06/2025	924 0.41
GBP	216,000	Southern Gas Networks 4.875% 21/03/2029	259	0.12			A2 0.50% (0.64%)	
GBP	1,062,000	Telereal Securitisation 5.9478% 10/12/2031	1,050	0.47	GBP	360,000	Optivo Finance 3.283% 22/03/2048	364 0.16
		Aa2 0.17% (0.75%)			GBP	727,000	Orbit Capital 3.5% 24/03/2045	761 0.34
GBP	305,000	Merseylink 3.842% 31/03/2043	388	0.17			A- 4.28% (3.43%)	
		Aa2u 3.84% (0.00%)			GBP	930,000	Anglian Water Services Financing 1.625% 10/08/2025	895 0.40
GBP	760,000	United Kingdom Gilt 1.5% 22/07/2047	700	0.31	GBP	703,000	Aspire Defence Finance 4.674% 31/03/2040 'B'	789 0.35
GBP	1,125,000	United Kingdom Gilt 1.75% 07/09/2037	1,111	0.49	GBP	230,000	Greene King Finance 4.0643% 15/03/2035	226 0.10
GBP	861,000	United Kingdom Gilt 3.25% 22/01/2044	1,103	0.49	GBP	250,000	HSBC Bank 4.75% 24/03/2046	304 0.14
GBP	1,735,000	United Kingdom Gilt 3.5% 22/01/2045	2,326	1.04	GBP	520,000	HSBC Bank 5.375% 22/08/2033	644 0.29
GBP	1,404,109	United Kingdom Gilt 3.5% 22/07/2068	2,286	1.02	GBP	500,000	*HSBC Bank 5.375% FRN 04/11/2030	581 0.26
GBP	820,000	United Kingdom Gilt 4.75% 07/12/2030	1,110	0.49	GBP	1,468,000	Mitchells & Butlers Finance 5.574% 15/12/2030	759 0.34
		AA- 0.87% (0.92%)			GBP	380,000	Southern Electric Power Distribution 4.625% 20/02/2037	462 0.21
GBP	1,887,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,963	0.87	GBP	95,000	*Standard Life Aberdeen 6.75% 29/07/2049	120 0.05
		Aa3 0.57% (0.00%)			GBP	750,000	United Utilities Water 5.625% 20/12/2027	949 0.42
GBP	350,000	University of Leeds 3.125% 19/12/2050	384	0.17	GBP	1,890,000	Western Power Distribution 2.375% 16/05/2029	1,817 0.81
GBP	398,000	University of Liverpool 3.375% 25/06/2055	474	0.21	GBP	200,000	Western Power Distribution East Midlands 6.25% 10/12/2040	297 0.13
GBP	473,000	University of Southampton 2.25% 11/04/2057	433	0.19	GBP	1,350,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,758 0.78

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 54.99% (52.73%) (continued)					BBB 5.54% (3.77%)				
		A3 1.00% (0.19%)			GBP	510,000	Anglian Water Services Financing 2.625% 15/06/2027	489	0.22
GBP	521,000	Circle Anglia Social Housing 5.2% 02/03/2044	708	0.32	GBP	550,000	Annington Funding 3.685% 12/07/2034	563	0.25
GBP	585,000	Clarion Housing Group 3.125% 19/04/2048	579	0.26	GBP	1,195,000	Annington Funding 3.935% 12/07/2047	1,247	0.56
GBP	150,000	Paragon Treasury 3.625% 21/01/2047	159	0.07	GBP	1,329,000	*Aviva 6.875% 20/05/2058	1,716	0.76
GBP	595,000	Peabody Capital 4.625% 12/12/2053	790	0.35	GBP	2,436,000	Barclays 3.25% 17/01/2033	2,310	1.03
		BBB+ 11.56% (12.08%)			GBP	1,771,000	Imperial Brands Finance 5.5% 28/09/2026	2,107	0.94
GBP	530,000	BAT International Finance 2.25% 09/09/2052	410	0.18	GBP	755,000	Lloyds Bank 7.625% 22/04/2025	982	0.44
GBP	740,000	BAT International Finance 6% 24/11/2034	1,001	0.45	GBP	440,000	*NGG Finance 5.625% 18/06/2073	490	0.22
GBP	830,000	Brit 3.625% 21/11/2047	831	0.37	GBP	1,154,000	RMPA Services 5.337% 30/09/2038	1,122	0.50
GBP	2,790,000	Bunzl Finance 2.25% 11/06/2025	2,737	1.22	GBP	950,000	*Santander UK Group Holdings Variable 08/05/2026	952	0.42
GBP	1,160,000	Cadent Finance 2.625% 22/09/2038	1,066	0.47			Sky 4% 26/11/2029	452	0.20
GBP	1,765,000	Cadent Finance 2.75% 22/09/2046	1,604	0.71	Baa2 2.70% (1.11%)				
GBP	525,000	Centrica 4.375% 13/03/2029	595	0.27	GBP	2,625,000	Bupa Finance 5% 08/12/2026	2,926	1.30
GBP	480,000	CRH Finance UK 4.125% 02/12/2029	539	0.24	GBP	875,000	Eversholt Funding 3.529% 07/08/2042	860	0.38
GBP	457,000	Eastern Power Network 6.25% 12/11/2036	661	0.29	GBP	570,000	Eversholt Funding 6.697% 22/02/2035	739	0.33
GBP	835,000	HSBC Holdings 6% 29/03/2040	1,100	0.49	GBP	968,000	WM Morrison Supermarkets 4.625% 08/12/2023	1,081	0.48
GBP	400,000	HSBC Holdings 6.75% 11/09/2028	518	0.23	GBP	410,000	WM Morrison Supermarkets 4.75% 04/07/2029	469	0.21
GBP	1,540,000	*Legal & General Group 5.5% 27/06/2064	1,706	0.76			BBB- 2.54% (1.81%)		
GBP	806,000	*Legal & General Variable 27/10/2045	890	0.40	GBP	896,000	*CYBG 4% 22/06/2025	890	0.40
GBP	312,000	London Power Networks 6.125% 07/06/2027	398	0.18	GBP	1,065,000	DS Smith 2.875% 26/07/2029	1,030	0.46
GBP	720,000	Northern Gas Networks Finance 4.875% 15/11/2035	909	0.41	GBP	1,312,000	GKN Holdings 3.375% 12/05/2032	1,334	0.59
GBP	905,000	Northumbrian Water Finance 1.625% 11/10/2026	842	0.38	GBP	240,000	Marks & Spencer 4.75% 12/06/2025	262	0.12
GBP	565,000	Northumbrian Water Finance 2.375% 05/10/2027	549	0.24	GBP	1,605,000	*Royal Bank of Scotlnd 2.875% 19/09/2026	1,597	0.71
GBP	550,000	*Prudential 5.7% 19/12/2063	633	0.28	GBP	546,000	Standard Chartered 5.125% 06/06/2034	584	0.26
GBP	530,000	Royal Bank of Scotland 7.5% 29/04/2024	674	0.30			Baa3 0.00% (0.79%)		
GBP	450,000	Scottish Widows 7% 16/06/2043	580	0.26	GBP	570,000	Delamare Finance 5.5457% 29/02/2029	575	0.26
GBP	650,000	Severn Trent Utilities Finance 2.75% 05/12/2031	641	0.29	GBP	800,000	Tesco Property Finance 1 7.6227% 13/07/2039	967	0.43
GBP	790,000	Severn Trent Utilities Finance 3.625% 16/01/2026	849	0.38	GBP	633,000	Tesco Property Finance 6 5.4111% 13/07/2044	703	0.31
GBP	682,000	Severn Trent Utilities Finance 4.875% 24/01/2042	881	0.39			BB- 0.71% (0.79%)		
GBP	1,497,000	South Eastern Power Networks 6.375% 12/11/2031	2,070	0.92	GBP	922,000	*Lloyds Banking Group Perpetual 7.875% 29/12/2049	1,115	0.50
GBP	678,000	Southern Gas Networks 3.1% 15/09/2036	679	0.30	GBP	490,000	Virgin Media 4.875% 15/01/2027	481	0.21
GBP	895,000	Standard Chartered 4.375% 18/01/2038	973	0.43			B+ 0.00% (0.36%)		
GBP	300,000	*Standard Life Aberdeen 5.5% 04/12/2042	336	0.15			B 0.00% (0.36%)		
GBP	850,000	Telereal Securitisation 6.1645% 10/12/2031	963	0.43			Not Rated 1.67% (0.78%)		
GBP	300,000	Western Power Distribution 3.625% 06/11/2023	317	0.14	GBP	270,000	British Land 5.264% 24/09/2035	341	0.15
		Baa1 0.84% (0.78%)			GBP	2,050,000	Newriver REIT 3.5% 07/03/2028	2,041	0.91
GBP	687,000	Bupa Finance 2% 05/04/2024	678	0.30	GBP	390,000	Prudential 5.875% 11/05/2029	506	0.23
GBP	1,315,000	Vodafone Group 3.375% 08/08/2049	1,205	0.54	GBP	880,000	Segro 2.875% 11/10/2037	853	0.38
							Total United Kingdom	123,466	54.99
					UNITED STATES OF AMERICA 12.32% (12.66%)				
							AA+ 0.15% (0.14%)		
					GBP	342,971	*SLM Student Loan Trusts FRN 15/12/2039	329	0.15

(continued)

April 2017 comparatives in brackets.
*Variable rate bonds.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FRANCE 3.71% (2.22%) (continued)					INDIA 0.16% (0.00%)				
GBP	12,300,000	Banque Fédérative du Crédit Mutuel 1.375% 20/12/2021	12,246	1.07	USD	2,500,000	BBB- 0.16% (0.00%) Adani Ports and Special Economic Zone 3.95% 19/01/2022	1,795	0.16
		BBB+ 0.48% (0.53%)					Total India	1,795	0.16
USD	3,020,000	*BPCE FRN 22/05/2022	2,236	0.20	ITALY 0.29% (0.27%)				
GBP	2,200,000	*CNP Assurances 7.375% 30/09/2041	2,515	0.22			Baa3 0.05% (0.05%)		
GBP	575,000	Orange 7.25% 10/11/2020	657	0.06	GBP	561,000	Acquedotto Pugliese 6.92% 29/06/2018	568	0.05
		BBB 0.53% (0.48%)					BB+ 0.00% (0.22%)		
GBP	2,435,000	*AXA 6.772% 29/10/2049	2,581	0.23			Ba1 0.24% (0.00%)		
GBP	1,400,000	*Engie 4.625% 10/01/2049	1,425	0.12	GBP	2,500,000	*Assicurazioni Generali 6.416% 29/12/2049	2,689	0.24
GBP	2,100,000	RCI Banque 1.875% 08/11/2022	2,104	0.18			Total Italy	3,257	0.29
		BBB- 0.32% (0.26%)			JAPAN 0.33% (0.15%)				
GBP	3,250,000	*Orange 5.875% 29/12/49	3,600	0.32			AA- 0.00% (0.15%)		
		Ba2 0.13% (0.00%)					BB+ 0.33% (0.00%)		
EUR	1,700,000	Elis 1.875% 15/02/2023	1,495	0.13	USD	5,000,000	SoftBank Group 4.5% 15/04/2020	3,737	0.33
		B+ 0.00% (0.14%)					Total Japan	3,737	0.33
		B 0.29% (0.00%)			JERSEY 2.37% (2.72%)				
EUR	3,675,000	SFR Group 5.375% 15/05/2022	3,314	0.29			A+ 0.00% (0.28%)		
		Total France	42,344	3.71			A- 0.32% (0.44%)		
GERMANY 5.04% (5.25%)					GBP	2,839,000	Heathrow Funding 5.225% 15/02/2023	3,274	0.29
		AAA 2.13% (2.70%)			GBP	253,000	Heathrow Funding 9.2% 29/03/2021	307	0.03
GBP	14,700,000	FMS Wertmanagement 0.875% 14/02/2022	14,530	1.27			BBB 1.75% (1.71%)		
GBP	10,000,000	KFW 1% 15/12/2022	9,869	0.86	GBP	10,595,000	CPUK Finance 2.666% 28/02/2020	10,764	0.94
		A 0.94% (1.20%)			GBP	2,715,000	Heathrow Funding 6% 20/03/2020	2,942	0.26
GBP	6,215,000	Daimler 1.5% 13/01/2022	6,206	0.54	GBP	1,615,000	Heathrow Funding 6.25% 10/09/2018	1,643	0.14
GBP	1,541,000	*Munich Re 7.625% 21/06/2028	1,554	0.14	GBP	4,542,000	Porterbrook Rail Finance 5.5% 20/04/2019	4,718	0.41
GBP	2,500,000	*Munich Rueckversicherungs 6.625% 26/05/2042	2,905	0.26			BBB- 0.30% (0.29%)		
		BBB- 0.48% (0.81%)			GBP	440,000	AA Bond 2.875% 31/01/2022	434	0.04
GBP	5,500,000	Deutsche Bank 1.875% 28/02/2020	5,486	0.48	GBP	2,945,000	AA Bond 4.2487% 31/07/2020	3,041	0.26
		BB+ 1.16% (0.00%)					Total Jersey	27,123	2.37
EUR	2,240,000	ADLER Real Estate 1.5% 06/12/2021	1,979	0.17	KAZAKHSTAN 0.51% (0.00%)				
EUR	13,100,000	ADLER Real Estate 1.875% 27/04/2023	11,336	0.99			BB- 0.51% (0.00%)		
		BB- 0.33% (0.54%)			USD	7,500,000	JSC Kazmunayg 7% 05/05/2020	5,836	0.51
EUR	1,642,000	IHO Verwaltungs PIK 2.75% 15/09/2021	1,473	0.13			Total Kazakhstan	5,836	0.51
EUR	2,400,000	Unitymedia Hessen 4% 15/01/2025	2,238	0.20	LUXEMBOURG 2.51% (0.57%)				
		Total Germany	57,576	5.04			BBB+ 0.00% (0.25%)		
GUERNSEY 1.07% (0.67%)							BBB 0.74% (0.22%)		
		BBB+ 1.07% (0.67%)			GBP	1,700,000	Glencore Finance 6.5% 27/01/2019	1,770	0.15
GBP	11,796,000	Credit Suisse 3% 27/05/2022	12,222	1.07	GBP	5,861,000	Glencore Finance Europe 6% 03/04/2022	6,689	0.59
		Total Guernsey	12,222	1.07			Baa2 0.54% (0.00%)		
ICELAND 0.67% (0.62%)					EUR	7,000,000	SELP Finance 1.25% 25/10/2023	6,161	0.54
		BBB+ 0.67% (0.00%)							
EUR	8,412,000	Arion Bank 1.625% 01/12/2021	7,664	0.67					
		BBB 0.00% (0.62%)							
		Total Iceland	7,664	0.67					

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
LUXEMBOURG 2.51% (0.57%) (continued)					NEW ZEALAND 0.21% (0.26%)				
		BBB- 1.23% (0.00%)					AA- 0.21% (0.26%)		
EUR	8,480,000	Bevco 1.75% 09/02/2023	7,476	0.65	GBP	2,450,000	ASB Finance 1% 07/09/2020	2,423	0.21
GBP	5,100,000	Gaz Capital 5.338% 25/09/2020	5,354	0.47			Total New Zealand	2,423	0.21
EUR	1,400,000	*Grand City Properties Variable 24/10/2166	1,213	0.11					
		B 0.00% (0.10%)			NORWAY 0.60% (0.92%)				
		Total Luxembourg	28,663	2.51	USD	9,300,000	*DNB Bank FRN 02/06/2021	6,900	0.60
MEXICO 0.94% (0.46%)							BBB+ 0.00% (0.05%)		
		BBB+ 0.56% (0.00%)					Total Norway	6,900	0.60
GBP	5,263,000	Petroleos Mexicanos 8.25% 02/06/2022	6,399	0.56	PORTUGAL 0.02% (0.03%)				
		BBB 0.38% (0.27%)					Not Rated 0.02% (0.03%)		
GBP	3,995,000	*America Movil 6.375% 06/09/2073	4,343	0.38	EUR	1,100,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	271	0.02
		Baa2 0.00% (0.19%)					Total Portugal	271	0.02
		Total Mexico	10,742	0.94	REPUBLIC OF IRELAND 1.84% (1.92%)				
NETHERLANDS 7.69% (8.79%)							AA- 0.00% (1.25%)		
		AAA 0.00% (3.26%)					A 0.94% (0.00%)		
		A+ 1.34% (0.43%)			GBP	7,960,000	GE Capital UK Funding 4.375% 31/07/2019	8,240	0.72
USD	21,000,000	*Co-operative Rabobank FRN 10/01/2023	15,291	1.34	GBP	2,266,000	GE Capital UK Funding 5.875% 04/11/2020	2,497	0.22
		A 0.89% (0.00%)					BBB 0.49% (0.00%)		
GBP	3,300,000	ABN AMRO Bank 1% 30/06/2020	3,275	0.29	GBP	5,670,000	FCA Capital Ireland 1.625% 29/09/2021	5,616	0.49
GBP	7,000,000	ABN AMRO Bank 1.375% 07/06/2022	6,904	0.60			BBB- 0.00% (0.49%)		
		BBB+ 2.19% (1.92%)					BB- 0.08% (0.10%)		
GBP	5,200,000	Deutsche Telekom 6.5% 08/04/2022	6,153	0.54	EUR	950,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	929	0.08
GBP	8,672,000	*ING Bank 6.875% 29/05/2023	8,707	0.76			Not Rated 0.33% (0.08%)		
GBP	1,470,000	PostNL 7.5% 14/08/2018	1,496	0.13	GBP	3,635,000	PGH Capital 4.125% 20/07/2022	3,781	0.33
GBP	2,225,000	Volkswagen Finance 1.5% 12/04/2021	2,211	0.19			Total Republic of Ireland	21,063	1.84
GBP	6,500,000	Volkswagen Finance 1.75% 12/09/2022	6,454	0.57					
		BBB 1.78% (0.79%)			SINGAPORE 0.21% (0.22%)				
GBP	3,550,000	E.ON International Finance 6% 30/10/2019	3,795	0.33			AAA 0.21% (0.22%)		
EUR	3,050,000	*Eneco Holding 3.25% 29/12/2049	2,873	0.25	GBP	2,150,000	Temasek Financial I 4.625% 26/07/2022	2,422	0.21
GBP	2,500,000	Innogy Finance 5.5% 06/07/2022	2,872	0.25			Total Singapore	2,422	0.21
GBP	1,428,000	Innogy Finance 5.625% 06/12/2023	1,692	0.15					
GBP	8,047,000	Innogy Finance 6.5% 20/04/2021	9,176	0.80					
		BBB- 0.66% (1.78%)			SOUTH KOREA 0.31% (0.43%)				
USD	8,020,000	Syngenta Finance 4.441% 24/04/2023	5,835	0.51			AA 0.19% (0.26%)		
EUR	1,800,000	*Vonovia Finance 4% 29/12/2049	1,716	0.15	USD	1,790,000	*Export-Import Bank of Korea FRN 21/10/2019	1,302	0.12
		BB+ 0.07% (0.40%)			USD	1,080,000	*Korea Development Bank FRN 27/02/2020	785	0.07
EUR	857,000	Schaeffler Holding Finance 2.5% 15/05/2020	761	0.07			Aa2 0.12% (0.17%)		
		BB 0.44% (0.00%)			GBP	1,400,000	Korea Development Bank 2% 20/12/2018	1,408	0.12
USD	4,100,000	Teva Pharmaceutical 1.7% 19/07/2019	2,902	0.25			Total South Korea	3,495	0.31
EUR	2,564,000	Teva Pharmaceutical Finance 0.375% 25/07/2020	2,193	0.19					
		B 0.32% (0.21%)							
EUR	3,800,000	LGE HoldCo VI 7.125% 15/05/2024	3,615	0.32					
		Total Netherlands	87,921	7.69					

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
SPAIN 0.50% (1.01%)					A 1.82% (0.72%)				
		BBB 0.50% (0.95%)			GBP	2,126,000	Abbey National Treasury Services 1.875% 17/02/2020	2,142	0.19
GBP	5,300,000	Telefonica Emisiones 5.597% 12/03/2020	5,699	0.50	USD	5,060,000	*HSBC Holdings 3.033% 22/11/2023	3,577	0.31
		BB 0.00% (0.06%)			USD	3,000,000	*HSBC Holdings FRN 25/05/2021	2,264	0.20
		Total Spain	5,699	0.50	GBP	125,000	Northern Electric Finance 8.875% 16/10/2020	147	0.01
SUPRANATIONAL 0.88% (1.09%)					GBP	7,300,000	Santander UK 1.625% 10/05/2021	7,303	0.64
		AAA 0.88% (0.18%)			GBP	5,000,000	Unite USAF II 3.374% 30/06/2023	5,318	0.47
GBP	10,250,000	Nordic Investment 1.125% 15/12/2023	10,102	0.88	A2u 0.20% (0.00%)				
		Aaa 0.00% (0.91%)			GBP	2,175,000	Northern Rock 6.375% 02/12/2019	2,319	0.20
		Total Supranational	10,102	0.88	A- 3.02% (2.50%)				
SWEDEN 2.09% (2.71%)					GBP	3,534,000	Experian Finance 3.5% 15/10/2021	3,748	0.33
		AAA 0.63% (1.10%)			GBP	1,278,000	Experian Finance 4.75% 23/11/2018	1,304	0.11
GBP	7,230,000	Swedbank 1.125% 07/12/2021	7,169	0.63	GBP	1,330,000	*Greene King Finance FRN 09/2021 A3	377	0.03
		AA- 0.00% (0.30%)			GBP	4,300,000	HSBC Bank 6.5% 07/07/2023	5,141	0.45
		BBB 1.16% (0.16%)			USD	8,000,000	*Reckitt Benckiser FRN 24/06/2022	5,820	0.51
EUR	10,127,000	Akelius Residential 1.5% 23/01/2022	9,136	0.80	GBP	582,000	Southern Water Services Finance 6.125% 31/03/2019	607	0.05
EUR	3,023,000	Akelius Residential 3.375% 23/09/2020	2,857	0.25	GBP	12,188,000	Western Power Distribution East Midlands 5.25% 17/01/2023	13,984	1.22
USD	1,810,000	*Swedish Export 2.88% 14/11/2023	1,311	0.11	GBP	3,024,000	Western Power Distribution South Wales 9.25% 09/11/2020	3,598	0.32
		BBB- 0.00% (1.15%)			BBB+ 10.04% (11.00%)				
		BB+ 0.30% (0.00%)			GBP	8,744,000	BAT International Finance 1.75% 05/07/2021	8,777	0.77
EUR	3,870,000	*Akelius Residential FRN 05/10/2078	3,448	0.30	GBP	4,350,000	BAT International Finance 6% 29/06/2022	5,074	0.44
		Total Sweden	23,921	2.09	EUR	3,000,000	British Telecommunication 0.625% 10/03/2021	2,675	0.23
SWITZERLAND 1.87% (0.85%)					GBP	2,500,000	British Telecommunications 8.625% 26/03/2020	2,835	0.25
		A+ 0.99% (0.00%)			GBP	1,112,000	Centrica 7% 19/09/2018	1,137	0.10
GBP	11,335,000	UBS London 1.25% 10/12/2020	11,290	0.99	GBP	908,000	*Direct Line Insurance 9.25% 27/04/2042	1,133	0.10
		A- 0.30% (0.43%)			GBP	6,272,000	Eastern Power Network 4.75% 30/09/2021	6,923	0.61
USD	4,700,000	*UBS Group Funding FRN 23/05/2023	3,496	0.30	GBP	9,247,000	ENW Finance 6.125% 21/07/2021	10,534	0.92
		BBB+ 0.09% (0.13%)			GBP	5,026,000	Everything Everywhere 4.375% 28/03/2019	5,165	0.45
GBP	978,000	*UBS Jersey 6.375% 19/11/2024	1,042	0.09	GBP	2,670,000	*Legal & General Group 5.875% 29/03/2049	2,757	0.24
		BB+ 0.23% (0.29%)			GBP	4,165,000	*Legal & General Group 10% 23/07/2041	5,160	0.45
EUR	2,650,000	*UBS Group 5.75% 29/12/2049	2,612	0.23	GBP	13,889,000	National Grid Gas 1.125% 22/09/2021	13,681	1.20
		BB 0.26% (0.00%)			GBP	1,054,000	Northern Gas Networks Finance 5.875% 08/07/2019	1,109	0.10
USD	4,450,000	*UBS Group Funding Perpetual 5% 31/01/2067	2,967	0.26	GBP	1,755,000	Northumbrian Water Finance 6.875% 06/02/2023	2,141	0.19
		Total Switzerland	21,407	1.87	GBP	3,267,000	*Prudential 11.375% 29/05/2039	3,607	0.32
UNITED KINGDOM 38.71% (39.24%)					GBP	1,800,000	Reed Elsevier Investments 2.75% 01/08/2019	1,825	0.16
		AAA 0.75% (2.06%)			GBP	18,275,000	Severn Trent Utilities Finance 1.625% 04/12/2022	18,138	1.59
GBP	6,793,000	*Towd Point Mortgage Funding 2016 FRN 20/04/2045	5,670	0.50	GBP	1,935,000	Southern Gas Networks 4.875% 21/12/2020	2,105	0.18
GBP	2,560,000	Wellcome Trust Finance 4.75% 28/05/2021	2,827	0.25	GBP	3,710,000	Southern Gas Networks 5.125% 02/11/2018	3,783	0.33
		Aa1u 0.00% (0.48%)			GBP	2,545,000	*Standard Life Aberdeen 5.5% 04/12/2042	2,853	0.25
		A+ 0.00% (0.46%)							
		A1u 0.00% (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
UNITED KINGDOM 38.71% (39.24%) (continued)									
GBP	5,600,000	*Telereal Securitisation 4.0902% 10/12/2033	5,855	0.51	GBP	995,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	997	0.09
GBP	5,700,000	Thames Water Utilities Finance 5.05% 30/06/2020	6,088	0.53	GBP	4,390,000	National Westminster Bank 6.5% 07/09/2021	4,997	0.44
GBP	700,000	Vodafone 8.125% 26/11/2018	727	0.06	GBP	7,000,000	Tesco 6.125% 24/02/2022	8,010	0.70
GBP	650,000	Wessex Water Services Finance 4% 24/09/2021	701	0.06	BB 0.77% (0.55%)				
		Baa1 1.41% (1.93%)			GBP	1,865,000	*Barclays Bank 14% 29/11/2049	2,088	0.18
GBP	15,353,000	Bupa Finance 3.375% 17/06/2021	16,156	1.41	GBP	4,829,000	*CYBG 5% 09/02/2026	5,017	0.44
		BBB 7.55% (6.91%)			GBP	3,600,000	Unique Pub Finance 6.542% 30/03/2021	1,737	0.15
GBP	1,440,000	*Aviva 6.125% 29/09/2049	1,591	0.14	BB- 0.38% (0.39%)				
GBP	10,135,000	*Aviva 6.625% 03/06/2041	11,323	0.99	GBP	1,633,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,735	0.15
GBP	7,135,000	BAE Systems 4.125% 08/06/2022	7,793	0.68	GBP	2,355,000	Virgin Media Secured Finance 6% 15/01/2025	2,672	0.23
GBP	2,150,000	Bank of Scotland 9.375% 15/05/2021	2,595	0.23	Ba3 0.00% (0.07%)				
GBP	10,501,000	*Barclays 2.375% 06/10/2023	10,427	0.91	B1 0.28% (0.40%)				
GBP	1,000,000	FCE Bank 2.625% 20/11/2018	1,007	0.09	GBP	3,000,000	Thames Water Kemble Finance 7.75% 01/04/2019	3,155	0.28
GBP	2,250,000	FCE Bank 2.727% 03/06/2022	2,305	0.20	B 0.22% (0.22%)				
GBP	5,050,000	FCE Bank 2.759% 13/11/2019	5,146	0.45	USD	3,140,000	*Royal Bank of Scotland 8.625% 29/12/2049	2,503	0.22
GBP	7,934,000	Imperial Brands Finance 7.75% 24/06/2019	8,507	0.74	CCC+ 0.00% (0.15%)				
GBP	8,582,000	Imperial Tobacco Finance 9% 17/02/2022	10,786	0.94	Not Rated 3.85% (3.72%)				
GBP	2,500,000	InterContinental Hotels 3.875% 28/11/2022	2,706	0.24	GBP	11,640,000	First Hydro Finance 9% 31/07/2021	14,225	1.24
GBP	5,385,000	*Lloyds Bank 5.75% 09/07/2025	5,808	0.51	GBP	4,063,000	Northern Ireland Electricity 6.875% 18/09/2018	4,149	0.36
EUR	3,115,000	*NGG Finance 4.25% 18/06/2076	2,949	0.26	GBP	9,345,000	*Pennon Group Perpetual Variable 22/05/2066	9,364	0.82
GBP	1,700,000	Porterbrook Rail Finance 6.5% 20/10/2020	1,894	0.17	GBP	700,000	Segro 5.625% 07/12/2020	771	0.07
GBP	3,767,000	Sky 2.875% 24/11/2020	3,905	0.34	GBP	4,056,300	UNITE Group 6.125% 12/06/2020	4,308	0.38
GBP	6,343,000	Tate & Lyle International Finance 6.75% 25/11/2019	6,870	0.60	GBP	11,410,000	United Kingdom Gilt 0.75% 22/07/2023	11,195	0.98
GBP	652,000	*Wales & West Utilities Finance 6.75% 17/12/2036	672	0.06	Total United Kingdom				
		Baa2 1.53% (0.00%)					442,380	38.71	
GBP	5,235,000	Bupa Finance 5% 25/04/2023	5,790	0.51	UNITED STATES OF AMERICA 15.84% (12.73%)				
GBP	2,679,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	2,888	0.25	AA+ 1.29% (0.29%)				
GBP	7,933,000	Eversholt Funding 5.831% 02/12/2020	8,776	0.77	GBP	2,480,000	New York Life Global Funding 1% 15/12/2021	2,444	0.21
		BBB- 4.16% (4.47%)			GBP	12,295,000	New York Life Global Funding 1.75% 15/12/2022	12,381	1.08
GBP	7,712,000	Barclays Bank 10% 21/05/2021	9,367	0.82	AA 0.00% (0.22%)				
GBP	850,000	Firstgroup 6.125% 18/01/2019	877	0.08	AA- 1.81% (2.82%)				
GBP	10,412,000	G4S 7.75% 13/05/2019	11,069	0.97	GBP	18,235,000	Met Life Global Funding 1.125% 15/12/2021 GBP	17,998	1.58
GBP	8,739,000	GKN Holdings 5.375% 19/09/2022	9,659	0.85	GBP	2,500,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	2,622	0.23
GBP	6,441,000	GKN Holdings 6.75% 28/10/2019	6,909	0.60	A+ 0.05% (0.06%)				
GBP	6,025,000	Marks & Spencer 6.125% 02/12/2019	6,450	0.56	GBP	558,000	*SLM Student Loan Trusts FRN 15/03/2038	541	0.05
GBP	2,250,000	Marks & Spencer 6.125% 06/12/2021	2,565	0.22	A 0.45% (0.00%)				
GBP	1,000,000	*Marstons Issuer FRN 15/07/2020	189	0.02	GBP	4,280,000	General Electric Capital 5.5% 07/06/2021	4,757	0.42
GBP	1,357,000	Mitchells & Butlers Finance 5.965% 15/12/2023	468	0.04	GBP	2,500,000	General Electric Capital 6.44% 15/11/2022	340	0.03
		Baa3 1.19% (1.50%)							
GBP	6,811,000	National Express Group 6.625% 17/06/2020	7,496	0.66					
GBP	5,620,000	*TSB Banking Group 5.75% 06/05/2026	6,089	0.53					
		BB+ 1.54% (1.42%)							
GBP	3,412,000	Daily Mail and General Trust 5.75% 07/12/2018	3,496	0.31					

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
UNITED STATES OF AMERICA 15.84% (12.73%) (continued)					DERIVATIVES -0.20% (1.06%)				
		A- 3.19% (1.56%)					Futures and Options 0.03% (0.00%)		
USD	10,000,000	*Anheuser-Busch InBev FRN 12/01/2024	7,387	0.65	EUR	(546)	UBS EURO-Bobl Future Expiring June 2018	(214)	(0.02)
GBP	7,300,000	Bank of America 6.125% 15/09/2021	8,343	0.73	GBP	228	UBS Long Gilt Future Expiring June 2018	188	0.02
USD	3,200,000	ERAC USA Finance 2.6% 01/12/2021	2,262	0.20					
USD	10,500,000	*JPMorgan Chase FRN 25/04/2023	7,736	0.68	USD	(750)	UBS US 5 Year Note Future Expiring June 2018	298	0.03
GBP	4,700,000	Wells Fargo & Company 2.125% 22/04/2022	4,732	0.41					
GBP	6,130,000	Wells Fargo 1.375% 30/06/2022	5,993	0.52			Forward Foreign Exchange Contracts -0.23% (1.06%)		
		BBB+ 2.10% (3.58%)					Sell GBP 2,570,201		
GBP	650,000	American International Group 5% 26/04/2023	734	0.06			Buy CAD 4,500,000 Citigroup	(20)	—
USD	3,410,000	AT&T 3.2% 01/03/2022	2,454	0.22			Sell GBP 1,606,127	(20)	—
CAD	7,100,000	AT&T 3.825% 25/11/2020	4,134	0.36			Buy EUR 1,800,000 Lloyds		—
EUR	6,220,000	*AT&T FRN 05/09/2023	5,595	0.49			Sell GBP 9,925	—	—
USD	7,037,000	BAT Capital 2.764% 15/08/2022	4,927	0.43			Buy EUR 11,322 J.P. Morgan	—	—
USD	1,500,000	CNA Financial 5.875% 15/08/2020	1,150	0.10			Sell GBP 10,185	—	—
USD	2,097,000	NiSource Finance 2.65% 17/11/2022	1,467	0.13			Buy EUR 11,619 J.P. Morgan	—	—
USD	4,985,000	RELX Capital 3.5% 16/03/2023	3,594	0.31			Sell GBP 2,102,249	13	—
		BBB 2.74% (1.44%)					Buy EUR 2,400,000 Citigroup		—
USD	7,750,000	*Becton Dickinson FRN 06/06/2022	5,676	0.50			Sell GBP 71,231	(1)	—
USD	1,685,000	*CVS Health Corporation FRN 09/03/2020	1,234	0.11			Buy EUR 80,000 Lloyds		—
GBP	7,132,000	Digital Stout Holding 4.75% 13/10/2023	7,927	0.69			Sell USD 1,685,000	(17)	—
USD	3,625,000	Discovery Communications 2.8% 15/06/2020	2,609	0.23			Buy GBP 1,210,965 Lloyds		—
USD	7,000,000	*General Mills FRN 17/10/2023	5,159	0.45			Sell EUR 1,390,000	12	—
USD	4,900,000	Hewlett Packard Enterprise 3.6% 15/10/2020	3,595	0.31			Buy GBP 1,236,886 Lloyds		—
USD	5,651,000	MPLX LP 3.375% 15/03/2023	4,047	0.35			Sell USD 2,000,000	(38)	—
USD	1,490,000	Transcontinental Gas Pipe Line 6.05% 15/06/2018	1,089	0.10			Buy GBP 1,418,876 Lloyds		—
		BBB- 3.21% (1.95%)					Sell EUR 1,700,000	13	—
GBP	50,000	*American International Group Variable 15/03/2067	48	—			Buy GBP 1,511,530 Lloyds		—
USD	10,000,000	Broadcom 2.2% 15/01/2021	7,041	0.62			Sell EUR 2,000,000	(11)	—
USD	4,100,000	Charter Communications Operating 3.579% 23/07/2020	2,996	0.26			Buy GBP 1,751,348 Citigroup		—
USD	1,575,000	Continental Resources 5% 15/09/2022	1,165	0.10			Sell CAD 207,999	1	—
USD	1,340,000	*Hartford Financial Services 8.125% 15/06/2038	980	0.09			Buy GBP 119,139 Citigroup		—
USD	11,720,000	Kinder Morgan 3.15% 15/01/2023	8,234	0.72			Sell USD 181,704,350	(2,365)	(0.21)
USD	1,571,000	Kinder Morgan Energy Partners 5% 15/02/2021	1,184	0.10			Buy GBP 130,004,527 Citigroup		(0.01)
CAD	15,200,000	Molson Coors Brewing 2.75% 18/09/2020	8,595	0.75			Sell EUR 17,000,000	(131)	(0.01)
USD	6,365,000	Plains All American Pipeline 3.65% 01/06/2022	4,546	0.40			Buy GBP 14,852,407 Lloyds		0.01
USD	2,600,000	Plains All American Pipeline 5% 01/02/2021	1,948	0.17			Sell CAD 31,962,000	166	—
		BB+ 0.86% (0.46%)					Buy GBP 18,275,427 Citigroup		—
EUR	5,300,000	Equinix 2.875% 01/10/2025	4,530	0.40			Sell EUR 3,856,610	(21)	—
EUR	1,700,000	Equinix 2.875% 01/02/2026	1,443	0.13			Buy GBP 3,377,577 Lloyds		(0.01)
EUR	4,225,000	Quintiles IMS 3.25% 15/03/2025	3,778	0.33			Sell USD 4,740,000	(57)	(0.01)
		BB 0.14% (0.35%)					Buy GBP 3,396,259 Citigroup		—
USD	2,300,000	Teva Pharmaceutical Finance 2.25% 18/03/2020	1,599	0.14			Sell USD 4,963,970	(49)	—
		Total United States of America	181,014	15.84			Buy GBP 3,567,675 Lloyds		(0.01)
							Sell USD 5,500,000	(138)	(0.01)
							Buy GBP 3,868,375 Citigroup		(0.01)
							Sell USD 5,791,880	(71)	(0.01)
							Buy GBP 4,148,311 Citigroup		(0.01)
							Sell USD 6,400,000	(111)	(0.01)
							Buy GBP 4,551,367 Lloyds		—
							Sell EUR 486,448	(9)	—
							Buy GBP 420,212 Citigroup		(0.02)
							Sell USD 8,000,000	(169)	(0.01)
							Buy GBP 5,658,781 Lloyds		(0.01)
							Sell EUR 6,600,000	(58)	—
							Buy GBP 5,758,790 Lloyds		(0.01)
							Sell EUR 6,590,000	(22)	—
							Buy GBP 5,786,635 Citigroup		(0.01)
							Sell USD 8,200,000	(115)	(0.01)
							Buy GBP 5,858,569 Citigroup		(0.01)

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.20% (1.06%) (continued)			
	Sell USD 100,000		
	Buy GBP 71,032 Lloyds	(2)	—
	Sell EUR 79,920,000		
	Buy GBP 71,071,585 Citigroup	633	0.05
	Sell USD 11,920,800		
	Buy GBP 8,586,679 Lloyds	(98)	(0.01)
	Sell USD 11,975,040		
	Buy GBP 8,681,332 Citigroup	(42)	—
	Sell USD 1,296,631		
	Buy GBP 932,283 Lloyds	(12)	—
	Sell GBP 70,685		
	Buy USD 100,000 Citigroup	2	—
	Sell GBP 3,569,876		
	Buy USD 5,000,000 Citigroup	73	0.01
	Sell GBP 6,115,451		
	Buy USD 8,525,000 Lloyds	95	0.01
	Total Derivatives	(2,297)	(0.20)
<hr/>			
Total value of investments		1,120,638	98.07
Net other assets (4.90%)		22,096	1.93
Net assets		1,142,734	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	901,135	80.41
Floating rate notes	221,800	19.79
Derivatives	(2,297)	(0.20)
Total value of investments	1,120,638	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO-Bobl Future Expiring June 2018	(62,998)
UBS Long Gilt Future Expiring June 2018	27,842
UBS US 5 Year Note Future Expiring June 2018	(61,981)
Total net exposure	(97,137)

April 2017 comparatives in brackets.

*Variable rate bonds.

Threadneedle UK Fixed Interest Fund

Portfolio Statement

as at 30 April 2018

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
CANADA 1.71% (1.73%)					GBP	21,003,000	United Kingdom Gilt 4.25% 07/12/2055	35,647	7.43
	AAA 0.94% (0.92%)				GBP	17,275,000	United Kingdom Gilt 4.5% 07/09/2034	23,992	5.00
GBP	4,550,000	Export Development Canada 0.875% 07/12/2021	4,497	0.94	GBP	3,320,000	United Kingdom Gilt 4.75% 07/12/2038	4,996	1.04
	Aaa 0.77% (0.81%)				GBP	6,493,000	United Kingdom Index-Linked Gilt 6% 07/12/2028	9,346	1.95
GBP	3,750,000	Royal Bank of Canada 1.125% 22/12/2021	3,716	0.77	GBP	2,010,000	Transport for London 2.125% 24/04/2025	2,044	0.43
	Total Canada		8,213	1.71					
FINLAND 1.54% (0.91%)					GBP	19,195,000	United Kingdom Gilt 0.75% 22/07/2023	18,834	3.93
	AA+ 1.54% (0.91%)				GBP	38,478,000	United Kingdom Gilt 1.25% 22/07/2027	37,762	7.87
GBP	4,190,000	Municipality Finance 1.25% 07/03/2019	4,204	0.88	GBP	15,737,000	United Kingdom Gilt 1.625% 22/10/2028	15,818	3.30
GBP	3,195,000	Municipality Finance 1.25% 07/12/2022	3,184	0.66			Total United Kingdom	440,565	91.84
	Total Finland		7,388	1.54					
GERMANY 1.79% (1.86%)					Total value of investments				469,506
	AAA 1.79% (1.86%)				Net other assets (1.38%)				10,229
GBP	4,300,000	FMS Wertmanagement 1.25% 08/03/2019	4,316	0.90	Net assets				479,735
GBP	4,235,000	KFW 1.375% 01/02/2021	4,270	0.89					100.00
	Total Germany		8,586	1.79	<i>April 2017 comparatives in brackets.</i>				
SUPRANATIONAL 0.99% (1.03%)									
	AAA 0.48% (0.00%)								
GBP	2,295,000	European Investment Bank 0.625 17/01/2020	2,285	0.48					
	Aaa 0.51% (1.03%)								
GBP	2,600,000	European Investment Bank 1% 21/09/2026	2,469	0.51					
	Total Supranational		4,754	0.99					
UNITED KINGDOM 91.84% (93.09%)									
	Aa1u 0.00% (85.57%)								
	AA 1.47% (2.03%)								
GBP	1,775,000	LCR Finance 4.5% 07/12/2028	2,229	0.46					
GBP	4,500,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	4,859	1.01					
	Aa2u 74.84% (0.00%)								
GBP	8,000,000	United Kingdom Gilt 1.25% 22/07/2018	8,013	1.67					
GBP	33,033,000	United Kingdom Gilt 1.5% 22/01/2021	33,634	7.01					
GBP	28,683,000	United Kingdom Gilt 1.5% 22/07/2026	29,007	6.05					
GBP	45,436,000	United Kingdom Gilt 1.5% 22/07/2047	41,860	8.73					
GBP	138,000	United Kingdom Gilt 1.75% 22/07/2019	140	0.03					
GBP	38,021,000	United Kingdom Gilt 1.75% 07/09/2037	37,532	7.82					
GBP	8,064,000	United Kingdom Gilt 1.75% 22/07/2057	8,180	1.71					
GBP	10,555,000	United Kingdom Gilt 2% 22/07/2020	10,839	2.26					
GBP	37,911,000	United Kingdom Gilt 2.25% 07/09/2023	40,165	8.37					
GBP	11,692,000	United Kingdom Gilt 2.5% 22/07/2065	14,927	3.11					
GBP	9,169,000	United Kingdom Gilt 2.75% 07/09/2024	10,049	2.09					
GBP	6,053,000	United Kingdom Gilt 3.25% 22/01/2044	7,755	1.62					
GBP	3,025,000	United Kingdom Gilt 3.75% 07/09/2021	3,313	0.69					
GBP	5,790,000	United Kingdom Gilt 3.75% 22/07/2052	8,718	1.82					
GBP	5,976,000	United Kingdom Gilt 4% 07/03/2022	6,676	1.39					
GBP	10,837,000	United Kingdom Gilt 4.25% 07/03/2036	14,925	3.11					
GBP	2,135,000	United Kingdom Gilt 4.25% 07/12/2046	3,264	0.68					
GBP	3,814,000	United Kingdom Gilt 4.25% 07/12/2049	6,041	1.26					

Threadneedle UK Index Linked Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 98.39% (99.68%)				
		Aa1u 0.00% (97.83%)		
		AA 3.57% (1.15%)		
GBP	500,000	Network Rail Infrastructure Finance 1.375% 22/11/2037	1,082	1.66
GBP	510,000	Network Rail Infrastructure Finance Index-Linked 1.125% 22/11/2047	1,246	1.91
		Aa2u 94.82% (0.00%)		
GBP	1,415,000	United Kingdom Index-Linked Gilt 0.125% 10/08/2048	2,288	3.51
GBP	856,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2024	1,094	1.68
GBP	5,764,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2026	7,102	10.90
GBP	4,187,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2029	5,873	9.01
GBP	889,000	United Kingdom Index-Linked Gilt 0.125% 22/11/2036	1,288	1.98
GBP	1,513,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2046	2,523	3.87
GBP	2,120,667	United Kingdom Index-Linked Gilt 0.125% 22/03/2058	4,277	6.56
GBP	1,125,000	United Kingdom Index-Linked Gilt 0.25% 22/03/2052	2,264	3.47
GBP	1,778,000	United Kingdom Index-Linked Gilt 0.375% 22/03/2062	4,487	6.88
GBP	871,000	United Kingdom Index-Linked Gilt 0.5% 22/03/2050	2,041	3.13
GBP	1,262,000	United Kingdom Index-Linked Gilt 0.625% 22/03/2040	2,529	3.88
GBP	700,000	United Kingdom Index-Linked Gilt 0.75% 22/03/2034	1,184	1.82
GBP	1,582,000	United Kingdom Index-Linked Gilt 0.75% 22/11/2047	3,844	5.90
GBP	3,890,000	United Kingdom Index-Linked Gilt 1.125% 22/11/2037	8,595	13.19
GBP	523,000	United Kingdom Index-Linked Gilt 1.25% 22/11/2032	979	1.50
GBP	3,465,000	United Kingdom Index-Linked Gilt 1.875% 22/11/2022	5,530	8.49
GBP	2,611,000	United Kingdom Index-Linked Gilt 8% 22/11/2065	5,895	9.05
		Not Rated 0.00% (0.70%)		
		Total Fixed Interest	64,121	98.39
Total value of investments			64,121	98.39
Net other assets (0.32%)			1,049	1.61
Net assets			65,170	100.00

April 2017 comparatives in brackets.

Threadneedle Pan European Focus Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 1.96% (1.04%)				ITALY 13.60% (10.24%)			
	Pharmaceuticals & Biotechnology 1.37% (0.00%)				Electronic & Electrical Equipment 3.91% (1.08%)		
15,184	Galapagos	1,013	1.37	134,715	Prysmian	2,893	3.91
	Media 0.59% (0.00%)				Beverages 4.35% (2.16%)		
10,265	Telenet Group	440	0.59	588,964	Davide Campari-Milano	3,226	4.35
	Technology Hardware & Equipment 0.00% (1.04%)				Personal Goods 0.00% (2.09%)		
	Total Belgium	1,453	1.96		Mobile Telecommunications 5.34% (4.91%)		
DENMARK 5.76% (2.00%)				671,699	Infrastructure Wireless Italia	3,960	5.34
	Alternative Energy 0.00% (2.00%)				Total Italy	10,079	13.60
	Pharmaceuticals & Biotechnology 4.44% (0.00%)			NETHERLANDS 5.69% (5.91%)			
96,206	Novo Nordisk	3,293	4.44		Personal Goods 0.16% (0.00%)		
	Nonlife Insurance 1.32% (0.00%)			2,768	Unilever (EUR)	116	0.16
56,965	Tryg	978	1.32		Media 0.16% (3.47%)		
	Total Denmark	4,271	5.76	7,638	RELX (EUR)	118	0.16
FINLAND 2.11% (3.88%)					Technology Hardware & Equipment 5.37% (2.44%)		
	Nonlife Insurance 2.11% (3.88%)			28,709	ASML	3,985	5.37
39,505	Sampo	1,566	2.11		Total Netherlands	4,219	5.69
	Total Finland	1,566	2.11	NORWAY 1.57% (0.89%)			
FRANCE 20.51% (12.90%)					Banks 1.57% (0.89%)		
	Electronic & Electrical Equipment 5.45% (3.51%)			84,648	DnB NOR Bank	1,166	1.57
71,412	Legrand	4,039	5.45		Total Norway	1,166	1.57
	Support Services 3.25% (0.00%)			REPUBLIC OF IRELAND 3.31% (5.35%)			
137,845	Elis	2,411	3.25		Travel & Leisure 3.31% (5.35%)		
	Beverages 0.49% (0.00%)			19,011	Ryanair Holdings (Dublin Listing)	261	0.35
3,000	Pernod Ricard	365	0.49	159,872	Ryanair Holdings (London Listing)	2,191	2.96
	Personal Goods 4.83% (5.01%)				Total Republic of Ireland	2,452	3.31
17,453	L'Oreal	3,050	4.12	SPAIN 5.21% (2.08%)			
2,100	LVMH Moet Hennessy Vuitton	529	0.71		Support Services 0.00% (1.06%)		
	Banks 0.00% (1.89%)				Mobile Telecommunications 5.21% (1.02%)		
	Software & Computer Services 6.49% (2.49%)			196,025	Cellnex Telecom	3,864	5.21
50,699	Dassault Systems	4,808	6.49		Total Spain	3,864	5.21
	Total France	15,202	20.51	SWEDEN 12.37% (6.34%)			
GERMANY 6.79% (21.38%)					Industrial Engineering 4.48% (1.64%)		
	Chemicals 0.00% (6.69%)			264,850	Volvo	3,321	4.48
	Personal Goods 0.70% (0.00%)				Banks 1.98% (4.70%)		
2,900	Adidas	523	0.70	122,718	Nordea Bank	919	1.24
	Health Care Equipment & Services 0.00% (4.41%)			67,218	Svenska Handelsbanken	553	0.74
	Pharmaceuticals & Biotechnology 0.00% (1.13%)				Software & Computer Services 5.91% (0.00%)		
	Mobile Telecommunications 1.11% (4.71%)			102,887	Hexagon	4,379	5.91
64,307	Deutsche Telekom	820	1.11		Total Sweden	9,172	12.37
	Software & Computer Services 4.98% (4.44%)			SWITZERLAND 5.05% (5.28%)			
45,780	SAP	3,693	4.98		Construction & Materials 5.05% (5.28%)		
	Total Germany	5,036	6.79	698	Sika	3,746	5.05
					Total Switzerland	3,746	5.05

Threadneedle Pan European Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 13.83% (18.88%)			
	Household Goods & Home Construction 0.70% (3.76%)		
9,018	Reckitt Benckiser Group	516	0.70
	Personal Goods 1.63% (2.95%)		
29,472	Unilever	1,211	1.63
	Health Care Equipment & Services 0.73% (0.00%)		
250,000	Convatec Group	542	0.73
	Pharmaceuticals & Biotechnology 0.73% (0.00%)		
5,486	GW Pharmaceuticals ADR	542	0.73
	Media 0.67% (1.14%)		
7,103	RELX	111	0.15
8,398	Rightmove	383	0.52
	Travel & Leisure 0.00% (2.95%)		
	Banks 0.00% (1.00%)		
	Life Insurance 3.22% (7.08%)		
125,817	Prudential	2,390	3.22
	Financial Services 4.71% (0.00%)		
307,606	3i Group	2,904	3.92
13,616	London Stock Exchange Group	588	0.79
	Software & Computer Services 1.44% (0.00%)		
50,000	AVEVA Group	1,069	1.44
	Total United Kingdom	10,256	13.83
UNITED STATES OF AMERICA 0.55% (0.00%)			
	Software & Computer Services 0.55% (0.00%)		
8,629	InterXion Holding	408	0.55
	Total United States of America	408	0.55
Total value of investments		72,890	98.31
Net other assets (3.83%)		1,256	1.69
Net assets		74,146	100.00

April 2017 comparatives in brackets.

Threadneedle Pan European Equity Dividend Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 8.04% (8.56%)				JERSEY 0.00% (1.69%)			
	Industrial Transportation 1.77% (2.17%)				Media 0.00% (1.69%)		
70,269	bpost	1,128	1.77		Total Jersey	—	—
	Beverages 3.81% (4.18%)			NETHERLANDS 14.59% (14.23%)			
33,255	Anheuser-Busch InBev	2,426	3.81		Chemicals 1.52% (1.50%)		
	Banks 2.46% (2.21%)			14,674	Akzo Nobel	967	1.52
24,430	KBC Groep	1,561	2.46		Personal Goods 5.54% (4.91%)		
	Total Belgium	5,115	8.04	84,057	Unilever (EUR)	3,525	5.54
DENMARK 3.84% (2.80%)					Food & Drug Retailers 0.00% (2.03%)		
	Nonlife Insurance 3.84% (2.80%)				Media 7.53% (5.79%)		
142,488	Tryg	2,446	3.84		RELX (EUR)	3,166	4.98
	Total Denmark	2,446	3.84	41,341	Wolters Kluwer	1,625	2.55
FINLAND 6.36% (5.31%)					Total Netherlands	9,283	14.59
	Industrial Engineering 1.54% (1.47%)			NORWAY 2.50% (1.75%)			
26,830	Kone	982	1.54		Banks 2.50% (1.75%)		
	Nonlife Insurance 4.82% (3.84%)			115,321	DnB NOR Bank	1,588	2.50
77,345	Sampo	3,067	4.82		Total Norway	1,588	2.50
	Total Finland	4,049	6.36	REPUBLIC OF IRELAND 2.03% (0.00%)			
FRANCE 6.71% (1.78%)					Construction & Materials 2.03% (0.00%)		
	Chemicals 2.38% (0.00%)			49,986	CRH (London Listing)	1,289	2.03
15,954	Air Liquide	1,512	2.38		Total Republic of Ireland	1,289	2.03
	Electronic & Electrical Equipment 1.96% (0.00%)			SPAIN 1.75% (0.00%)			
18,959	Schneider Electric	1,251	1.96		General Retailers 1.75% (0.00%)		
	Beverages 2.37% (0.00%)			49,424	Inditex	1,115	1.75
12,391	Pernod Ricard	1,507	2.37		Total Spain	1,115	1.75
	Banks 0.00% (1.78%)			SWEDEN 5.58% (9.53%)			
	Total France	4,270	6.71		Industrial Engineering 3.10% (2.32%)		
GERMANY 11.19% (8.54%)				75,388	Atlas Copco 'B' Shares	1,975	3.10
	Chemicals 4.31% (3.91%)				Banks 2.48% (7.21%)		
18,590	BASF	1,408	2.21		Nordea Bank	1,578	2.48
31,988	Brenntag	1,337	2.10	210,692	Total Sweden	3,553	5.58
	Automobiles & Parts 1.59% (1.54%)			SWITZERLAND 3.64% (10.90%)			
5,179	Continental	1,011	1.59		Chemicals 1.53% (2.79%)		
	Mobile Telecommunications 2.77% (3.09%)			593	Givaudan	973	1.53
138,467	Deutsche Telekom	1,765	2.77		Personal Goods 2.11% (1.89%)		
	Nonlife Insurance 2.52% (0.00%)			19,347	Cie Financiere Richemont	1,343	2.11
9,241	Allianz	1,603	2.52		Pharmaceuticals & Biotechnology 0.00% (6.22%)		
	Total Germany	7,124	11.19		Total Switzerland	2,316	3.64
ITALY 9.34% (7.84%)							
	Food & Drug Retailers 3.05% (3.08%)						
87,509	MARR	1,939	3.05				
	Mobile Telecommunications 3.10% (1.73%)						
335,102	Infrastructure Wireless Italia	1,976	3.10				
	Gas, Water & Multiutilities 3.19% (3.03%)						
580,019	Snam Rete Gas	2,028	3.19				
	Total Italy	5,943	9.34				

Threadneedle Pan European Equity Dividend Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 24.13% (23.96%)			
	Oil & Gas Producers 2.48% (2.23%)		
62,593	Royal Dutch Shell A Shares	1,577	2.48
	General Industrials 2.49% (2.01%)		
300,974	DS Smith	1,586	2.49
	Support Services 0.00% (1.22%)		
	Beverages 2.13% (2.60%)		
52,635	Diageo	1,358	2.13
	Tobacco 4.87% (5.98%)		
53,257	British American Tobacco	2,154	3.39
35,963	Imperial Brands	945	1.48
	Pharmaceuticals & Biotechnology 5.60% (5.78%)		
27,019	AstraZeneca	1,385	2.18
147,531	GlaxoSmithKline	2,178	3.42
	Media 2.22% (0.00%)		
191,104	Informa	1,411	2.22
	Fixed Line Telecommunications 1.37% (1.49%)		
348,198	BT Group	873	1.37
	Life Insurance 2.97% (2.65%)		
697,642	Legal & General Group	1,892	2.97
	Total United Kingdom	15,359	24.13
UNITED STATES OF AMERICA 0.00% (1.99%)			
	Automobiles & Parts 0.00% (1.99%)		
	Total United States of America	–	–
Total value of investments			
		63,450	99.70
Net other assets (1.12%)			
		190	0.30
Net assets			
		63,640	100.00

April 2017 comparatives in brackets.

Threadneedle US Equity Income Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 9.61% (8.51%)				Tobacco 3.02% (4.34%)			
	Oil & Gas Producers 7.43% (8.07%)			33,724	Altria Group	1,379	1.56
22,011	Chevron	2,030	2.30	21,367	Philip Morris International	1,285	1.46
24,073	Exxon Mobil	1,364	1.55		Total Consumer Goods	7,515	8.53
20,200	Hess	948	1.08				
44,107	Suncor Energy (USD)	1,215	1.38	HEALTH CARE 13.13% (7.87%)			
12,372	Valero Energy	990	1.12		Health Care Equipment & Services 1.67% (0.00%)		
	Oil Equipment, Services & Distribution 2.18% (0.00%)			24,785	Medtronic	1,468	1.67
18,876	Helmerich & Payne	968	1.10		Pharmaceuticals & Biotechnology 11.46% (7.87%)		
18,989	Schlumberger	956	1.08	18,864	AbbVie	1,357	1.54
	Alternative Energy 0.00% (0.44%)			20,927	Bristol-Myers Squibb	797	0.91
	Total Oil & Gas	8,471	9.61	24,266	Gilead Sciences	1,306	1.48
BASIC MATERIALS 3.28% (5.06%)				27,819	Johnson & Johnson	2,600	2.95
	Chemicals 1.85% (2.35%)			38,720	Merck & Co	1,678	1.90
34,750	Dowdupont	1,628	1.85	87,553	Pfizer	2,361	2.68
	Forestry & Paper 0.00% (1.29%)				Total Health Care	11,567	13.13
	Industrial Metals & Mining 1.43% (1.42%)			CONSUMER SERVICES 6.91% (6.72%)			
27,965	Nucor	1,264	1.43		General Retailers 1.94% (1.31%)		
	Total Basic Materials	2,892	3.28	57,243	American Eagle Outfitters	883	1.00
INDUSTRIALS 8.31% (8.87%)				5,770	Costco Wholesale	826	0.94
	Construction & Materials 1.54% (1.25%)				Travel & Leisure 4.97% (5.41%)		
10,928	Watsco	1,354	1.54	111,578	Extended Stay America	1,585	1.80
	Aerospace & Defence 2.13% (2.29%)			11,652	McDonald's	1,344	1.52
8,000	Lockheed Martin	1,877	2.13	31,136	Six Flags Entertainment	1,451	1.65
	General Industrials 2.02% (3.23%)				Total Consumer Services	6,089	6.91
32,044	Eaton	1,778	2.02	TELECOMMUNICATIONS 1.27% (2.39%)			
	Industrial Engineering 0.00% (2.10%)				Fixed Line Telecommunications 1.27% (2.39%)		
	Industrial Transportation 1.35% (0.00%)			25,252	AT&T	608	0.69
14,348	United Parcel Service	1,192	1.35	13,729	Verizon Communications	516	0.58
	Support Services 1.27% (0.00%)				Total Telecommunications	1,124	1.27
12,856	Automatic Data Processing	1,123	1.27	UTILITIES 6.26% (6.46%)			
	Total Industrials	7,324	8.31		Electricity 4.79% (5.31%)		
CONSUMER GOODS 8.53% (11.51%)				18,319	American Electric Power	942	1.07
	Food Producers 2.85% (1.80%)			22,384	Edison International	1,073	1.22
35,381	Kellogg	1,553	1.76	9,547	FPL Group	1,141	1.29
21,563	Pinnacle Foods	961	1.09	31,050	Xcel Energy	1,065	1.21
	Household Goods & Home Construction 0.00% (1.65%)				Gas, Water & Multiutilities 1.47% (1.15%)		
	Leisure Goods 1.18% (1.04%)			72,490	Nisource	1,294	1.47
16,287	Hasbro	1,036	1.18		Total Utilities	5,515	6.26
	Personal Goods 1.48% (2.68%)			FINANCIALS 23.62% (20.63%)			
32,695	Tapestry	1,301	1.48		Banks 10.57% (8.90%)		
				35,579	BankUnited	1,045	1.19
				51,510	BB&T	2,004	2.27
				27,641	JPMorgan Chase	2,203	2.50
				21,180	Pacwest Bancorp	809	0.92
				19,920	PNC Financials	2,139	2.43
				22,549	Suntrust Banks	1,111	1.26

Threadneedle US Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 23.62% (20.63%) (continued)			
	Nonlife Insurance 1.46% (1.47%)		
12,911	Chubb	1,291	1.46
	Life Insurance 2.84% (1.54%)		
32,681	Aflac	1,092	1.24
40,069	Metlife	1,412	1.60
	Real Estate Investment Trusts 6.78% (6.43%)		
10,348	Alexandria Real Estate Equities	941	1.07
11,023	Crown Castle International	814	0.92
30,154	CyrusOne	1,187	1.35
20,230	Prologis REIT	981	1.11
41,177	Rayonier	1,124	1.28
49,926	STORE Capital	923	1.05
	Financial Services 1.97% (2.29%)		
15,140	CME Group	1,736	1.97
	Total Financials	20,812	23.62
TECHNOLOGY 18.39% (19.87%)			
	Software & Computer Services 4.75% (5.16%)		
60,002	Microsoft	4,188	4.75
	Technology Hardware & Equipment 13.64% (14.71%)		
17,225	Analog Devices	1,100	1.25
35,086	Apple	4,149	4.71
7,581	Broadcom	1,286	1.46
81,535	Cisco Systems	2,656	3.01
65,809	Cypress Semiconductor	725	0.82
26,322	Maxim Integrated Products	1,045	1.19
22,393	Xilinx	1,057	1.20
	Total Technology	16,206	18.39
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 13,447		
	Buy CHF 13,127 J.P. Morgan	—	—
	Sell USD 14,683		
	Buy CHF 14,334 J.P. Morgan	—	—
	Sell USD 16,530		
	Buy EUR 13,487 J.P. Morgan	—	—
	Sell USD 16,665		
	Buy EUR 13,598 J.P. Morgan	—	—
	Sell USD 16,706		
	Buy EUR 13,631 J.P. Morgan	—	—
	Sell USD 18,735		
	Buy EUR 15,286 J.P. Morgan	(1)	—
	Total Derivatives	(1)	—
Total value of investments		87,514	99.31
Net other assets (2.11%)		607	0.69
Net assets		88,121	100.00

April 2017 comparatives in brackets.

Threadneedle China Opportunities Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BERMUDA 0.76% (0.90%)				Automobiles & Parts 0.00% (0.64%)			
Oil Equipment, Services & Distribution 0.76% (0.00%)				Beverages 0.65% (0.00%)			
2,638,000	Sinopec Kantons Holdings	913	0.76	206,000	Tsingtao Brewery	780	0.65
Gas, Water & Multiutilities 0.00% (0.90%)				Pharmaceuticals & Biotechnology 0.00% (1.08%)			
Total Bermuda				General Retailers 1.20% (1.55%)			
				21,861	New Oriental Education & Technology Group ADR	1,435	1.20
CAYMAN ISLANDS 40.34% (40.57%)				Banks 19.33% (16.71%)			
Construction & Materials 0.72% (0.83%)				13,645,000	Bank of China	5,434	4.54
1,110,000	China Resources Cement Holdings	856	0.72	12,695,000	China Construction Bank	9,793	8.18
Electronic & Electrical Equipment 1.83% (1.04%)				801,500	China Merchants Bank	2,574	2.15
62,000	AAC Technologies Holdings	657	0.55	1,581,000	Chongqing Rural Commercial	886	0.74
127,200	Sunny Optical Technology Group	1,536	1.28	6,874,000	Industrial & Commercial Bank of China	4,448	3.72
Automobiles & Parts 0.43% (0.53%)				Life Insurance 4.11% (6.76%)			
148,000	Minth Group	513	0.43	683,500	Ping An Insurance Group	4,921	4.11
Food Producers 1.55% (0.00%)				Real Estate Investment & Services 1.06% (0.00%)			
783,000	China Mengniu Dairy	1,853	1.55	417,900	China Vanke	1,269	1.06
Personal Goods 1.11% (1.08%)				Total China			
318,000	Anta Sports Products	1,328	1.11				
Pharmaceuticals & Biotechnology 2.41% (0.74%)				HONG KONG 15.58% (15.86%)			
1,335,000	Sino Biopharmaceutical	2,067	1.73	Oil & Gas Producers 3.51% (2.85%)			
123,500	Wuxi Biologics Cayman	820	0.68	3,433,000	CNOOC	4,194	3.51
General Retailers 11.81% (12.80%)				General Industrials 1.25% (0.00%)			
26,561	58.Com ADR	1,628	1.36	472,000	China Resources Enterprise	1,488	1.25
83,443	Alibaba Group ADR	10,770	9.00	Automobiles & Parts 0.87% (1.05%)			
64,610	JD.com ADR	1,730	1.45	794,000	Brilliance China Automotive	1,042	0.87
Travel & Leisure 2.56% (2.61%)				Personal Goods 0.45% (0.00%)			
5,797	China Lodging Group ADS	567	0.47	657,000	Li-Ning	540	0.45
13,316	Ctrip.Com International ADS	394	0.33	Pharmaceuticals & Biotechnology 2.65% (2.26%)			
223,600	Sands China	945	0.79	1,692,000	CSPC Pharmaceutical Group	3,173	2.65
425,200	Wynn Macau	1,158	0.97	General Retailers 0.72% (0.00%)			
Real Estate Investment & Services 1.06% (2.00%)				1,044,000	Sun Art Retail Group	861	0.72
458,000	China Resources Land	1,263	1.06	Mobile Telecommunications 2.33% (5.04%)			
Software & Computer Services 16.86% (18.94%)				399,500	China Mobile	2,787	2.33
37,473	Baidu ADR	6,878	5.75	Gas, Water & Multiutilities 0.00% (0.51%)			
10,949	Baozun	349	0.29	Life Insurance 2.18% (2.49%)			
886,000	Kingdee International Software Group	633	0.53	397,800	AIA Group	2,609	2.18
5,976	Netease	1,106	0.92	Real Estate Investment & Services 0.57% (1.66%)			
289,500	Tencent Holdings	10,508	8.78	278,000	China Overseas Land & Investment	684	0.57
8,627	Weibo ADR	703	0.59	Financial Services 1.05% (0.00%)			
Total Cayman Islands				52,800	Hong Kong Exchanges and Clearing	1,260	1.05
				Total Hong Kong			
CHINA 30.27% (33.60%)							
Oil & Gas Producers 1.92% (5.13%)							
3,220,000	China Petroleum & Chemical	2,293	1.92				
Mining 0.00% (0.76%)							
Construction & Materials 0.86% (0.97%)							
224,500	Anhui Conch Cement	1,028	0.86				
Industrial Engineering 1.14% (0.00%)							
349,800	Zhuzhou CRRC Times Electric	1,359	1.14				

Threadneedle China Opportunities Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG 8.90% (7.53%)			
Industrial Metals & Mining 1.48% (0.66%)			
1,666,214	JP Morgan Structured Notes Warrant (Baoshan Iron & Steel) 28/04/2020	1,771	1.48
Construction & Materials 0.00% (0.54%)			
Electronic & Electrical Equipment 0.85% (1.67%)			
153,983	JP Morgan Structured Notes Warrant (Hangzhou Hikvision Digital Technology) 16/04/2020	683	0.57
62,577	JP Morgan Structured Notes Warrant (Han's Laser) 10/05/2021	337	0.28
Beverages 1.88% (2.10%)			
14,830	JP Morgan Structured Note Warrant (Kweichow Moutai) 10/07/2020	1,135	0.95
141,192	JP Morgan Structured Notes Warrant (Wuliangye Yibin) 30/06/2020	1,106	0.93
Food Producers 1.51% (0.74%)			
248,673	JP Morgan Structured Notes Warrant (Angel Yeast) 26/04/2021	998	0.83
269,757	JP Morgan Structured Notes Warrant (Inner Mongolia) 24/10/2019	817	0.68
Household Goods & Home Construction 0.97% (0.00%)			
194,957	JP Morgan Structured Notes Warrant (Midea Group) 16/04/2020	1,161	0.97
Life Insurance 1.76% (1.82%)			
299,722	JP Morgan Structured Notes Warrant (Ping An of China) 12/04/2021	2,103	1.76
Technology Hardware & Equipment 0.45% (0.00%)			
134,195	JP Morgan Structured Notes Warrant (Luxshare Precision) 22/04/2021	323	0.27
59,605	JP Morgan Structured Notes Warrant (Szenzen Sunway) 04/12/2018	214	0.18
	Total Luxembourg	10,648	8.90
UNITED STATES OF AMERICA 0.86% (0.84%)			
Pharmaceuticals & Biotechnology 0.00% (0.84%)			
Travel & Leisure 0.86% (0.00%)			
33,661	Yum China Holdings	1,031	0.86
	Total United States of America	1,031	0.86
Total value of investments		115,712	96.71
Net other assets (0.70%)		3,933	3.29
Net assets		119,645	100.00

April 2017 comparatives in brackets.

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA 0.85% (0.50%)				CANADA 1.08% (0.00%)			
	Oil & Gas Producers 0.00% (0.50%)				Oil & Gas Producers 0.53% (0.00%)		
	Construction & Materials 0.61% (0.00%)			139,360	Parex Resources	1,740	0.53
134,682	Loma Negra ADR	2,009	0.61		Industrial Metals & Mining 0.55% (0.00%)		
	Banks 0.24% (0.00%)			178,048	First Quantum Minerals	1,800	0.55
11,159	Banco Macro ADR	780	0.24		Total Canada	3,540	1.08
	Total Argentina	2,789	0.85				
BERMUDA 1.07% (0.00%)				CAYMAN ISLANDS 18.05% (9.61%)			
	Banks 1.07% (0.00%)				Electronic & Electrical Equipment 0.49% (0.30%)		
20,569	Credicorp	3,517	1.07	132,200	Sunny Optical Technology Group	1,597	0.49
	Total Bermuda	3,517	1.07		Support Services 1.14% (0.00%)		
				157,625	PagSeguro Digital	3,751	1.14
BRAZIL 6.27% (7.64%)					Automobiles & Parts 0.72% (0.00%)		
	Oil & Gas Producers 2.13% (0.95%)			2,100,000	Nexteer Automotive Group	2,382	0.72
729,864	Petroleo Brasileiro ADR	6,998	2.13		Pharmaceuticals & Biotechnology 0.95% (0.00%)		
	Mining 0.00% (0.64%)			471,500	Wuxi Biologics Cayman	3,130	0.95
	General Industrials 0.00% (0.87%)				General Retailers 6.36% (3.50%)		
	Industrial Transportation 0.00% (0.89%)			17,465	58.Com ADR	1,070	0.33
	Automobiles & Parts 0.00% (0.54%)			153,628	Alibaba Group ADR	19,829	6.03
	Food Producers 0.00% (0.25%)				Travel & Leisure 0.53% (0.00%)		
	Personal Goods 0.00% (1.35%)			59,418	Ctrip.Com International ADS	1,758	0.53
	Health Care Equipment & Services 0.45% (0.00%)				Banks 0.66% (0.00%)		
263,381	Fleury SA	1,471	0.45	144,871	TCS Group Holding	2,174	0.66
	General Retailers 0.64% (0.00%)				Software & Computer Services 7.20% (5.81%)		
358,609	Localiza Rent a Car	2,124	0.64	16,050	Baidu ADR	2,946	0.90
	Travel & Leisure 0.63% (0.00%)			7,103	Netease	1,314	0.40
279,783	Azul	2,088	0.63	535,100	Tencent Holdings	19,422	5.90
	Fixed Line Telecommunications 0.00% (1.76%)				Total Cayman Islands	59,373	18.05
	Mobile Telecommunications 0.00% (0.16%)						
	Electricity 0.00% (0.23%)			CHINA 7.38% (0.34%)			
	Banks 1.52% (0.00%)				General Retailers 1.21% (0.00%)		
462,235	Itau Unibanco ADR	5,011	1.52	60,584	New Oriental Education & Technology Group ADR	3,977	1.21
	Real Estate Investment & Services 0.56% (0.00%)				Banks 4.32% (0.00%)		
631,902	Cyrela Brazil Realty	1,830	0.56	3,628,000	China Construction Bank	2,799	0.85
	Financial Services 0.34% (0.00%)			1,220,500	China Merchants Bank	3,920	1.19
204,471	B3 SA Brasil Bolsa Balcao	1,107	0.34	11,577,000	Industrial & Commercial Bank of China	7,491	2.28
	Total Brazil	20,629	6.27		Life Insurance 1.85% (0.34%)		
BRITISH VIRGIN ISLANDS 1.16% (0.00%)				846,500	Ping An Insurance Group	6,094	1.85
	Travel & Leisure 0.45% (0.00%)				Total China	24,281	7.38
71,831	Despegar.Com	1,488	0.45				
	Software & Computer Services 0.71% (0.00%)			COLOMBIA 0.88% (1.14%)			
101,077	Mail.Ru Group GDR	2,320	0.71		Banks 0.88% (1.14%)		
	Total British Virgin Islands	3,808	1.16	83,044	Bancolombia ADR	2,912	0.88
					Total Colombia	2,912	0.88
				CZECH REPUBLIC 1.00% (2.25%)			
					Banks 1.00% (2.25%)		
				103,732	Komerční Banka	3,280	1.00
					Total Czech Republic	3,280	1.00

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
HONG KONG 4.99% (4.64%)				Software & Computer Services 0.59% (0.47%)			
	Oil & Gas Producers 0.00% (1.90%)			150,952	Infosys ADR	1,939	0.59
	Automobiles & Parts 0.27% (0.00%)				Total India	36,107	10.98
664,000	Brilliance China Automotive	872	0.27	INDONESIA 1.54% (4.37%)			
	Household Goods & Home Construction 2.02% (0.00%)				Automobiles & Parts 0.00% (1.02%)		
1,552,000	Techtronic Industries	6,649	2.02		Food Producers 0.00% (0.88%)		
	Personal Goods 0.55% (0.56%)				General Retailers 0.00% (0.57%)		
277,000	Hengan International Group	1,799	0.55		Fixed Line Telecommunications 0.00% (0.90%)		
	Pharmaceuticals & Biotechnology 0.50% (0.00%)				Banks 1.54% (1.00%)		
884,000	CSPC Pharmaceutical Group	1,658	0.50	2,855,100	Bank Central Asia	3,305	1.00
	Travel & Leisure 0.62% (0.00%)			10,533,300	Bank Rakyat Indonesia	1,771	0.54
319,000	Galaxy Entertainment Group	2,052	0.62		Total Indonesia	5,076	1.54
	Mobile Telecommunications 0.00% (2.18%)						
	Life Insurance 1.03% (0.00%)			ITALY 0.29% (0.00%)			
516,000	AIA Group	3,384	1.03	258,800	Personal Goods 0.29% (0.00%)		
	Total Hong Kong	16,414	4.99		Prada	954	0.29
					Total Italy	954	0.29
INDIA 10.98% (12.66%)				LUXEMBOURG 2.82% (1.05%)			
	Chemicals 0.78% (0.00%)				Beverages 1.92% (0.00%)		
319,806	UPL	2,556	0.78	805,546	JP Morgan Structured Notes Warrant (Wuliangye Yibin) 30/06/2020	6,311	1.92
	Construction & Materials 1.13% (3.06%)				Household Goods & Home Construction 0.90% (1.05%)		
137,842	Larsen & Toubro	2,112	0.64	893,700	Samsonite International	2,953	0.90
35,752	Ultratech Cement	1,601	0.49		Total Luxembourg	9,264	2.82
	Industrial Engineering 2.40% (1.13%)						
16,289	Eicher Motors	5,544	1.69	MEXICO 1.85% (8.69%)			
244,150	Mahindra & Mahindra	2,327	0.71		Construction & Materials 0.23% (3.55%)		
	Industrial Transportation 0.71% (0.80%)			168,189	Cemex ADR	762	0.23
528,955	Adani Ports And Special Economic Zone	2,349	0.71		Beverages 0.00% (0.30%)		
	Automobiles & Parts 0.42% (0.52%)				Food Producers 0.00% (1.08%)		
33,530	Hero Honda	1,366	0.42		General Retailers 0.00% (1.43%)		
	Personal Goods 0.00% (1.84%)				Mobile Telecommunications 0.00% (0.65%)		
	Health Care Equipment & Services 0.00% (0.87%)				Banks 1.09% (1.68%)		
	General Retailers 0.52% (0.00%)			791,784	Grupo Financiero Banorte	3,602	1.09
259,818	Future Retail	1,714	0.52		Travel & Leisure 0.53% (0.00%)		
	Media 0.00% (1.46%)			644,873	Alsea Sab de CV	1,729	0.53
	Gas, Water & Multiutilities 0.88% (0.00%)				Total Mexico	6,093	1.85
925,598	Indraprastha Gas	2,905	0.88				
	Banks 3.02% (2.51%)			NETHERLANDS 1.27% (1.11%)			
49,610	HDFC Bank ADR	3,438	1.04		Travel & Leisure 0.17% (0.00%)		
343,878	ICICI Bank ADR	2,150	0.65	311,232	DP Eurasia	565	0.17
115,410	IndusInd Bank	2,391	0.73		Software & Computer Services 1.10% (1.11%)		
499,251	Yes Bank	1,967	0.60	152,815	Yandex	3,619	1.10
	Financial Services 0.53% (0.00%)				Total Netherlands	4,184	1.27
84,073	Bajaj Finance	1,748	0.53				

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
THAILAND 3.79% (3.40%) (continued)			
	Financial Services 0.82% (0.00%)		
3,230,100	Muangthai Leasing	2,703	0.82
	Total Thailand	12,481	3.79
TURKEY 0.15% (2.33%)			
	Automobiles & Parts 0.15% (0.57%)		
104,495	Tofas Turk Otomobil Fabrikasi	482	0.15
	Household Goods & Home Construction 0.00% (0.71%)		
	Banks 0.00% (1.05%)		
	Total Turkey	482	0.15
UNITED STATES OF AMERICA 0.89% (0.82%)			
	Electronic & Electrical Equipment 0.51% (0.00%)		
25,875	Universal Display	1,681	0.51
	Pharmaceuticals & Biotechnology 0.00% (0.82%)		
	Banks 0.38% (0.00%)		
51,936	BCO Santander Chile ADR	1,259	0.38
	Total United States of America	2,940	0.89
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell ZAR 32,106,770		
	Buy USD 2,581,978 Credit Suisse	(1)	—
	Sell GBP 288,861		
	Buy USD 404,000 HSBC	5	—
	Sell GBP 677,378		
	Buy USD 944,000 Citigroup	10	—
	Total Derivatives	14	—
Total value of investments		321,107	97.61
Net other assets (4.21%)		7,877	2.39
Net assets		328,984	100.00

April 2017 comparatives in brackets.

Threadneedle Emerging Market Local Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA 1.74% (0.51%)					EGYPT 4.77% (0.00%)				
		B+ 1.01% (0.00%)					Not Rated 4.77% (0.00%)		
USD	1,100,000	Provincia de Buenos Aires 9.95% 09/06/2021	887	1.01	EGP	45,000,000	Egypt Treasury Bill 0% 12/06/2018	1,823	2.07
		B 0.00% (0.51%)			EGP	36,000,000	Egypt Treasury Bill 0% 24/07/2018	1,430	1.63
		B2 0.73% (0.00%)			EGP	24,000,000	Egypt Treasury Bill 0% 07/08/2018	946	1.07
ARS	18,000,000	Republic of Argentina 21.2% 19/09/2018	648	0.73			Total Egypt	4,199	4.77
		Total Argentina	1,535	1.74	HONG KONG 1.02% (0.00%)				
BRAZIL 13.47% (17.73%)							BBB 1.02% (0.00%)		
		BB 0.00% (13.58%)			USD	1,235,000	China National Chemical Corporation 4.625% 14/03/2023	901	1.02
		Baa2 0.00% (4.15%)					Total Hong Kong	901	1.02
		BB- 13.47% (0.00%)			HUNGARY 0.00% (3.57%)				
BRL	19,688	Brazil Government International Bond 10% 01/01/2023	4,451	5.06			BBB- 0.00% (3.57%)		
BRL	17,353	Brazil Government International Bond 10% 01/01/2025	3,883	4.41			Total Hungary	—	—
BRL	15,845	Brazil Government International Bond 10% 01/01/2027	3,515	4.00	INDONESIA 8.68% (8.48%)				
		Total Brazil	11,849	13.47	IDR	29,996,000,000	Indonesia Government International Bond 6.625% 15/05/2033	1,490	1.69
COLOMBIA 6.42% (6.51%)					IDR	27,600,000,000	Indonesia Government International Bond 7% 15/05/2027	1,454	1.65
		BBB 0.00% (3.01%)			IDR	14,200,000,000	Indonesia Government International Bond 9% 15/03/2029	843	0.96
		Baa2 2.95% (3.50%)			IDR	23,125,000,000	Indonesia Government International Bond 9.5% 15/07/2031	1,426	1.62
COP	10,482,000,000	Colombia Government International Bond 4.375% 21/03/2023	2,594	2.95			Baa3 0.00% (4.82%)		
		BBB- 3.47% (0.00%)			IDR	34,257,000,000	Indonesia Government International Bond 8.375% 15/09/2026	1,944	2.21
COP	797,000,000	Colombia Government International Bond 7.75% 14/04/2021	220	0.25	IDR	8,194,000,000	Indonesia Government International Bond 8.75% 15/05/2031	481	0.55
COP	8,663,000,000	Colombia Government International Bond 9.85% 28/06/2027	2,839	3.22			Total Indonesia	7,638	8.68
		Total Colombia	5,653	6.42	IVORY COAST 0.98% (0.00%)				
CROATIA 1.39% (1.83%)							Ba3 0.98% (0.00%)		
		BB+ 1.39% (0.00%)			EUR	970,000	Ivory Coast 6.625% 22/03/2048	863	0.98
USD	1,600,000	Croatia Government International Bond 6.75% 05/11/2019	1,223	1.39			Total Ivory Coast	863	0.98
		BB 0.00% (1.83%)			KAZAKHSTAN 1.95% (0.00%)				
		Total Croatia	1,223	1.39			BB- 1.95% (0.00%)		
DOMINICAN REPUBLIC 4.67% (0.59%)					USD	2,200,000	JSC Kazmunayg 7% 05/05/2020	1,712	1.95
		BB- 1.61% (0.00%)					Total Kazakhstan	1,712	1.95
DOP	92,700,000	Dominican Republic International Bond 8.9% 15/02/2023	1,413	1.61	LUXEMBOURG 1.33% (0.00%)				
		Not Rated 3.06% (0.59%)					BBB- 1.33% (0.00%)		
DOP	25,900,000	Dominican Republic International Bond 14% 08/06/2018	383	0.43	USD	1,550,000	Gaz Capital 5.999% 23/01/2021	1,169	1.33
DOP	130,700,000	Dominican Republic International Bond 15.95% 04/06/2021	2,314	2.63			Total Luxembourg	1,169	1.33
		Total Dominican Republic	4,110	4.67	MALAYSIA 2.40% (2.80%)				
							A3 2.40% (2.80%)		
					MYR	6,253,000	Malaysian Government Bond 3.84% 15/04/2033	1,059	1.20
					MYR	5,601,000	Malaysian Government Bond 4.392% 15/04/2026	1,053	1.20
							Total Malaysia	2,112	2.40

Threadneedle Emerging Market Local Fund

Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
MEXICO 4.76% (5.83%)					ROMANIA 0.00% (2.53%)				
	A 0.00% (5.33%)					Not Rated 0.00% (2.53%)			
	A- 4.36% (0.00%)					Total Romania		—	—
MXN	37,767,700	Mexican Bonos 7.5% 03/06/2027	1,473	1.67					
MXN	2,044,100	Mexican Bonos 7.75% 29/05/2031	81	0.09					
MXN	24,000,000	Mexican Bonos 8.5% 31/05/2029	1,000	1.14					
MXN	29,003,900	Mexican Bonos 10% 05/12/2024	1,284	1.46					
	A3 0.40% (0.50%)								
MXN	10,000,000	Mexican Bonos 5.75% 05/03/2026	351	0.40					
	Total Mexico		4,189	4.76					
NETHERLANDS 0.77% (0.00%)									
	BBB 0.77% (0.00%)								
USD	900,000	Lukoil International finance 6.125% 09/11/2020	682	0.77					
	Total Netherlands		682	0.77					
NIGERIA 2.13% (0.00%)									
	Not Rated 2.13% (0.00%)								
NGN	250,000,000	Nigeria Government Treasury Bill (OMO) 0% 13/12/2018	470	0.53					
NGN	485,000,000	Nigeria Government Treasury Bill 0% 04/10/2018	937	1.07					
NGN	250,000,000	Nigeria Government Treasury Bill 0% 17/01/2019	466	0.53					
	Total Nigeria		1,873	2.13					
OMAN 1.00% (0.00%)									
	BB 1.00% (0.00%)								
USD	1,250,000	Oman Government International 3.625% 15/06/2021	879	1.00					
	Total Oman		879	1.00					
PERU 3.21% (3.93%)									
	A- 3.21% (3.93%)								
PEN	10,300,000	Peruvian Government International Bond 8.2% 12/08/2026	2,828	3.21					
	Total Peru		2,828	3.21					
PHILIPPINES 0.22% (0.30%)									
	BBB 0.22% (0.30%)								
PHP	14,000,000	Philippine Government International Bond 4.95% 15/01/2021	198	0.22					
	Total Philippines		198	0.22					
POLAND 0.77% (0.00%)									
	A- 0.77% (0.00%)								
PLN	3,400,000	Poland Government Bond 2.5% 25/07/2027	680	0.77					
	Total Poland		680	0.77					
REPUBLIC OF IRELAND 0.26% (0.36%)									
	BBB- 0.26% (0.36%)								
RUB	19,500,000	Russian Railways via RZD Capital 8.3% 02/04/2019	228	0.26					
	Total Republic of Ireland		228	0.26					
RUSSIA 9.15% (12.87%)									
	BBB 5.09% (0.00%)								
RUB	34,000	Russian Federal Bond 7% 25/01/2023	—	—					
RUB	150,210,000	Russian Federal Bond 7% 16/08/2023	1,761	2.00					
RUB	169,527,000	Russian Federal Bond 7.05% 19/01/2028	1,951	2.22					
RUB	61,993,000	Russian Federal Bond 8.15% 03/02/2027	765	0.87					
	BBB- 0.00% (7.56%)								
	Not Rated 4.06% (5.31%)								
RUB	112,000,000	Russian Federal Bond 7.7% 23/03/2033	1,331	1.51					
RUB	175,457,000	Russian Federal Bond 8.5% 17/09/2031	2,243	2.55					
	Total Russia		8,051	9.15					
SERBIA 0.00% (0.92%)									
	Not Rated 0.00% (0.92%)								
	Total Serbia		—	—					
SOUTH AFRICA 12.78% (8.68%)									
	Baa2 0.00% (5.92%)								
	BBB- 0.00% (2.76%)								
	BB+ 12.78% (0.00%)								
ZAR	1,801,941	South Africa Government Bond 6.25% 31/03/2036	81	0.09					
ZAR	33,802,420	South Africa Government Bond 6.5% 28/02/2041 R214	1,498	1.70					
ZAR	52,000,000	South Africa Government Bond 7% 28/02/2031	2,659	3.02					
ZAR	15,675,932	South Africa Government Bond 8% 31/01/2030	879	1.00					
ZAR	14,096,413	South Africa Government Bond 8.25% 31/03/2032	792	0.90					
ZAR	57,919,734	South Africa Government Bond 8.5% 31/01/2037	3,242	3.69					
ZAR	31,256,203	South Africa Government Bond 10.5% 21/12/2026	2,091	2.38					
	Total South Africa		11,242	12.78					
SUPRANATIONAL 1.43% (1.88%)									
	BB 1.43% (0.00%)								
USD	1,700,000	Republic of Serbia 5.875% 03/12/2018	1,255	1.43					
	BB- 0.00% (1.88%)								
	Total Supranational		1,255	1.43					
TURKEY 4.36% (4.31%)									
	Not Rated 4.36% (4.31%)								
TRY	4,914,707	Turkey Government Bond 8.5% 14/09/2022	753	0.86					
TRY	2,500,000	Turkey Government Bond 10.5% 11/08/2027	409	0.46					
TRY	6,240,000	Turkey Government Bond 10.6% 11/02/2026	1,026	1.17					
TRY	9,800,000	Turkey Government Bond 11% 24/02/2027	1,645	1.87					
	Total Turkey		3,833	4.36					

Threadneedle Emerging Market Local Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UKRAINE 0.69% (0.00%)									
		B- 0.69% (0.00%)				Sell USD 243,405			
USD	800,000	Ukraine Government 7.75% 01/09/2020	606	0.69		Buy GBP 171,200 Bank of Scotland	(6)	(0.01)	
		Total Ukraine	606	0.69		Sell USD 5,840,614			
UNITED KINGDOM 1.09% (0.00%)						Buy HUF 1,467,430,310			
		B 1.09% (0.00%)				Goldman Sachs	(119)	(0.13)	
USD	1,295,000	Tullow Oil 7% 01/03/2025	956	1.09		Sell USD 497,000			
		Total United Kingdom	956	1.09		Buy IDR 6,866,054,622 HSBC	(4)	—	
UNITED STATES OF AMERICA 0.99% (0.00%)						Sell USD 6,483,753			
		BB 0.99% (0.00%)				Buy MXN 119,704,462 HSBC	(94)	(0.11)	
USD	1,160,000	Cemex Finance 6% 01/04/2024	870	0.99		Sell USD 4,063,847			
		Total United States of America	870	0.99		Buy MYR 15,747,406 Barclays	(38)	(0.04)	
URUGUAY 1.62% (0.00%)						Sell USD 10,436,194			
		BBB 0.94% (0.00%)				Buy PLN 35,400,791 Citigroup	(213)	(0.24)	
UYU	13,000,000	Uruguay Government International Bond 4.25% 05/04/2027	825	0.94		Sell USD 3,409,212			
		Not Rated 0.68% (0.00%)				Buy RON 12,862,685 HSBC	(52)	(0.06)	
UYU	24,478,000	Uruguay Government International Bond 8.5% 15/03/2028	599	0.68		Sell USD 1,561,860			
		Total Uruguay	1,424	1.62		Buy RUB 99,100,000 HSBC	4	—	
DERIVATIVES -1.02% (0.63%)						Sell USD 9,903,620			
		Credit Default Swaps 0.01% (0.00%)				Buy THB 308,339,299 HSBC	(88)	(0.10)	
USD	(6,000,000)	J.P. Morgan UTD Mexican Credit Default Swap Buy Protection 20/12/2022 Spread 100	5	0.01		Sell USD 2,686,297			
		Interest Rate Swaps -0.40% (-0.16%)				Buy TRY 11,270,604 Goldman Sachs	38	0.04	
MXN	135,000,000	HSBC Interest Rate Swap Receive MXN 7% Pay Tite 4W 15/06/2022	(86)	(0.10)		Sell EUR 930,450			
PLN	17,000,000	HSBC Interest Rate Swap Receive PLN 2.29% Pay Wibor 6M 20/09/2026	(113)	(0.13)		Buy USD 1,150,434 Credit Suisse	15	0.02	
BRL	36,649,071	J.P. Morgan Interest Rate Swap Receive BRL Bricdi 1D Pay .89% 04/01/2021	(230)	(0.26)		Sell EUR 1,220,130			
CLP	2,800,000,000	J.P. Morgan Interest Rate Swap Receive CLP 3.675% Pay Cp 1D 19/12/2022	15	0.02		Buy USD 1,511,773 Bank of Scotland	22	0.03	
CLP	2,865,000,000	J.P. Morgan Interest Rate Swap Receive CLP 4.24% Pay Cp 1D 26/12/2027	22	0.02		Sell GBP 12,155			
CLP	12,170,000,000	J.P. Morgan Interest Rate Swap Receive CLP Icp 1D Pay .83% 26/12/2019	3	—		Buy USD 17,000 HSBC	—	—	
COP	21,000,000,000	J.P. Morgan Interest Rate Swap Receive COP Ibr 1D Pay .36% 22/06/2022	(88)	(0.10)		Sell GBP 122,000			
CZK	41,500,000	UBS Interest Rate Swap Receive CZK Pribor Pay 1.04% 20/05/2025	64	0.07		Buy USD 173,747 Goldman Sachs	4	—	
ZAR	15,600,000	UBS Interest Rate Swap Receive ZAR 8.8% Pay Jibar-Safex 03/06/2026	68	0.08		Sell GBP 127,000			
		Forward Foreign Exchange Contracts -0.63% (0.79%)				Buy USD 182,212 HSBC	6	0.01	
		Sell USD 2,947,232				Sell BRL 13,711,455			
		Buy CLP 1,771,581,174 HSBC	(18)	(0.02)		Buy USD 3,983,711 UBS	26	0.03	
		Sell USD 910,170				Sell RUB 274,072,728			
		Buy COP 2,524,073,950 Citigroup	(9)	(0.01)		Buy USD 4,324,278 Credit Suisse	(8)	(0.01)	
		Sell USD 4,940,042				Sell GBP 34,310			
		Buy CZK 101,017,051 Citigroup	(102)	(0.12)		Buy USD 47,956 HSBC	1	—	
		Sell USD 7,413,888				Sell ZAR 68,438,883			
		Buy CZK 151,680,000 Bank of Scotland	(148)	(0.17)		Buy USD 5,626,554 J.P. Morgan	112	0.13	
						Sell RON 27,995,000			
						Buy USD 7,417,468 Citigroup	112	0.13	
						Sell PEN 2,405,791			
						Buy USD 741,224 HSBC	(1)	—	
						Total Derivatives	(900)	(1.02)	
						Total value of investments	81,858	93.03	
						Net other assets (15.74%)	6,132	6.97	
						Net assets	87,990	100.00	
ANALYSIS OF INVESTMENTS BY ASSET CLASS									
						Value	% of		
						£000	Investment		
					Fixed interest	82,758	101.10		
					Derivatives	(900)	(1.10)		
					Total value of investments	81,858	100.00		
					<i>April 2017 comparatives in brackets.</i>				

Threadneedle Global Extended Alpha Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 1.39% (1.95%)				INDIA 3.19% (2.01%)			
	Beverages 1.39% (1.95%)				Media 0.34% (0.52%)		
51,594	Anheuser-Busch InBev	3,763	1.39	69,000	Info Edge India	930	0.34
	Total Belgium	3,763	1.39		Banks 2.59% (1.49%)		
				319,800	HDFC Bank	7,021	2.59
BERMUDA 1.57% (1.77%)					Software & Computer Services 0.26% (0.00%)		
	Financial Services 1.57% (1.77%)			76,755	Matrimony.Com	696	0.26
119,044	Ihs Markit	4,272	1.57		Total India	8,647	3.19
	Total Bermuda	4,272	1.57				
BRAZIL 0.00% (0.75%)				INDONESIA 1.43% (2.35%)			
	General Retailers 0.00% (0.75%)				Banks 1.43% (2.35%)		
	Total Brazil	—	—	23,070,500	Bank Rakyat Indonesia	3,878	1.43
CANADA 1.47% (1.51%)					Total Indonesia	3,878	1.43
	Oil & Gas Producers 1.47% (1.51%)			JAPAN 4.32% (4.56%)			
144,358	Suncor Energy (USD)	3,978	1.47		Industrial Engineering 1.16% (1.40%)		
	Total Canada	3,978	1.47	254,200	Kubota	3,134	1.16
CAYMAN ISLANDS 4.70% (3.60%)					Automobiles & Parts 0.95% (1.51%)		
	Support Services 1.21% (0.00%)			84,300	Bridgestone	2,579	0.95
137,699	PagSeguro Digital	3,277	1.21		Household Goods & Home Construction 1.27% (1.20%)		
	General Retailers 3.49% (1.75%)			266,500	Sekisui Chemical	3,445	1.27
73,453	Alibaba Group ADR	9,481	3.49		Leisure Goods 0.94% (0.45%)		
	Software & Computer Services 0.00% (1.85%)			8,300	Nintendo	2,555	0.94
	Total Cayman Islands	12,758	4.70		Total Japan	11,713	4.32
CHINA 1.61% (3.27%)				JERSEY 0.81% (1.19%)			
	Pharmaceuticals & Biotechnology 0.00% (1.33%)				Support Services 0.81% (1.19%)		
	Life Insurance 1.61% (1.94%)			38,936	Ferguson	2,194	0.81
605,500	Ping An Insurance Group	4,359	1.61		Total Jersey	2,194	0.81
	Total China	4,359	1.61	NETHERLANDS 1.25% (1.24%)			
DENMARK 0.82% (0.91%)					Media 1.25% (1.24%)		
	Pharmaceuticals & Biotechnology 0.82% (0.91%)			218,247	RELX (EUR)	3,381	1.25
65,021	Novo Nordisk	2,226	0.82		Total Netherlands	3,381	1.25
	Total Denmark	2,226	0.82	REPUBLIC OF IRELAND 3.49% (3.03%)			
GERMANY 0.91% (1.11%)					Construction & Materials 2.03% (1.36%)		
	Chemicals 0.00% (0.14%)			213,641	CRH (Dublin Listing)	5,513	2.03
	Household Goods & Home Construction 0.91% (0.00%)				Industrial Engineering 1.15% (0.00%)		
59,465	Osram	2,483	0.91	49,619	Ingersoll-Rand	3,113	1.15
	Mobile Telecommunications 0.00% (0.97%)				Support Services 0.00% (1.13%)		
	Total Germany	2,483	0.91		Pharmaceuticals & Biotechnology 0.31% (0.54%)		
HONG KONG 1.93% (1.62%)				25,982	Alkermes	847	0.31
	Life Insurance 1.93% (1.62%)				Total Republic of Ireland	9,473	3.49
800,600	AIA Group	5,251	1.93	SINGAPORE 0.00% (1.11%)			
	Total Hong Kong	5,251	1.93		Technology Hardware & Equipment 0.00% (1.11%)		
					Total Singapore	—	—

Threadneedle Global Extended Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
SPAIN 0.28% (0.41%)				Health Care Equipment & Services 4.33% (5.03%)			
	General Retailers 0.28% (0.41%)			81,102	Centene	6,511	2.40
33,797	Inditex	762	0.28	16,000	Cooper Cos	2,690	0.99
	Total Spain	762	0.28	54,211	Dentsply Sirona	1,988	0.73
				4,629	Stryker	576	0.21
SWITZERLAND 0.92% (4.18%)				Pharmaceuticals & Biotechnology 6.15% (5.24%)			
	Electronic & Electrical Equipment 0.92% (1.46%)			33,629	Celgene	2,234	0.82
36,866	TE Connectivity	2,504	0.92	83,535	Gilead Sciences	4,495	1.66
	Pharmaceuticals & Biotechnology 0.00% (1.27%)			27,469	Illumina	4,892	1.80
	Banks 0.00% (1.45%)			16,816	Tesaro	644	0.24
	Total Switzerland	2,504	0.92	38,903	Vertex Pharmaceuticals	4,423	1.63
UNITED KINGDOM 5.74% (4.90%)				General Retailers 3.81% (6.26%)			
	Mining 1.54% (0.00%)			7,596	Amazon.com	8,696	3.20
104,660	Rio Tinto	4,182	1.54	64,375	L Brands	1,654	0.61
	Personal Goods 0.70% (1.89%)			Media 1.83% (1.88%)			
46,115	Unilever	1,895	0.70	4,399	Charter Communications	844	0.31
	Tobacco 1.77% (1.53%)			177,560	Comcast	4,114	1.52
118,764	British American Tobacco	4,804	1.77	Travel & Leisure 0.00% (0.51%)			
	Nonlife Insurance 1.73% (1.48%)			Banks 6.48% (2.39%)			
44,627	Aon	4,689	1.73	475,414	Bank of America	10,440	3.85
	Total United Kingdom	15,570	5.74	69,771	BB&T	2,715	1.00
UNITED STATES OF AMERICA 52.99% (53.43%)				55,615	JPMorgan Chase	4,433	1.63
	Oil & Gas Producers 5.22% (2.78%)			Financial Services 7.80% (8.53%)			
79,887	Diamondback Energy	7,325	2.70	106,273	Charles Schwab	4,334	1.60
80,422	EOG Resources	6,841	2.52	42,221	Goldman Sachs Group	7,376	2.72
	Oil Equipment, Services & Distribution 2.39% (1.13%)			30,059	MasterCard Class A	3,853	1.42
168,599	Halliburton	6,490	2.39	60,804	Visa 'A' Shares	5,582	2.06
	Chemicals 1.16% (0.00%)			Software & Computer Services 4.23% (5.48%)			
29,390	ECOLAB	3,141	1.16	9,304	Alphabet Class A	6,990	2.58
	Construction & Materials 0.00% (2.24%)			19,405	Facebook	2,454	0.90
	Electronic & Electrical Equipment 1.53% (1.17%)			12,549	Tyler Technologies	2,028	0.75
41,504	Amphenol	2,549	0.94	Technology Hardware & Equipment 0.90% (0.95%)			
129,435	Macom Technology Solutions	1,603	0.59	14,472	Broadcom	2,454	0.90
	Industrial Engineering 0.00% (0.79%)			Total United States of America			
	Industrial Transportation 2.08% (2.00%)					143,803	52.99
57,283	Union Pacific	5,640	2.08	DERIVATIVES -0.75% (0.49%)			
	Support Services 0.67% (1.65%)			Forward Foreign Exchange Contracts 0.00% (0.00%)			
16,030	United Rentals	1,814	0.67	Sell USD 78,000			
	Beverages 0.00% (1.11%)			Buy GBP 56,639 Bank of Scotland			
	Leisure Goods 1.12% (2.13%)			Sell GBP 341,559			
63,704	Activision Blizzard	3,054	1.12	Buy USD 476,000 Citigroup			
	Personal Goods 3.29% (2.16%)			Portfolio Swap -0.75% (0.49%)			
26,844	Estee Lauder Companies Class A	2,909	1.07	UBS Portfolio Swap			
118,733	NIKE	6,017	2.22	Total Derivatives			
						(2,035)	(0.75)
				Total value of investments			
						238,985	88.07
				Net other assets (4.61%)			
						32,378	11.93
				Net assets			
						271,363	100.00
<i>April 2017 comparatives in brackets.</i>							

Threadneedle Global Equity Income Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 5.27% (5.97%)				FINLAND 1.33% (0.75%)			
	Construction & Materials 1.15% (1.00%)				Nonlife Insurance 1.33% (0.75%)		
4,521,027	Dulux Group	19,024	1.15	555,484	Sampo	22,024	1.33
	General Industrials 0.73% (1.14%)				Total Finland	22,024	1.33
1,603,283	Amcor	12,082	0.73				
	Industrial Transportation 2.27% (1.42%)			FRANCE 1.88% (0.00%)			
4,895,195	Sydney Airport	19,091	1.15		Banks 1.88% (0.00%)		
2,906,254	Transurban	18,528	1.12	554,693	BNP Paribas	31,080	1.88
	Life Insurance 0.00% (1.00%)				Total France	31,080	1.88
	Real Estate Investment Trusts 1.12% (1.41%)						
3,731,541	Goodman Group	18,534	1.12	GERMANY 5.76% (6.62%)			
	Total Australia	87,259	5.27		Chemicals 1.06% (1.34%)		
				671,607	Evonik Industries	17,496	1.06
AUSTRIA 1.20% (0.00%)					Automobiles & Parts 0.00% (0.80%)		
	Banks 1.20% (0.00%)				Media 1.37% (1.61%)		
552,482	Erste Group Bank	19,850	1.20	379,088	Axel Springer	22,651	1.37
	Total Austria	19,850	1.20		Mobile Telecommunications 3.33% (2.87%)		
BRAZIL 2.82% (2.25%)				176,456	1&1 Drillisch Group	9,354	0.56
	Beverages 1.26% (1.15%)			3,603,642	Deutsche Telekom	45,938	2.77
4,287,940	Ambev	20,947	1.26		Total Germany	95,439	5.76
	General Retailers 0.80% (1.10%)			HONG KONG 2.06% (2.97%)			
4,413,294	Kroton Educacional	13,198	0.80		Fixed Line Telecommunications 1.52% (1.46%)		
	Financial Services 0.76% (0.00%)			26,291,000	HKT Trust & HKT	25,236	1.52
3,144,383	Cielo	12,558	0.76		Banks 0.54% (1.51%)		
	Total Brazil	46,703	2.82	2,334,000	BOC Hong Kong Holdings	8,851	0.54
CANADA 6.04% (3.02%)					Total Hong Kong	34,087	2.06
	Oil & Gas Producers 1.47% (0.68%)			INDONESIA 1.39% (0.00%)			
876,168	Suncor Energy CAD	24,283	1.47		Fixed Line Telecommunications 1.39% (0.00%)		
	Oil Equipment, Services & Distribution 1.30% (1.41%)			115,413,500	Telekomunikasi Indonesia	23,090	1.39
697,239	TransCanada	21,560	1.30		Total Indonesia	23,090	1.39
	Chemicals 1.02% (0.93%)			ISLE OF MAN 0.99% (0.55%)			
502,905	Nutrien	16,947	1.02		Travel & Leisure 0.99% (0.55%)		
	Life Insurance 2.25% (0.00%)			1,828,696	GVC Holdings	16,367	0.99
2,695,625	Manulife Financial	37,301	2.25		Total Isle of Man	16,367	0.99
	Total Canada	100,091	6.04	JAPAN 5.30% (3.72%)			
CAYMAN ISLANDS 1.40% (0.00%)					Automobiles & Parts 1.48% (1.64%)		
	Personal Goods 1.40% (0.00%)			801,500	Bridgestone	24,520	1.48
5,554,000	Anta Sports Products	23,201	1.40		Real Estate Investment Trusts 0.63% (0.56%)		
	Total Cayman Islands	23,201	1.40	18,976	Japan Hotel Investment REIT	10,464	0.63
DENMARK 1.07% (0.88%)					Financial Services 2.22% (1.52%)		
	Health Care Equipment & Services 1.07% (0.00%)			8,216,000	Daiwa Securities Group	36,803	2.22
284,209	Coloplast	17,656	1.07		Technology Hardware & Equipment 0.97% (0.00%)		
	Pharmaceuticals & Biotechnology 0.00% (0.88%)			114,500	Tokyo Electron	16,075	0.97
	Total Denmark	17,656	1.07		Total Japan	87,862	5.30

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
MEXICO 0.56% (2.20%)				UNITED KINGDOM 13.87% (15.60%)			
	Personal Goods 0.00% (1.15%)				Oil & Gas Producers 2.44% (1.82%)		
	General Retailers 0.56% (1.05%)			1,606,428	Royal Dutch Shell A Shares	40,474	2.44
4,536,696	Wal-Mart de Mexico	9,203	0.56		Mining 2.03% (1.13%)		
	Total Mexico	9,203	0.56	704,114	Anglo American	12,205	0.74
				536,642	Rio Tinto	21,444	1.29
NETHERLANDS 4.71% (3.60%)					Aerospace & Defence 0.84% (1.04%)		
	Chemicals 0.93% (1.18%)			2,273,315	BAE Systems	13,990	0.84
198,196	LyondellBasell Industries	15,404	0.93		Tobacco 2.85% (1.84%)		
	Personal Goods 2.79% (2.42%)			1,166,876	British American Tobacco	47,200	2.85
1,101,583	Unilever (EUR)	46,200	2.79		Pharmaceuticals & Biotechnology 1.52% (2.68%)		
	Media 0.99% (0.00%)			1,707,402	GlaxoSmithKline	25,211	1.52
1,060,641	RELX (EUR)	16,432	0.99		Media 0.92% (0.94%)		
	Total Netherlands	78,036	4.71	5,068,787	Moneysupermarket.com Group	15,186	0.92
SOUTH AFRICA 0.48% (0.41%)					Fixed Line Telecommunications 1.16% (0.97%)		
	Food & Drug Retailers 0.48% (0.41%)			7,656,294	BT Group	19,206	1.16
643,308	SPAR Group	7,941	0.48		Gas, Water & Multiutilities 0.00% (0.88%)		
	Total South Africa	7,941	0.48		Banks 0.53% (1.18%)		
SPAIN 1.61% (0.84%)				1,196,376	HSBC Holdings	8,728	0.53
	Construction & Materials 1.61% (0.84%)				Life Insurance 1.58% (2.39%)		
1,697,985	Ferrovial	26,606	1.61	4,928,308	Legal & General Group	13,366	0.81
	Total Spain	26,606	1.61	1,122,165	St James's Place	12,804	0.77
SWITZERLAND 3.31% (5.48%)					UK bond 0.00% (0.73%)		
	Chemicals 0.00% (1.28%)			12,044	Threadneedle Sterling Fund	12	—
	Pharmaceuticals & Biotechnology 1.77% (1.94%)				Total United Kingdom	229,826	13.87
520,504	Novartis	29,261	1.77				
	Banks 1.54% (2.26%)			UNITED STATES OF AMERICA 32.48% (41.03%)			
2,081,616	UBS Group	25,562	1.54		Oil & Gas Producers 2.44% (2.97%)		
	Total Switzerland	54,823	3.31	355,489	Occidental Petroleum	19,951	1.20
				256,435	Valero Energy	20,511	1.24
TAIWAN 3.04% (3.52%)					Oil Equipment, Services & Distribution 2.41% (1.67%)		
	Personal Goods 0.74% (0.00%)			1,415,799	Enterprise Products Partners	27,315	1.65
1,390,000	Eclat Textile Company	12,306	0.74	251,661	Schlumberger	12,665	0.76
	Technology Hardware & Equipment 2.30% (3.52%)				Chemicals 0.00% (1.47%)		
6,837,000	Taiwan Semiconductor Manufacturing	38,135	2.30		Construction & Materials 0.91% (1.04%)		
	Total Taiwan	50,441	3.04	122,291	Watsco	15,150	0.91
THAILAND 1.97% (0.00%)					General Industrials 0.00% (1.70%)		
	Beverages 0.61% (0.00%)				Electronic & Electrical Equipment 0.73% (0.00%)		
21,392,800	Thai Beverage	10,060	0.61	246,149	Emerson Electric	12,161	0.73
	Banks 1.36% (0.00%)				Support Services 1.53% (1.47%)		
7,443,300	Siam Commercial Bank	22,511	1.36	565,172	Paychex	25,358	1.53
	Total Thailand	32,571	1.97		Automobiles & Parts 1.38% (1.80%)		
				834,446	General Motors	22,884	1.38
					Beverages 1.96% (0.00%)		
				1,026,873	Coca-Cola	32,396	1.96

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 32.48% (41.03%) (continued)							
	Personal Goods 1.05% (1.30%)				Buy SGD 11,644,927 J.P. Morgan	(10)	—
437,811	Tapestry	17,426	1.05		Sell USD 2,145,296		
	Tobacco 2.26% (4.18%)				Buy SGD 2,836,039 J.P. Morgan	(2)	—
570,197	Altria Group	23,315	1.41		Sell USD 36,613		
232,735	Philip Morris International	14,000	0.85		Buy SGD 48,393 J.P. Morgan	—	—
	Pharmaceuticals & Biotechnology 4.05% (4.10%)				Sell SGD 4,793		
560,217	Merck & Co	24,274	1.47		Buy USD 3,617 J.P. Morgan	—	—
1,586,282	Pfizer	42,775	2.58		Total Derivatives	(15)	—
	General Retailers 0.75% (1.42%)			Total value of investments		1,632,171	98.54
483,876	L Brands	12,431	0.75	Net other assets (0.59%)		24,205	1.46
	Travel & Leisure 0.81% (3.84%)			Net assets		1,656,376	100.00
253,773	Las Vegas Sands	13,372	0.81				
	Electricity 0.00% (1.90%)			<i>April 2017 comparatives in brackets.</i>			
	Banks 4.42% (1.92%)						
751,049	Pacwest Bancorp	28,674	1.73				
1,166,242	Wells Fargo	44,491	2.69				
	Real Estate Investment Trusts 0.60% (1.95%)						
644,010	Starwood Property Trust	9,858	0.60				
	Financial Services 2.44% (2.16%)						
410,545	Apollo Global Management – A	8,516	0.51				
554,538	Blackstone Group	12,452	0.75				
170,133	CME Group	19,506	1.18				
	Equity Investment Instruments 1.04% (1.12%)						
1,479,242	Ares Capital	17,277	1.04				
	Technology Hardware & Equipment 3.70% (5.02%)						
1,047,611	Cisco Systems	34,126	2.06				
384,196	Maxim Integrated Products	15,250	0.92				
319,508	Qualcomm	11,896	0.72				
	Total United States of America	538,030	32.48				

DERIVATIVES 0.00% (0.00%)

Forward Foreign Exchange Contracts 0.00% (0.00%)

Sell USD 198,287		
Buy AUD 260,436 J.P. Morgan	(1)	—
Sell USD 44,233		
Buy AUD 58,363 J.P. Morgan	—	—
Sell USD 606		
Buy AUD 800 J.P. Morgan	—	—
Sell USD 15,707		
Buy CHF 15,334 J.P. Morgan	—	—
Sell USD 16,052		
Buy CHF 15,670 J.P. Morgan	—	—
Sell USD 12,499		
Buy EUR 10,198 J.P. Morgan	—	—
Sell USD 1,394,881		
Buy SGD 1,844,005 J.P. Morgan	(2)	—
Sell USD 8,808,701		

Threadneedle Global Focus Fund

Portfolio Statement

as at 30 April 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.73%				REPUBLIC OF IRELAND 0.85%			
	Pharmaceuticals & Biotechnology 0.73%				Travel & Leisure 0.85%		
126	CSL	12	0.73	1,027	Ryanair Holdings (London Listing)	14	0.85
	Total Australia	12	0.73		Total Republic of Ireland	14	0.85
BELGIUM 1.33%				SOUTH KOREA 1.88%			
	Beverages 1.33%				Leisure Goods 1.88%		
301	Anheuser-Busch InBev	22	1.33	17	Samsung Electronics	31	1.88
	Total Belgium	22	1.33		Total South Korea	31	1.88
CAYMAN ISLANDS 1.64%				SPAIN 1.82%			
	Support Services 0.61%				Mobile Telecommunications 1.82%		
417	PagSeguro Digital	10	0.61	1,550	Cellnex Telecom	30	1.82
	General Retailers 1.03%				Total Spain	30	1.82
133	Alibaba Group ADR	17	1.03				
	Total Cayman Islands	27	1.64	SWEDEN 1.09%			
FRANCE 2.30%					Industrial Engineering 1.09%		
	Support Services 2.30%			687	Atlas Copco 'B' Shares	18	1.09
2,194	Elis	38	2.30		Total Sweden	18	1.09
	Total France	38	2.30	UNITED KINGDOM 7.94%			
GERMANY 1.94%					Tobacco 4.24%		
	Personal Goods 1.94%			1,736	British American Tobacco	70	4.24
177	Adidas	32	1.94		Pharmaceuticals & Biotechnology 0.30%		
	Total Germany	32	1.94	181	Genus	5	0.30
HONG KONG 4.85%					Travel & Leisure 0.97%		
	Life Insurance 4.85%			348	InterContinental Hotels Group	16	0.97
12,200	AIA Group	80	4.85		Nonlife Insurance 2.43%		
	Total Hong Kong	80	4.85	377	Aon	40	2.43
INDIA 3.64%					Total United Kingdom	131	7.94
	Banks 3.64%			UNITED STATES OF AMERICA 52.73%			
872	HDFC Bank ADR	60	3.64		Electronic & Electrical Equipment 0.91%		
	Total India	60	3.64	315	Agilent Technologies	15	0.91
INDONESIA 0.54%					Support Services 0.91%		
	Banks 0.54%			330	TransUnion	15	0.91
7,700	Bank Central Asia	9	0.54		Beverages 0.85%		
	Total Indonesia	9	0.54	188	PepsiCo	14	0.85
JAPAN 3.88%					Leisure Goods 1.94%		
	Electronic & Electrical Equipment 2.73%			665	Activision Blizzard	32	1.94
100	Keyence	45	2.73		Health Care Equipment & Services 11.58%		
	Financial Services 1.15%			2,190	Boston Scientific	47	2.85
900	Nihon M&A Center	19	1.15	421	Centene	34	2.06
	Total Japan	64	3.88	185	Cooper Cos	31	1.88
NETHERLANDS 6.60%				201	Thermo Fisher Scientific	31	1.88
	Personal Goods 2.61%			276	UnitedHealth Group	48	2.91
1,032	Unilever (EUR)	43	2.61		General Retailers 2.97%		
	Media 3.99%			43	Amazon.com	49	2.97
4,240	RELX (EUR)	66	3.99		Media 0.85%		
	Total Netherlands	109	6.60	72	Charter Communications	14	0.85

Threadneedle Global Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 52.73% (continued)			
Real Estate Investment Trusts 1.94%			
104	Equinix	32	1.94
Financial Services 13.88%			
587	Charles Schwab	24	1.45
578	InterContinental Exchange	31	1.88
648	MasterCard Class A	83	5.03
85	S&P Global	12	0.73
863	Visa 'A' Shares	79	4.79
Software & Computer Services 13.39%			
287	Adobe Systems	46	2.79
96	Alphabet Class A	72	4.36
1,480	Microsoft	103	6.24
Technology Hardware & Equipment 3.51%			
520	Applied Materials	19	1.15
182	Broadcom	31	1.88
46	Nvidia	8	0.48
Total United States of America		870	52.73
DERIVATIVES 0.00%			
Forward Foreign Exchange Contracts 0.00%			
Sell GBP 336		—	—
Buy IDR 6,484,600 Citigroup		—	—
Total Derivatives		—	—
Total value of investments		1,547	93.76
Net other assets		103	6.24
Net assets		1,650	100.00

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

as at 30 April 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA 1.09% (0.00%)					CAYMAN ISLANDS 0.96% (1.62%)				
		B+ 1.09% (0.00%)					A+ 0.44% (0.00%)		
USD	246,000	Provincia de Cordoba 7.45% 01/09/2024	185	0.29	USD	200,000	Alibaba Group 4% 06/12/2037	137	0.22
USD	651,000	Republic of Argentina 7.5% 22/04/2026	498	0.80	USD	200,000	Tencent Holding 3.925% 19/01/2038	136	0.22
		Total Argentina	683	1.09			BBB 0.00% (1.01%)		
AUSTRALIA 1.76% (4.41%)							Baa3 0.00% (0.20%)		
		Aaa 0.00% (1.61%)					BB- 0.00% (0.41%)		
		A- 0.89% (0.67%)					B 0.52% (0.00%)		
EUR	304,000	SGSP Australia Assets 2% 30/06/2022	284	0.45	USD	525,000	Noble Holding International 6.95% 01/04/2045	327	0.52
USD	400,000	SGSP Australia Assets 3.25% 29/07/2026	275	0.44			Total Cayman Islands	600	0.96
		BBB+ 0.45% (1.59%)			CROATIA 0.00% (1.03%)				
AUD	60,000	Aurizon Network 4% 21/06/2024	33	0.05			BB 0.00% (1.03%)		
EUR	150,000	*BHP Billiton Finance 5.625% 22/10/2079	160	0.26			Total Croatia	—	—
EUR	100,000	Sydney Airport Finance 1.75% 26/04/2028	88	0.14	DOMINICAN REPUBLIC 1.23% (1.44%)				
		BBB 0.17% (0.14%)					BB- 1.23% (1.44%)		
USD	145,000	APT Pipelines 4.25% 15/07/2027	103	0.17	USD	999,000	Dominican Republic International Bond 7.5% 06/05/2021	771	1.23
		BBB- 0.25% (0.40%)					Total Dominican Republic	771	1.23
GBP	139,000	Asciano Finance 5% 19/09/2023	155	0.25	EGYPT 1.35% (0.00%)				
		Total Australia	1,098	1.76			B3 1.35% (0.00%)		
AUSTRIA 0.37% (0.52%)					USD	1,095,000	Arab Republic of Egypt 7.5% 31/01/2027	843	1.35
		Baa2 0.37% (0.52%)					Total Egypt	843	1.35
EUR	200,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	234	0.37	FRANCE 1.30% (1.02%)				
		Total Austria	234	0.37			BBB 0.52% (0.43%)		
BELGIUM 0.42% (0.00%)					USD	440,000	*Credit Agricole 8.125% 19/09/2033	326	0.52
		A- 0.42% (0.00%)					BB 0.29% (0.20%)		
EUR	307,000	Anheuser-Busch InBev 2% 23/01/2035	261	0.42	EUR	200,000	SPIE 3.125% 22/03/2024	178	0.29
		Total Belgium	261	0.42			B+ 0.49% (0.39%)		
BERMUDA 0.84% (0.00%)					EUR	245,000	Paprec Holding 4% 31/03/2025	218	0.35
		BBB- 0.84% (0.00%)			EUR	100,000	*Paprec Holding FRN 31/03/2025	89	0.14
USD	725,000	Bacardi 4.7% 15/05/2028	526	0.84			Total France	811	1.30
		Total Bermuda	526	0.84	GERMANY 3.78% (12.20%)				
BRITISH VIRGIN ISLANDS 0.27% (0.40%)							Aaa 2.81% (11.12%)		
		BBB 0.27% (0.40%)			EUR	2,055,220	Bundesrepublik Deutschland 0% 15/08/2026	1,753	2.81
GBP	150,000	Global Switch Holdings 4.375% 13/12/2022	166	0.27			A 0.05% (0.04%)		
		Total British Virgin Islands	166	0.27	GBP	34,000	*Munich Re 7.625% 21/06/2028	34	0.05
CANADA 1.09% (0.47%)							BBB- 0.00% (0.32%)		
		BBB 0.51% (0.19%)					BB+ 0.42% (0.00%)		
USD	215,000	Cenovus Energy 3.8% 15/09/2023	153	0.25	EUR	200,000	ADLER Real Estate 1.875% 27/04/2023	173	0.28
USD	231,000	Cenovus Energy 4.25% 15/04/2027	161	0.26	EUR	100,000	ADLER Real Estate 3% 27/04/2026	88	0.14
		BB- 0.58% (0.28%)					BB 0.00% (0.49%)		
USD	187,000	Valeant 5.5% 01/11/2025	136	0.22			Ba2 0.50% (0.00%)		
USD	110,000	Valeant 6.5% 15/03/2022	83	0.13	GBP	300,000	*RWVE 7% 29/03/2049	311	0.50
USD	190,000	Valeant 7% 15/03/2024	146	0.23			BB- 0.00% (0.23%)		
		Total Canada	679	1.09			Total Germany	2,359	3.78

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
HONDURAS 1.50% (0.00%)									
		BB- 1.50% (0.00%)					BBB- 0.28% (0.00%)		
USD	1,181,000	Republic of Honduras 7.5% 15/03/2024	934	1.50	EUR	195,000	Bevco 1.75% 09/02/2023	172	0.28
		Total Honduras	934	1.50			Ba1 0.00% (0.96%)		
HUNGARY 0.00% (1.40%)									
		Baa3 0.00% (1.40%)			EUR	300,000	Hanesbrands 3.5% 15/06/2024	278	0.45
		Total Hungary	—	—			B+ 0.12% (0.00%)		
ICELAND 0.71% (0.49%)					EUR	620,000	*Matterhorn FRN 01/02/2023	78	0.12
		BBB+ 0.71% (0.00%)					B 0.95% (2.25%)		
EUR	485,000	Arion Bank 1.625% 01/12/2021	442	0.71	EUR	320,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	295	0.47
		BBB 0.00% (0.49%)			EUR	313,000	Crystal Almond 10% 01/11/2021	300	0.48
		Total Iceland	442	0.71			B- 0.61% (0.00%)		
ITALY 0.67% (0.52%)					EUR	294,000	Altice 6.25% 15/02/2025	250	0.40
		BBB- 0.45% (0.00%)			EUR	150,000	Altice 7.25% 15/05/2022	131	0.21
EUR	300,000	*Enel 5% 15/01/2025	284	0.45			Collective Investment Schemes 0.02% (4.75%)		
		BB+ 0.22% (0.32%)			USD	411	Threadneedle (Lux) – US High Yield Bond	10	0.02
EUR	156,000	Leonardo 1.5% 07/06/2024	135	0.22			Total Luxembourg	2,447	3.92
		B3 0.00% (0.20%)			MEXICO 0.60% (2.33%)				
		Total Italy	419	0.67	USD	498,000	Petroleos Mexicanos 6.5% 13/03/2027	376	0.60
IVORY COAST 1.37% (1.06%)							BBB+ 0.60% (2.33%)		
		Ba3 1.37% (1.06%)					Total Mexico	376	0.60
USD	1,200,000	Ivory Coast 5.375% 23/07/2024	855	1.37	NETHERLANDS 5.36% (4.06%)				
		Total Ivory Coast	855	1.37			A 0.14% (0.00%)		
JAPAN 0.39% (0.54%)					EUR	100,000	*Alliander Perpetual 1.625% 30/06/2066	88	0.14
		BB+ 0.39% (0.54%)					BBB+ 0.51% (0.80%)		
EUR	150,000	SoftBank Group 4% 20/04/2023	135	0.22	GBP	225,000	PostNL 7.5% 14/08/2018	229	0.37
EUR	123,000	SoftBank Group 5% 15/04/2028	108	0.17	EUR	100,000	Vonovia Finance 2.75% 22/03/2038	89	0.14
		Total Japan	243	0.39			BBB 0.46% (0.43%)		
JERSEY 1.70% (0.98%)					EUR	215,000	*Eneco Holding 3.25% 29/12/2049	202	0.32
		(P)Ba2 0.40% (0.00%)			GBP	67,000	Innogy Finance 6.25% 03/06/2030	88	0.14
EUR	280,000	LHC Three PIK 4.125% 15/08/2024	249	0.40			BBB- 1.05% (0.84%)		
		B 0.90% (0.47%)			USD	400,000	Syngenta Finance 4.892% 24/04/2025	290	0.46
GBP	130,000	CPUK Finance 4.25% 28/08/2022	131	0.21	EUR	200,000	*Vonovia Finance 4% 29/12/2049	191	0.30
GBP	100,000	CPUK Finance 4.875% 28/08/2025	101	0.16	EUR	200,000	*Vonovia Finance 4.625% 08/04/2074	182	0.29
EUR	360,000	Mercury Bondco PIK 8.25% 30/05/2021	330	0.53			BB+ 0.72% (1.33%)		
		B- 0.40% (0.51%)			EUR	145,000	Darling Global Finance 3.625% 15/05/2026	129	0.21
GBP	295,000	TVL Finance 8.5% 15/05/2023	253	0.40	EUR	351,000	*Tennet Holding 2.995% 01/06/2024	317	0.51
		Total Jersey	1,064	1.70			BB 0.68% (0.00%)		
LUXEMBOURG 3.92% (9.52%)					EUR	307,000	LKQ European Holdings 3.625% 01/04/2026	270	0.43
		BBB+ 0.85% (0.59%)			USD	217,000	Teva Pharmaceutical 1.7% 19/07/2019	154	0.25
EUR	600,000	Grand City Properties 1.5% 17/04/2025	531	0.85			Ba2 0.39% (0.00%)		
		BBB 0.00% (0.29%)			EUR	270,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	242	0.39
		Baa2 0.64% (0.27%)							
EUR	457,000	SELP Finance 1.25% 25/10/2023	402	0.64					

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 5.36% (4.06%) (continued)					SWEDEN 1.71% (1.18%)				
		BB- 0.93% (0.31%)					BBB 1.71% (0.44%)		
USD	398,000	Petrobras Global Finance 7.375% 17/01/2027	312	0.50	EUR	530,000	Akelius Residential 1.5% 23/01/2022	478	0.77
EUR	300,000	Ziggo Secured Finance 3.75% 15/01/2025	268	0.43	EUR	265,000	Akelius Residential 1.75% 07/02/2025	233	0.37
		B 0.48% (0.35%)			USD	490,000	*Swedish Export 2.88% 14/11/2023	355	0.57
EUR	315,000	LGE HoldCo VI 7.125% 15/05/2024	300	0.48			BBB- 0.00% (0.74%)		
		Total Netherlands	3,351	5.36			Total Sweden	1,066	1.71
NORWAY 0.25% (0.41%)					SWITZERLAND 3.57% (3.14%)				
		AA- 0.00% (0.21%)					A- 0.36% (0.27%)		
		A+ 0.25% (0.20%)			USD	300,000	*UBS Group Funding FRN 23/05/2023	223	0.36
USD	215,000	*DNB Bank FRN 02/06/2021	159	0.25			BBB+ 0.84% (0.77%)		
		Total Norway	159	0.25	USD	250,000	*Credit Suisse Group 3.869% 12/01/2029	173	0.28
PORTUGAL 0.67% (0.48%)					EUR	365,000	*UBS 4.75% 12/02/2026	353	0.56
		Not Rated 0.67% (0.48%)					BBB 1.58% (1.51%)		
EUR	1,700,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	419	0.67	EUR	1,005,000	*Credit Suisse 5.75% 18/09/2025	985	1.58
		Total Portugal	419	0.67			BB+ 0.79% (0.59%)		
REPUBLIC OF IRELAND 0.89% (1.37%)					EUR	248,000	*UBS Group 5.75% 29/12/2049	244	0.39
		BBB 0.00% (0.16%)			USD	325,000	*UBS Group 7% 29/12/2049	253	0.40
		BB- 0.41% (0.95%)					Total Switzerland	2,231	3.57
EUR	260,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	254	0.41	UNITED KINGDOM 13.17% (19.14%)				
		B2u 0.00% (0.26%)					AAA 0.61% (0.51%)		
		B- 0.48% (0.00%)			GBP	454,000	*Towd Point Mortgage Funding 2016 FRN 20/04/2045	379	0.61
EUR	345,000	Europcar Drive DAC 4.125% 15/11/2024	303	0.48			Aa1u 0.00% (5.87%)		
		Total Republic of Ireland	557	0.89			AA 0.33% (0.26%)		
RUSSIA 9.29% (14.07%)					GBP	266,000	Telereal Securitisation 4.9741% 10/09/2027	205	0.33
		Not Rated 9.29% (14.07%)					A 0.00% (0.14%)		
RUB	488,995,000	Russian Federal Bond 7.5% 18/08/2021	5,802	9.29	GBP	112,000	Greene King Finance 4.0643% 15/03/2035	110	0.18
		Total Russia	5,802	9.29	GBP	50,000	HSBC Bank 5.375% 22/08/2033	62	0.10
SENEGAL 1.37% (0.00%)							BBB+ 2.80% (2.82%)		
		B+ 1.37% (0.00%)			EUR	224,000	Cadent Finance 0.625% 22/09/2024	192	0.31
USD	1,149,000	Senegal Government International Bond 6.25% 30/07/2024	858	1.37	GBP	210,000	Cadent Finance 2.125% 22/09/2028	198	0.32
		Total Senegal	858	1.37	GBP	100,000	Cadent Finance 2.75% 22/09/2046	91	0.14
SOUTH AFRICA 5.89% (0.00%)					GBP	175,000	*Legal & General Group 10% 23/07/2041	217	0.35
		BB+ 5.89% (0.00%)			GBP	175,000	Lloyds Banking Group 2.25% 16/10/2024	172	0.27
ZAR	65,687,502	South Africa Government Bond 8.5% 31/01/2037	3,677	5.89	GBP	113,000	Severn Trent Utilities Finance 3.625% 16/01/2026	121	0.19
		Total South Africa	3,677	5.89	GBP	100,000	Standard Chartered 4.375% 18/01/2038	109	0.17
SPAIN 0.25% (0.10%)					GBP	156,000	Telereal Securitisation 5.4252% 10/12/2031	168	0.27
		BBB- 0.25% (0.00%)			GBP	463,000	Western Power Distribution 3.625% 06/11/2023	489	0.78
EUR	180,000	Nortegas Energia 2.065% 28/09/2027	159	0.25			Baa1 0.22% (0.16%)		
		BB 0.00% (0.10%)			GBP	139,000	Bupa Finance 2% 05/04/2024	137	0.22
		Total Spain	159	0.25					

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 13.17% (19.14%) (continued)					UNITED STATES OF AMERICA 22.91% (8.29%)				
		BBB 0.25% (0.92%)					Aaa 10.38% (0.00%)		
GBP	165,000	Barclays 3.25% 17/01/2033	156	0.25	USD	9,000,000	United States Treasury Note/Bond 0.75% 15/02/2019	6,483	10.38
		Baa2 0.85% (0.34%)					A+ 0.00% (0.19%)		
GBP	264,000	Bupa Finance 5% 08/12/2026	294	0.47			A 0.24% (0.00%)		
GBP	215,000	WM Morrison Supermarkets 4.625% 08/12/2023	240	0.38	USD	204,000	Loews 3.75% 01/04/2026	148	0.24
		BBB- 3.33% (1.89%)					A- 0.43% (0.35%)		
GBP	335,000	Barclays Bank 10% 21/05/2021	407	0.65	USD	375,000	Anheuser-Busch InBev 3.3% 01/02/2023	271	0.43
GBP	100,000	*CYBG 4% 22/06/2025	99	0.16			BBB+ 3.24% (2.93%)		
EUR	427,000	DS Smith 1.375% 26/07/2024	374	0.60	USD	180,000	American Electric Power 3.2% 13/11/2027	123	0.20
GBP	125,000	G4S 7.75% 13/05/2019	133	0.21	EUR	104,000	American International Group 1.875% 21/06/2027	91	0.15
EUR	310,000	G4S International Finance 1.5% 09/01/2023	279	0.45	GBP	300,000	American International Group 5% 26/04/2023	339	0.54
EUR	275,000	G4S International Finance 1.5% 02/06/2024	243	0.39	EUR	195,000	AT&T 1.8% 05/09/2026	173	0.28
GBP	200,000	GKN Holdings 3.375% 12/05/2032	203	0.32	USD	350,000	AT&T 3.6% 17/02/2023	254	0.41
GBP	100,000	GKN Holdings 5.375% 19/09/2022	110	0.18	EUR	315,000	*AT&T FRN 05/09/2023	283	0.45
GBP	235,000	*Royal Bank of Scotland 2.875% 19/09/2026	234	0.37	USD	470,000	BAT Capital 3.222% 15/08/2024	325	0.52
		Baa3 0.67% (0.67%)			USD	215,000	Sempra Energy 3.55% 15/06/2024	154	0.25
USD	200,000	*HSBC Holdings 6% 22/05/2162	144	0.23	USD	230,000	Verizon Communications 4.4% 01/11/2034	162	0.26
GBP	50,000	National Express Group 6.625% 17/06/2020	55	0.09	GBP	100,000	Welltower 4.8% 20/11/2028	114	0.18
GBP	200,000	*TSB Banking Group 5.75% 06/05/2026	217	0.35			BBB 1.90% (1.77%)		
		BB+ 0.70% (1.33%)			USD	192,000	Becton Dickinson 3.7% 06/06/2027	132	0.21
GBP	140,000	National Westminster Bank 6.5% 07/09/2021	159	0.25	USD	280,000	*Becton Dickinson FRN 06/06/2022	205	0.33
GBP	245,000	Tesco Property Finance 5.5% 13/10/2041	282	0.45	GBP	170,000	Digital Stout 3.3% 19/07/2029	171	0.27
		BB 0.46% (0.94%)			USD	405,000	Discovery Communications 2.8% 15/06/2020	292	0.47
GBP	150,000	*Barclays Bank 14% 29/11/2049	168	0.27	USD	235,000	Ford Motor Credit 2.979% 03/08/2022	164	0.26
GBP	113,000	*CYBG 5% 09/02/2026	117	0.19	EUR	146,000	Liberty Mutual 2.75% 04/05/2026	137	0.22
		BB- 0.33% (0.23%)			USD	130,000	Voya Financial 3.125% 15/07/2024	90	0.14
GBP	170,000	*Lloyds Banking Group Perpetual 7.875% 29/12/2049	206	0.33			BBB- 3.28% (2.11%)		
		B 0.83% (0.67%)			USD	211,000	Broadcom 3.625% 15/01/2024	149	0.24
GBP	117,000	Pinnacle Bidco 6.375% 15/02/2025	119	0.19	USD	450,000	Continental Resources 5% 15/09/2022	333	0.53
GBP	380,000	Virgin Media Finance 6.375% 15/10/2024	398	0.64	USD	120,000	*Discovery Communications FRN 20/09/2019	88	0.14
		B2e 0.00% (0.24%)			USD	300,000	*Hartford Financial Services 8.125% 15/06/2038	219	0.35
		B- 0.56% (0.00%)			USD	555,000	Kinder Morgan Energy Partners 4.25% 01/09/2024	402	0.64
USD	533,497	EnQuest PIK 7% 15/04/2022	350	0.56	EUR	235,000	Molson Coors Brewing 1.25% 15/07/2024	207	0.33
		B3 0.48% (0.00%)			USD	485,000	Molson Coors Brewing 5% 01/05/2042	363	0.58
GBP	290,000	KIRS Midco 3 8.375% 15/07/2023	303	0.48	USD	408,000	Plains All American Pipeline 4.65% 15/10/2025	297	0.47
		CCC+ 0.00% (0.64%)					BB+ 2.17% (0.51%)		
		Not Rated 0.47% (1.03%)			EUR	360,000	Equinix 2.875% 01/10/2025	308	0.49
GBP	290,000	*Pennon Group Perpetual Variable 22/05/2066	291	0.47	EUR	155,000	Equinix 2.875% 01/02/2026	132	0.21
		Total United Kingdom	8,231	13.17	USD	110,000	Equinix 5.375% 15/05/2027	81	0.13
					EUR	501,000	Quintiles IMS 3.25% 15/03/2025	448	0.72
					EUR	390,000	Sealed Air 4.5% 15/09/2023	388	0.62

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 22.91% (8.29%) (continued)					EUR	(1,250,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(22)	(0.04)
USD	60,000	Teva Pharmaceutical Finance 2.25% 18/03/2020	42	0.07	EUR	(925,000)	Citigroup Tesco Credit Default Swap Buy Protection 20/06/2020 Spread 100	(13)	(0.02)
GBP	282,000	Vantiv 3.875% 15/11/2025	277	0.44	EUR	(1,130,000)	Goldman Sachs United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(15)	(0.02)
EUR	190,000	Iron Mountain 3% 15/01/2025	166	0.27	EUR	(2,050,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(27)	(0.04)
EUR	105,000	Kronos International 3.75% 15/09/2025	94	0.15	EUR	(1,375,000)	Goldman Sachs UBS Credit Default Swap Buy Protection 20/03/2019 Spread 300	(30)	(0.05)
EUR	240,000	Avantor 4.75% 01/10/2024	211	0.34	EUR	(1,100,000)	Citigroup Credit Agricole Credit Default Swap Buy Protection 20/12/2018 Spread 500	(31)	(0.05)
		Total United States of America	14,316	22.91					
DERIVATIVES -4.14% (-2.08%)					EUR	(1,600,000)	Citigroup Gas Natural Capital Credit Default Swap Buy Protection 20/03/2020 Spread 100	(22)	(0.04)
EUR	(112,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(6)	(0.01)	EUR	(1,810,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(27)	(0.04)
EUR	(1,800,000)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(181)	(0.29)	USD	(6,300,000)	J.P. Morgan CDX-NAIGS27V1-5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	(94)	(0.15)
EUR	(7,800,000)	Goldman Sachs Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(785)	(1.26)	USD	(1,837,500)	Goldman Sachs CDX-NAHYS27V3-5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(101)	(0.16)
EUR	(3,800,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(78)	(0.12)	USD	(1,519,000)	Citigroup CDX-NAHYS27V3-5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(83)	(0.13)
EUR	(5,400,000)	HSBC Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(111)	(0.18)	USD	(3,351,600)	Goldman Sachs CDX-NAHYS27V3-5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(183)	(0.29)
EUR	(240,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(4)	(0.01)	USD	(470,000)	J.P. Morgan General Motors Credit Default Swap Buy Protection 20/12/2022 Spread 500	(61)	(0.10)
EUR	(360,000)	Citigroup Auchan Holding Credit Default Swap Buy Protection 20/06/2023 Spread 100	(4)	(0.01)	USD	(2,100,000)	Goldman Sachs Westpac Banking Credit Default Swap Buy Protection 20/03/2020 Spread 100	(23)	(0.04)
EUR	(4,200,000)	J.P. Morgan Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2022 Spread 500	(418)	(0.67)			Interest Rate Swaps 0.00% (-0.08%)		
EUR	(85,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(5)	(0.01)			Futures and Options -0.27% (-0.34%)		
EUR	(73,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(4)	(0.01)	EUR	(150)	UBS 3 Month EURO Euribor Future Expiring December 2019	—	—
EUR	(160,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(9)	(0.01)	EUR	(303)	UBS EURO-Bobl Future Expiring June 2018	(99)	(0.16)
EUR	(245,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(13)	(0.02)	EUR	(63)	UBS EURO-Oat Future Expiring June 2018	(74)	(0.12)
EUR	(115,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(7)	(0.01)	AUD	279	UBS Australia 3 Year Bond Future Expiring June 2018	(15)	(0.02)
EUR	(260,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(5)	(0.01)	EUR	(26)	UBS EURO Bond Future Expiring June 2018	(39)	(0.06)
EUR	(370,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(6)	(0.01)	EUR	23	UBS EURO Buxl 30 Year Future Expiring June 2018	57	0.09
					GBP	(43)	UBS Long Gilt Future Expiring June 2018	(42)	(0.07)
					USD	2	UBS US 2 Year Note Future Expiring June 2018	(1)	—
					USD	(96)	UBS US 5 Year Note Future Expiring June 2018	50	0.08

(continued)

216

Performance Summary for the twelve months ended 30 April 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*	+5.89	+6.51	+7.72	+7.43	+6.49
Ethical UK Equity Fund**	(IA) UK All Companies	MSCI UK IMI extended SRI	+2.61	+3.02	+7.72	+3.83	+6.31
UK Extended Alpha Fund	(IA) UK All Companies	FTSE All-Share*	+5.21	+5.81	+7.72	+6.27	+8.16
UK Equity Alpha Income Fund	(IA) UK Equity Income*	FTSE All-Share	+0.26	+0.85	+5.77	+1.61	+8.16
UK Absolute Alpha Fund	(IA) Absolute Return	UK LIBOR 3 Month	-1.05	-0.48	+1.26	+0.61	+0.44
Absolute Return Bond Fund	(IA) Absolute Return	UK LIBOR 3 Month	-1.80	-1.39	+1.26	-0.46	+0.44
Pan European Focus Fund	(IA) Europe Including UK	MSCI Europe*	+6.54	+7.16	+6.30	+8.27	+7.40
Pan European Equity Dividend Fund	(IA) Europe Including UK*	MSCI Europe	+4.09	+4.69	+6.30	+5.81	+7.40
American Extended Alpha Fund	(IA) North America*	S&P 500	+11.13	+11.72	+6.36	+11.93	+6.39
US Equity Income Fund	(IA) North America	S&P 500*	+2.65	+3.27	+6.36	+4.61	+6.39
China Opportunities Fund	(IA) China – Greater China	MSCI China*	+27.73	+28.48	+22.90	+28.81	+25.15
Global Emerging Markets Equity Fund	(IA) Global Emerging Markets	MSCI EM (Emerging Markets)*	+8.28	+8.91	+11.90	+9.84	+14.73
Global Focus Fund ¹	(IA) Global Growth	MSCI AC World	+2.24	+2.24	+3.47	–	+2.69
Emerging Market Local Fund ¹	(IA) Specialist	JPM GBI-EM Global Diversified Composite*	+2.08	+2.91	–	+4.16	+1.80
Global Extended Alpha Fund	(IA) Global Growth	MSCI AC World*	+9.90	+10.81	+7.65	+10.87	+7.80
Global Equity Income Fund	(IA) Global Equity Income	MSCI AC World*	+1.80	+2.35	+4.51	+3.34	+7.80
Global Opportunities Bond Fund	(IA) Absolute Return	Citigroup GBP 1 Month Euro deposit	-1.55	–	+1.26	+0.82	+0.37
UK Index Linked Fund	(IA) UK Index Linked Gilts	FTSE UK Gilts Index Linked Government (All stocks)	-4.95	-4.56	-4.13	-4.66	-4.42
Sterling Medium and Long-Dated Corporate Bond Fund	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (5+ Y)	–	+0.92	+1.10	+1.17	+0.72
Sterling Short-Dated Corporate Bond Fund	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (1-5 Y)	+0.49	+0.84	+1.10	+1.34	+0.39
UK Fixed Interest Fund ***	(IA) UK Gilt	FTSE UK Gilts Government (All)	-1.03	-0.88	-0.86	-0.63	-0.79

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

¹These funds do not currently display a sector median return because the Fund Sector (as defined by the Investment Association) is not felt to be representative.

*Denotes official benchmark of the fund.

¹Fund launched on 17 April 2018. Shown is Z Accumulation for Class 1.

**Class 1 showing T, and Class 2 showing Z.

***Class 2 showing Class Z.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in GBP.

Performance Summary for the twelve months ended 30 April 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*	+5.89	+6.51	+5.85	+7.43	+6.49	GBP
Ethical UK Equity Fund**	GIFS Offshore – UK Large Cap Blend	MSCI UK IMI extended SRI	+2.61	+3.02	+7.45	+3.83	+6.31	GBP
UK Extended Alpha Fund	GIFS Offshore – UK Large Cap Blend	FTSE All-Share*	+5.21	+5.81	+7.45	+6.27	+8.16	GBP
UK Equity Alpha Income Fund	GIFS Offshore – UK Large Cap Value	FTSE All-Share	+0.26	+0.85	+3.73	+1.61	+8.16	GBP
UK Absolute Alpha Fund	GIFS Offshore – Alternative Long/Short UK	UK LIBOR 3 Month	-1.05	-0.48	+0.61	+0.61	+0.44	GBP
Absolute Return Bond Fund	GIFS Offshore – Alternative Long/Short Debt	UK LIBOR 3 Month	-1.80	-1.39	+0.98	-0.46	+0.44	GBP
Pan European Focus Fund	GIFS Offshore – Europe Large Cap Growth	MSCI Europe*	+2.19	+2.78	+0.59	+3.89	+3.06	EUR
Pan European Equity Dividend Fund	GIFS Offshore – Europe Large Cap Value	MSCI Europe	-0.26	+0.31	+3.11	+1.53	+3.06	EUR
American Extended Alpha Fund	GIFS Offshore – US Large Cap Growth	S&P 500	+17.86	+18.48	+16.97	+19.16	+13.27	USD
US Equity Income Fund	GIFS Offshore – US Large Cap Value	S&P 500*	+9.29	+9.95	+8.25	+11.37	+13.27	USD
China Opportunities Fund	GIFS Offshore – China Equity	MSCI China*	+35.46	+36.25	+29.53	+37.13	+33.24	USD
Global Emerging Markets Equity Fund	GIFS Offshore – Global Emerging Markets Equity	MSCI EM (Emerging Markets)*	+14.85	+15.51	+18.68	+16.93	+22.14	USD
Emerging Market Local Fund	GIFS Offshore – Global Emerging Markets Bond Local	JPM GBI-EM Global Diversified Composite*	+8.21	+9.13	+6.68	+10.89	+8.38	USD
Global Extended Alpha Fund	GIFS Offshore – Global Large Cap Blend	MSCI AC World*	+16.55	+17.52	+12.85	+18.03	+14.77	USD
Global Equity Income Fund	GIFS Offshore – Global Large Cap Value	MSCI AC World*	+7.96	+8.54	+11.61	+10.02	+14.77	USD
Global Opportunities Bond Fund	–	Citigroup GBP 1 Month Euro deposit	-1.55	–	–	+0.82	+0.37	GBP
Global Focus Fund¹	GIFS Offshore – Global Large Cap Blend	MSCI AC World	+2.24	+2.24	+2.73	–	+2.69	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 Class T – income shareclass and Class Z – accumulation shareclass.

¹Fund launched 17 April 2018. Z Shareclass is shown for Class 1.

Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Mid 250 Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
Ethical UK Equity Fund	Class T – Income shares	5
	Class Z – Accumulation shares	5
UK Extended Alpha Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
UK Equity Alpha Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
UK Absolute Alpha Fund	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – 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
Absolute Return Bond Fund	Class 1 – Accumulation shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Accumulation shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross accumulation shares	3
Sterling Medium and Long-Dated Corporate Bond Fund	Class 2 – Gross income shares	4
	**Class X – Gross accumulation shares	4
Sterling Short-Dated Corporate Bond Fund	Class 1 – Accumulation shares	2
	Class 1 – Gross accumulation shares	2
	**Class 1 EUR Hedged – Gross accumulation shares	2
	Class 2 – Income shares	2
	Class 2 – Gross income shares	2
	**Class 2 – Gross accumulation shares	2
	**Class 2 EUR Hedged – Gross accumulation shares	2
	Class X – Gross income shares	2
	Class X – Gross accumulation shares	2
	Class Y – Gross income shares	2
UK Fixed Interest Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	Class Z – Accumulation shares	4
UK Index Linked Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 – Gross income shares	5
	Class D – Accumulation shares	5
	Class X – Gross accumulation shares	5
Pan European Focus Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	5
Pan European Equity Dividend Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Pan European Equity Dividend Fund (continued)	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
American Extended Alpha Fund	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class Z – Accumulation shares	5
US Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class L – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z CHF Hedged – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
China Opportunities Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class Z – Accumulation shares	6
Global Emerging Markets Equity Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
Emerging Market Local Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross income shares	5
	Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Gross accumulation shares	5
Global Extended Alpha Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class P – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	6
Global Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Monthly Income shares	5
	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 CHF Hedged – Accumulation shares	5
	Class 1 SGD Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 – 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 – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Global Focus Fund	**Class 2 – Gross accumulation shares	5
	**Class Q – Gross accumulation shares	5
	**Class Z – Gross accumulation shares	5
Global Opportunities Bond Fund	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 30 April 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 Limited¹, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FCA rules).

Other funds may be launched in the future.

Key Investor Information Document – Subscription requirements

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

Changes to the management of the ACD

- Appointment of Michelle Scrimgeour on 14 August 2017;
- Resignation of Mr Don Jordison on 1 May 2018.

Changes to the Prospectus

During the period from 1 May 2017 to 30 April 2018 the following changes were made to the Prospectus of the Company:

- Updates to include disclosures required as a result of implementation of the Securities Financing Transaction Regulation (SFTR) in relation to funds investing in total return swaps
- Updates to reflect changes being made to UK tax on distributions so that all payments are paid gross of UK tax
- Updates to the list of funds managed by the ACD and the directors of the ACD
- Addition of W Shares available to investors in the Global Equity Income Fund
- Update to list of countries where the funds are available
- Additional disclosures following the implementation of the Markets in Financial Instruments Directive (MiFID II)
- Introduction of compulsory conversion clause
- Inclusion of the Global Focus Fund
- Removal of the Target Return Fund following its closure
- Inclusion of information about the use of Hong Kong Stock Connect by certain funds
- Addition of a new share class for the Global Extended Alpha Fund (Class A, a, retail share class with no performance fee)
- Updated privacy statement following the implementation of the General Data Privacy Regulation (GDPR)
- General updates (taxation, dilution adjustments, performance, available share classes)

Changes to the Instrument of Incorporation

The Instrument of Incorporation of the Company was amended on 22 December 2017 to introduce a compulsory conversion clause and 4 April 2018 to remove the Target Return Fund following its closure and add the Global Focus Fund.

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 21 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	
	Class 1 SGD (including Class 1 Hedged Shares)	SGD 4,000	
	Class 1 SEK (Hedged Shares)	SEK 25,000	

Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
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 500,000	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	
Class Q	Class Q GBP	GBP 3 million	Available only to Eligible Shareholders in the Global Focus Fund

Share Class	Currency	Minimum Investment	Eligibility
Class T	Class T GBP	GBP 2,000	Available only to certain investors in the Ethical UK Equity Fund
Class W	Class W GBP	GBP 80 million	Available only to Eligible Shareholders in the Global Equity Income Fund
Class X	Class X GBP	GBP 3 million	Available only to Eligible Shareholders
	Class X EUR	EUR 5 million	
	Class X USD	USD 5 million	
	Class X JPY	JPY 420 million	
	Class X AUD (Hedged Share Class)	AUD 5 million	
Class Y	Class Y GBP	GBP 150 million	Available to Eligible Shareholders in the Sterling Short-Dated Corporate Bond Fund
Class Z*	Class Z GBP	GBP 1 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients
	Class Z EUR (including Class Z Hedged Shares)	EUR 1.5 million	
	Class Z USD (including Class Z Hedged Shares)	USD 1.5 million	
	Class Z JPY	JPY 140 million	
	Class Z CHF (including Class Z Hedged Shares)	CHF 1.5 million	
	Class Z SGD (including Class Z Hedged Shares)	SGD 2 million	

*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

Changes to the share class names

With effect from 6 April 2017, all payments from the Funds are paid gross of UK tax, following changes to the way savings and investments are taxed in the UK. As a result of the change, the word "net" has been removed from the names of all the share classes that were previously "net" paying shares.

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

Since each Fund operates equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

Investor Reports

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

The annual accounting period for the Company ends on 30 April and the interim reporting period ends on 31 October.

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.

The Auditors gave their opinion on the financial statements presented in English. They take no responsibility for the translation of these financial statements. Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

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.

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.

Remuneration Disclosures

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Sàrl ("TAM Sàrl" or "the Group"), as it applies to Threadneedle Investments Services Limited ("the Manager") in respect of the Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive and other applicable rules and guidance. The Remuneration Policy applies to all its subsidiary entities to which the UCITS Directives requirements apply, and was last approved by the Remuneration Committee in June 2017. The remuneration requirements under the UCITS Directive were applied from 1 January 2017, 2017 being the first full performance year commencing after the UCITS V requirements were enforced.

1. The Remuneration Committee

The Remuneration Committee of TAM Sàrl is a sub-committee of the TAM Sàrl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Important Information

(continued)

Current Committee Members are Mr Walter Berman, and Mr Ted Truscott. Meetings are normally held in January, March, June, September and December. The Group's Global Head, Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Property business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

3. Determining Individual Total Incentive Awards

Individual reward decisions are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The leads in Risk and Compliance also report directly to the Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

Pay for Performance

The bottom-up element of the incentive pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance for the Investments and Property divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available pool, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's Values, each of which is separately rated on a 5-point scale to ensure the Values assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance for Investments

employees and for the Property division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the Heads of Risk and Compliance to ensure balance and due reflection of risk management. There is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

Threadneedle believes that deferred awards for higher earners are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund link units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

5. Remuneration Payment Disclosure

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 7 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2017-18 performance year was £1.6m, of which £0.5m was fixed and £1.1m was variable. Total remuneration paid to other members of the UCITS Remuneration Code Staff whose actions had a material impact on the risk profile of the Manager was £15.0m, of which £6.2m was fixed and £8.8m was variable.

Important Information

(continued)

Securities Financing Transaction Regulation (unaudited)

The Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps. A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 30 April 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	188,591	0.15
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	4,845,881	0.76
Threadneedle American Extended Alpha Fund	Portfolio Swap	1,274,881	0.75
Threadneedle Global Extended Alpha Fund	Portfolio Swap	2,035,340	0.75

Data on collateral reuse

There was no collateral reuse during the year ended 30 April 2018.

Concentration data

All collateral received in respect of Portfolio Swaps as at 30 April 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 30 April 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	188,591
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	UBS	4,845,881
Threadneedle American Extended Alpha Fund	Portfolio Swap	Merill Lynch	1,274,881
Threadneedle Global Extended Alpha Fund	Portfolio Swap	UBS	2,035,340

Safekeeping of collateral received

Cash collateral is received on each Portfolio's cash account at Citibank Europe plc, London Branch.

The amount of collateral received for Portfolio Swaps as at 30 April 2018 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral*
Threadneedle American Extended Alpha Fund	Cash	Merill Lynch	USD	120,000
		Total	USD	120,000

Important Information

(continued)

Aggregate transaction data

Name of Portfolio	Type of collateral	Maturity tenor (collateral)	Currency of collateral	Maturity tenor (SFT/TRS)	Country of establishment (counterparty)	Settlement and clearing	Quality of collateral
Threadneedle UK Extended Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle UK Absolute Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle American Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle Global Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash

Safekeeping of collateral granted

Cash and security collateral paid to the counterparties is delivered to segregated accounts at the counterparty.

The amount of collateral granted for Portfolio Swaps as at 30 April 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	150,000	0.12
		Total	GBP	150,000	0.12
Threadneedle UK Absolute Alpha Fund	Cash	UBS	GBP	5,810,000	0.91
		Total	GBP	5,810,000	0.91
Threadneedle American Extended Alpha Fund	Cash	Merill Lynch	USD	490,000	0.29
		Total	USD	490,000	0.29
Threadneedle Global Extended Alpha Fund	Cash	UBS	USD	3,230,000	1.19
		Total	USD	3,230,000	1.19

Return/Costs

Return and costs of Portfolio Swap transactions for the year ended 30 April 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

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Authorised Corporate Director (ACD)

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Registrar

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Delegated to:
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Authorised and regulated by the Financial Conduct Authority (FCA)
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Basildon
Essex SS15 5FS

Investment Manager

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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)
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Canary Wharf
London E14 5LB

Legal Advisers

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Baum Financial Services Law Team
Grosser Burstah 42
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Germany

Independent Auditor

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Authorised Corporate Director Client Services Details

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Telephone (dealing & customer enquiries): 0800 953 0134*
Fax (dealing): 0845 113 0274
Email (enquiries): questions@service.columbiathreadneedle.co.uk

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Fax (dealing): +352 2452 9807
Email (enquiries): threadneedleenquiries@statestreet.com

All Other Investors

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Paying and Information Agent in Luxembourg

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49 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

*Calls will be recorded.

**International Financial Data Services (UK) Limited changed its name to DST Financial Services Europe Limited on 15 August 2017.

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).

Paying and Information Agent in Sweden

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To find out more visit columbiathreadneedle.com



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