



Your success. Our priority.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE INVESTMENT FUNDS ICVC
MARCH 2019

THREADNEEDLE INVESTMENT FUNDS ICVC

Contents

Company Information*	3	Pacific Basin & Emerging Markets:	
Authorised Corporate Director's Report*	4	Asia Fund.....	170 – 178
Notes to the Annual Reports and Audited Financial Statements for Threadneedle Investment Funds ICVC	5 – 6	Latin America Fund.....	179 – 184
UK:		Emerging Market Bond Fund	185 – 193
UK Fund.....	7 – 15	International:	
UK Select Fund	16 – 22	High Yield Bond Fund	194 – 205
UK Smaller Companies Fund.....	23 – 29	Global Select Fund.....	206 – 214
UK Growth & Income Fund.....	30 – 35	Global Bond Fund.....	215 – 223
UK Equity Income Fund	36 – 47	Institutional Funds:	
UK Monthly Income Fund	48 – 53	UK Institutional Fund	224 – 228
Monthly Extra Income Fund	54 – 60	UK Overseas Earnings Fund.....	229 – 234
UK Corporate Bond Fund	61 – 69	Statement of Authorised Corporate Director's (ACD) Responsibilities	235
Sterling Bond Fund	70 – 76	Statement of the Depositary's Responsibilities and Report of the Depositary	235
Sterling Fund.....	77 – 81	Independent Auditors' Report	236
Europe:		Portfolio Statements*:	
European Fund.....	82 – 90	UK Fund.....	237 – 238
European Select Fund	91 – 101	UK Select Fund.....	239
European Smaller Companies Fund.....	102 – 110	UK Smaller Companies Fund.....	240 – 241
European Bond Fund	111 – 116	UK Growth & Income Fund.....	242
Strategic Bond Fund.....	117 – 125	UK Equity Income Fund	243 – 244
US:		UK Monthly Income Fund	245 – 246
American Fund	126 – 135	Monthly Extra Income Fund	247 – 251
American Select Fund.....	136 – 146	UK Corporate Bond Fund	252 – 255
American Smaller Companies Fund (US).....	147 – 155	Sterling Bond Fund	256
Dollar Bond Fund.....	156 – 162	Sterling Fund.....	257
Japan:		European Fund.....	258 – 259
Japan Fund.....	163 – 169		

Contents

(continued)

European Select Fund.....	260 – 261
European Smaller Companies Fund.....	262 – 263
European Bond Fund.....	264 – 268
Strategic Bond Fund.....	269 – 276
American Fund.....	277 – 278
American Select Fund.....	279
American Smaller Companies Fund (US).....	280 – 281
Dollar Bond Fund.....	282 – 283
Japan Fund.....	284 – 285
Asia Fund.....	286 – 288
Latin America Fund.....	289 – 290
Emerging Market Bond Fund.....	291 – 294
High Yield Bond Fund.....	295 – 300
Global Select Fund.....	301 – 302
Global Bond Fund.....	303 – 305
UK Institutional Fund.....	306 – 307
UK Overseas Earnings Fund.....	308
Performance Summaries*	309 – 312
Risk and Reward Profiles*	313 – 316
Important Information*	317 – 322
Directory*	323 – 324

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

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

Company Information

Company

Threadneedle Investment Funds ICVC (the Company)
Registered Number IC000002

Registered Office

Cannon Place, 78 Cannon Street, London EC4N 6AG

Director

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

Board of Directors of the ACD

K Cates (non-executive)
D Jordison (Resigned from the Board on 1 May 2018)
D Kremer (Resigned from the Board on 31 January 2019)
A Roughead (non-executive)
M Scrimgeour (Resigned from the Board on 26 April 2019)
P Stone (Appointed to the Board on 5 September 2018)
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Investment Funds ICVC for the 12 months to 7 March 2019.

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

Thank you for your continued support.



L Weatherup
Director

DIRECTORS' STATEMENTS

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



L Weatherup

23 May 2019



P Stone

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

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

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.

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

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

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

(c) Exchange rates

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

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

(d) Derivatives

The 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 income 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.

(g) Fee rebate

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

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

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

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

(i) Equalisation policy

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

(j) Allocation of return on hedged share classes

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Reference Currency or Reference Currencies and the Hedged Currency (for further definitions refer to page 318). 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.

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

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

- Dollar Bond Fund
- Emerging Market Bond Fund
- European Bond Fund
- Global Bond Fund
- High Yield Bond Fund
- Monthly Extra Income Fund
- Sterling Bond Fund

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

Notes to the financial statements

(continued)

- Strategic Bond Fund
- UK Equity Income Fund
- UK Growth & Income Fund
- UK Monthly 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 the fund.

3 RISK MANAGEMENT POLICIES

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

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

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

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

Market price risk

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

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

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

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

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

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

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

Liquidity risk

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

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

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

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

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

Credit risk/Counterparty risk

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

In order to manage credit risk the funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty 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 fund invests in floating rate securities. The income of these funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

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

Currency risk

Foreign currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For those funds where a proportion of the net assets of the fund are denominated in currencies other than the fund's base currency, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies. Hedged Share Classes are available to investors as set out in the Important Information – Characteristics of Shares section on page 318. The currency risk profile for the relevant funds is shown in their notes to the financial statements, contained within the full financial statements.

4 CROSS HOLDINGS

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

*The RMP available on request from the client services team contact details on page 323.

Threadneedle UK Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund principally in equities of companies domiciled in the UK or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Fund has fallen from 136.26p to 134.36p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -2.68% as compared to a median return of -0.46% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with both market-specific concerns around Brexit and global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the aforementioned deal was overwhelmingly rejected by parliament. Subsequently however, hopes grew that the Brexit deadline would be postponed,

and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

In terms of activity, new additions to the portfolio included Associated British Foods and budget airline easyJet. Associated British Foods owns a diverse range of subsidiaries, including clothing retailer Primark and tea brand Twinings, which are well supported by a strong balance sheet and an impressive management team focused on long-term value creation. We feel that easyJet is a well-run business, with a robust brand and a flexible, healthy balance sheet. easyJet is strengthening its position in several key airport hubs and improving its fleet, while disposing of old aircraft and retaining deferral options on new deliveries. In our view, these measures should position it well to deliver long-term economic returns.

Over the period, we also added to some other holdings, chiefly British American Tobacco, Weir and Tesco, among others.

GKN was de-listed, as the company was acquired by turnaround specialist Melrose Industries.

We profitably closed our holding in AstraZeneca towards the end of 2018 following its strong rally over the year. We were somewhat wary of the proportion of overall valuation ascribed to its drug pipeline and opted to seek our defensive exposure elsewhere. We also realised some gains in London Stock Exchange, which has performed well over the last couple of years.

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

Allocations and sentiment towards the UK market remain incredibly depressed and, importantly, we feel valuations currently look attractive. Many UK-listed companies, including overseas earners, remain undervalued relative to their peers listed elsewhere – undoubtedly a symptom of the political tumult. The resulting valuation arbitrage opportunity has attracted record levels of inbound activist investment, while we've seen M&A activity accelerate as overseas corporates take advantage of the 'Brexit discount'.

Delving into valuations versus history, sectors such as financials, telecoms and consumer goods all appear notably cheap versus the past decade. At a time of political and economic uncertainty, the defensive qualities of the last two sectors further add to their appeal. Indeed, the UK benefits from some of the highest defensive exposure of all developed markets, which should stand us in good stead should a broad-based rotation into less economically sensitive sectors occur.

We see numerous opportunities to deliver solid risk-adjusted returns by retaining our focus on company fundamentals and using volatile markets to top up and buy favoured stocks.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(35,991)	(41,066)
Revenue	3	83,677	73,275
Expenses	4	(22,452)	(22,798)
Interest payable and similar charges	5	(3)	(1)
Net revenue before taxation		61,222	50,476
Taxation	6	–	–
Net revenue after taxation		61,222	50,476
Total return before distributions		25,231	9,410
Distributions	7	(61,222)	(50,500)
Change in net assets attributable to shareholders from investment activities		(35,991)	(41,090)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		2,128,050	2,115,677
Current assets:			
Debtors	8	20,058	12,293
Cash and bank balances	9	11,691	5,430
Cash equivalents**		125	–
Total assets		2,159,924	2,133,400
Liabilities:			
Investment liabilities		–	(3)
Creditors:			
Bank overdrafts	9	–	(130)
Distribution payable		(15,473)	(8,534)
Other creditors	10	(15,468)	(6,200)
Total liabilities		(30,941)	(14,867)
Net assets attributable to shareholders		2,128,983	2,118,533

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	2,118,533	2,161,668
Amounts receivable on the issue of shares	440,972	272,875
Amounts payable on the cancellation of shares	(352,632)	(290,869)
Amounts payable on inspecie transfers	(62,352)	–
	25,988	(17,994)
Dilution adjustment	35	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(35,991)	(41,090)
Retained distribution on accumulation shares	20,392	15,932
Unclaimed distributions	26	17
Closing net assets attributable to shareholders	2,128,983	2,118,533

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.9939	–	1.9939	2.0066
08/09/18 to 07/03/19	1.0885	–	1.0885	0.4116
Group 2				
08/03/18 to 07/09/18	1.3891	0.6048	1.9939	2.0066
08/09/18 to 07/03/19	0.8628	0.2257	1.0885	0.4116
Total distributions in the period			3.0824	2.4182

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.8383	–	1.8383	1.8182
08/09/18 to 07/03/19	1.0245	–	1.0245	0.3844
Group 2				
08/03/18 to 07/09/18	1.4278	0.4105	1.8383	1.8182
08/09/18 to 07/03/19	1.0049	0.0196	1.0245	0.3844
Total distributions in the period			2.8628	2.2026

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle UK Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.4167	–	2.4167	2.4243
08/09/18 to 07/03/19	1.4685	–	1.4685	0.8145
Group 2				
08/03/18 to 07/09/18	0.7805	1.6362	2.4167	2.4243
08/09/18 to 07/03/19	1.1389	0.3296	1.4685	0.8145
Total distributions in the period			3.8852	3.2388

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.8389	–	1.8389	1.8025
08/09/18 to 07/03/19	1.1371	–	1.1371	0.6166
Group 2				
08/03/18 to 07/09/18	0.9115	0.9274	1.8389	1.8025
08/09/18 to 07/03/19	0.7870	0.3501	1.1371	0.6166
Total distributions in the period			2.9760	2.4191

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.5613	–	2.5613	2.5614
08/09/18 to 07/03/19	1.7319	–	1.7319	1.2373
Group 2				
08/03/18 to 07/09/18	1.1139	1.4474	2.5613	2.5614
08/09/18 to 07/03/19	1.7319	–	1.7319	1.2373
Total distributions in the period			4.2932	3.7987

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2.8314	–	2.8314	2.7401
08/09/18 to 07/03/19	1.9691	–	1.9691	1.3544
Group 2				
08/03/18 to 07/09/18	0.9433	1.8881	2.8314	2.7401
08/09/18 to 07/03/19	0.7851	1.1840	1.9691	1.3544
Total distributions in the period			4.8005	4.0945

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.8270	–	2.8270	2.8421
08/09/18 to 07/03/19	1.7768	–	1.7768	1.0698
Group 2				
08/03/18 to 07/09/18	1.3572	1.4698	2.8270	2.8421
08/09/18 to 07/03/19	1.4096	0.3672	1.7768	1.0698
Total distributions in the period			4.6038	3.9119

Class Z EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.8330	–	2.8330	2.8330
08/09/18 to 07/03/19	0.2723	–	0.2723	0.2723
Group 2				
08/03/18 to 07/09/18	–	2.8330	2.8330	2.8330
08/09/18 to 07/03/19	–	0.2723	0.2723	0.2723
Total distributions in the period			3.1053	3.1053

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	3.2203	–	3.2203	3.1463
08/09/18 to 07/03/19	2.0537	–	2.0537	1.2061
Group 2				
08/03/18 to 07/09/18	1.6361	1.5842	3.2203	3.1463
08/09/18 to 07/03/19	1.3609	0.6928	2.0537	1.2061
Total distributions in the period			5.2740	4.3524

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2.5601	–	2.5601	2.6602
08/09/18 to 07/03/19	0.2471	–	0.2471	0.9727
Group 2				
08/03/18 to 07/09/18	0.8704	1.6897	2.5601	2.6602
08/09/18 to 07/03/19	0.1178	0.1293	0.2471	0.9727
Total distributions in the period			2.8072	3.6329

Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2.8219	–	2.8219	2.7566
08/09/18 to 07/03/19	0.2664	–	0.2664	1.0628
Group 2				
08/03/18 to 07/09/18	1.3086	1.5133	2.8219	2.7566
08/09/18 to 07/03/19	0.1733	0.0931	0.2664	1.0628
Total distributions in the period			3.0883	3.8194

Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2.7334	–	2.7334	2.7711
08/09/18 to 07/03/19	0.2689	–	0.2689	1.0054
Group 2				
08/03/18 to 07/09/18	1.2952	1.4382	2.7334	2.7711
08/09/18 to 07/03/19	0.1629	0.1060	0.2689	1.0054
Total distributions in the period			3.0023	3.7765

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	135.81	138.34	117.46	125.20	125.35	104.66
Return before operating charges (p)	2.73	2.19	25.15	2.48	1.95	22.50
Operating charges (p)	(2.24)	(2.30)	(2.05)	(2.08)	(2.10)	(1.81)
Return after operating charges (p)*	0.49	(0.11)	23.10	0.40	(0.15)	20.69
Distributions (p)	(3.08)	(2.42)	(2.22)	(2.86)	(2.20)	(1.98)
Retained distributions on accumulation shares (p)	–	–	–	2.86	2.20	1.98
Closing net asset value per share (p)	133.22	135.81	138.34	125.60	125.20	125.35
*after direct transaction costs of (p)	0.18	0.14	0.24	0.17	0.13	0.21
Performance						
Return after charges (%)	0.36	(0.08)	19.67	0.32	(0.12)	19.77
Other information						
Closing net asset value (£000)	487,399	450,191	443,921	1,980	1,717	2,256
Closing number of shares	365,854,211	331,491,703	320,891,671	1,576,857	1,371,644	1,799,947
Operating charges (%)**	1.63	1.63	1.62	1.63	1.63	1.63
Direct transaction costs (%)***	0.13	0.10	0.20	0.13	0.10	0.20
Prices						
Highest share price (p)	149.10	146.01	139.40	137.46	133.81	125.86
Lowest share price (p)	121.03	134.70	113.60	113.18	123.81	101.21
	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	136.02	138.58	117.62	103.51	103.03	85.53
Return before operating charges (p)	2.76	2.18	25.24	2.05	1.61	18.48
Operating charges (p)	(1.46)	(1.50)	(1.33)	(1.12)	(1.13)	(0.98)
Return after operating charges (p)*	1.30	0.68	23.91	0.93	0.48	17.50
Distributions (p)	(3.89)	(3.24)	(2.95)	(2.98)	(2.42)	(2.16)
Retained distributions on accumulation shares (p)	–	–	–	2.98	2.42	2.16
Closing net asset value per share (p)	133.43	136.02	138.58	104.44	103.51	103.03
*after direct transaction costs of (p)	0.18	0.14	0.24	0.14	0.10	0.18
Performance						
Return after charges (%)	0.96	0.49	20.33	0.90	0.47	20.46
Other information						
Closing net asset value (£000)	419,957	461,592	472,576	281,406	180,919	216,423
Closing number of shares	314,739,661	339,346,214	341,025,084	269,451,804	174,791,020	210,048,849
Operating charges (%)**	1.06	1.06	1.05	1.06	1.06	1.05
Direct transaction costs (%)***	0.13	0.10	0.20	0.13	0.10	0.20
Prices						
Highest share price (p)	149.52	146.46	140.00	113.78	110.53	103.45
Lowest share price (p)	121.42	135.26	113.96	94.00	101.91	82.87

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	110.67	112.77	95.66	122.44	120.67	100.00
Return before operating charges (p)	2.24	1.77	20.60	2.40	1.84	20.72
Operating charges (p)	(0.07)	(0.07)	(0.05)	(0.08)	(0.07)	(0.05)
Return after operating charges (p)*	2.17	1.70	20.55	2.32	1.77	20.67
Distributions (p)	(4.29)	(3.80)	(3.44)	(4.80)	(4.09)	(3.52)
Retained distributions on accumulation shares (p)	–	–	–	4.80	4.09	3.52
Closing net asset value per share (p)	108.55	110.67	112.77	124.76	122.44	120.67
*after direct transaction costs of (p)	0.15	0.11	0.20	0.16	0.12	0.22
Performance						
Return after charges (%)	1.96	1.51	21.48	1.89	1.47	20.67
Other information						
Closing net asset value (£000)	60,197	57,625	44,941	46,842	28,362	32,749
Closing number of shares	55,453,153	52,069,718	39,852,395	37,546,067	23,164,007	27,140,136
Operating charges (%)**	0.06	0.06	0.05	0.06	0.06	0.04 ¹
Direct transaction costs (%)***	0.13	0.10	0.20	0.13	0.10	0.20
Prices						
Highest share price (p)	121.90	119.47	114.45	134.87	130.57	121.14
Lowest share price (p)	99.08	110.54	92.96	112.09	119.49	96.37
	Class Z – Income shares			Class Z EUR – Income shares		
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ²		
Change in net assets per share						
Opening net asset value per share (p)	149.45	152.26	129.22	162.69		
Return before operating charges (p)	3.06	2.39	27.75	(12.86)		
Operating charges (p)	(1.26)	(1.29)	(1.15)	(0.40)		
Return after operating charges (p)*	1.80	1.10	26.60	(13.26)		
Distributions (p)	(4.60)	(3.91)	(3.56)	(3.11)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	146.65	149.45	152.26	146.32		
*after direct transaction costs of (p)	0.20	0.15	0.27	0.09		
Performance						
Return after charges (%)	1.20	0.72	20.59	(8.15)		
Other information						
Closing net asset value (£000)	487,696	525,499	537,314	–		
Closing number of shares	332,560,403	351,630,750	352,902,254	–		
Operating charges (%)**	0.83	0.83	0.82	–		
Direct transaction costs (%)***	0.13	0.10	0.20	–		
Prices						
Highest share price (p)	164.35	161.01	153.98	163.33		
Lowest share price (p)	133.54	148.75	125.27	142.11		

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ³	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	169.71	168.55	139.61	137.04	145.43	106.84
Return before operating charges (p)	3.33	2.60	30.19	(2.18)	(7.20)	39.62
Operating charges (p)	(1.44)	(1.44)	(1.25)	(0.66)	(1.19)	(1.03)
Return after operating charges (p)*	1.89	1.16	28.94	(2.84)	(8.39)	38.59
Distributions (p)	(5.27)	(4.35)	(3.87)	(2.81)	(3.63)	(3.17)
Retained distributions on accumulation shares (p)	5.27	4.35	3.87	2.81	3.63	3.17
Closing net asset value per share (p)	171.60	169.71	168.55	134.20	137.04	145.43
*after direct transaction costs of (p)	0.23	0.17	0.29	0.14	0.14	0.24
Performance						
Return after charges (%)	1.11	0.69	20.73	(2.07)	(5.77)	36.12
Other information						
Closing net asset value (£000)	343,506	371,361	373,266	–	5,507	5,874
Closing number of shares	200,173,868	218,822,439	221,451,666	–	4,018,724	4,039,078
Operating charges (%)**	0.83	0.83	0.82	–	0.83	0.82
Direct transaction costs (%)***	0.13	0.10	0.20	–	0.10	0.20
Prices						
Highest share price (p)	186.63	181.17	169.24	152.68	152.79	145.89
Lowest share price (p)	154.39	166.76	135.35	129.61	135.99	104.86
	Class Z EUR Hedged – Accumulation shares			Class Z USD Hedged – Accumulation shares		
	09/11/2018 ³	07/03/2018	07/03/2017	09/11/2018 ³	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	150.79	146.46	109.24	139.26	155.33	109.82
Return before operating charges (p)	(5.09)	5.60	38.27	10.38	(14.83)	46.55
Operating charges (p)	(0.72)	(1.27)	(1.05)	(0.71)	(1.24)	(1.04)
Return after operating charges (p)*	(5.81)	4.33	37.22	9.67	(16.07)	45.51
Distributions (p)	(3.09)	(3.82)	(3.23)	(3.00)	(3.78)	(3.24)
Retained distributions on accumulation shares (p)	3.09	3.82	3.23	3.00	3.78	3.24
Closing net asset value per share (p)	144.98	150.79	146.46	148.93	139.26	155.33
*after direct transaction costs of (p)	0.16	0.15	0.24	0.15	0.15	0.24
Performance						
Return after charges (%)	(3.85)	2.96	34.07	6.94	(10.35)	41.44
Other information						
Closing net asset value (£000)	–	17,534	12,438	–	18,226	19,910
Closing number of shares	–	11,627,814	8,492,277	–	13,087,364	12,817,700
Operating charges (%)**	–	0.83	0.82	–	0.83	0.82
Direct transaction costs (%)***	–	0.10	0.20	–	0.10	0.20
Prices						
Highest share price (p)	165.01	160.54	146.51	165.61	157.93	155.48
Lowest share price (p)	143.25	139.93	108.65	133.25	137.41	107.11

**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.

¹Commenced 16 March 2016.

²Commenced 15 June 2018 and closed 9 November 2018.

³Closed 9 November 2018.

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

Threadneedle UK Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019	2018
	£000	£000
Non-derivative securities	(36,628)	(38,955)
Forward currency contracts	743	(2,255)
Other (losses)/gains	(101)	149
Transaction costs	(5)	(5)
Net capital losses	<u>(35,991)</u>	<u>(41,066)</u>

3 REVENUE

	2019	2018
	£000	£000
UK dividends	83,514	73,228
Interest on short term investments	43	29
Bank interest	50	18
Underwriting commission	70	–
Total revenue	<u>83,677</u>	<u>73,275</u>

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(20,788)	(21,099)
Registration fees	(1,334)	(1,358)
	<u>(22,122)</u>	<u>(22,457)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(260)	(264)
Safe custody fees	(55)	(57)
	<u>(315)</u>	<u>(321)</u>
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(8)	(12)
Non audit service fees payable to auditors	–	(2)
	<u>(15)</u>	<u>(20)</u>
Total expenses*	<u>(22,452)</u>	<u>(22,798)</u>

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Interest payable	(3)	(1)
Total interest payable & similar charges	<u>(3)</u>	<u>(1)</u>

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	<u>61,222</u>	<u>50,476</u>
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	<u>(12,244)</u>	<u>(10,095)</u>

Effects of:

Revenue not subject to taxation	16,381	14,504
Excess expenses	(4,137)	(4,404)
Retail Distribution Review (RDR) conversion transfer from capital	–	(5)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £71,121,706 (2018: £67,237,303) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019	2018
	£000	£000
Interim	37,946	37,728
Final	<u>23,404</u>	<u>12,865</u>
	61,350	50,593
Add: Revenue deducted on the cancellation of shares	2,329	1,536
Deduct: Revenue received on the creation of shares	<u>(2,457)</u>	<u>(1,629)</u>
Net distribution for the period	<u>61,222</u>	<u>50,500</u>
Net revenue after taxation	61,222	50,476
Equalisation on conversion	1	25
Undistributed revenue carried forward	(1)	(1)
Total distributions	<u>61,222</u>	<u>50,500</u>

Details of the distribution per share are set out in the table on pages 7 to 8.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	1,384	1,156
Sales awaiting settlement	3,030	1,170
Accrued revenue	15,644	9,967
Total debtors	<u>20,058</u>	<u>12,293</u>

9 CASH AND BANK BALANCES

	2019	2018
	£000	£000
Cash and bank balances	11,691	5,430
	<u>11,691</u>	<u>5,430</u>
Cash overdrafts at broker	–	(130)
Total cash and bank balances	<u>11,691</u>	<u>5,300</u>

10 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(13,314)	(2,025)
Purchases awaiting settlement	–	(2,032)
Accrued expenses	(39)	(47)
Amounts payable to ACD	<u>(2,115)</u>	<u>(2,096)</u>
Total other creditors	<u>(15,468)</u>	<u>(6,200)</u>

11 DILUTION ADJUSTMENT

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

Threadneedle UK 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 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	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 9 to 11.

The distribution per share class is given in the distribution table on pages 7 to 8.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	331,491,703
Shares issued	76,755,721
Shares redeemed	(42,157,187)
Net conversions	(236,026)
Closing shares	<u>365,854,211</u>
Class 1 – Accumulation shares	
Opening shares	1,371,644
Shares issued	676,412
Shares redeemed	(471,199)
Net conversions	–
Closing shares	<u>1,576,857</u>
Class 2 – Income shares	
Opening shares	339,346,214
Shares issued	26,329,448
Shares redeemed	(50,924,251)
Net conversions	(11,750)
Closing shares	<u>314,739,661</u>
Class 2 – Accumulation shares	
Opening shares	174,791,020
Shares issued	160,333,737
Shares redeemed	(65,672,953)
Net conversions	–
Closing shares	<u>269,451,804</u>
Class X – Income shares	
Opening shares	52,069,718
Shares issued	3,383,435
Shares redeemed	–
Net conversions	–
Closing shares	<u>55,453,153</u>

	2019
Class X – Accumulation shares	
Opening shares	23,164,007
Shares issued	18,070,851
Shares redeemed	(3,688,791)
Net conversions	–
Closing shares	<u>37,546,067</u>

Class Z – Income shares	
Opening shares	351,630,750
Shares issued	22,158,325
Shares redeemed	(41,519,596)
Net conversions	290,924
Closing shares	<u>332,560,403</u>

Class Z EUR – Income shares*	
Opening shares	–
Shares issued	14,657,800
Shares redeemed	(43,600)
Net conversions	(14,614,200)
Closing shares	–

Class Z – Accumulation shares	
Opening shares	218,822,439
Shares issued	25,571,156
Shares redeemed	(44,123,551)
Net conversions	(96,176)
Closing shares	<u>200,173,868</u>

Class Z CHF Hedged – Accumulation shares	
Opening shares	4,018,724
Shares issued	582,686
Shares redeemed	(494,872)
Net conversions	(4,106,538)
Closing shares	–

Class Z EUR Hedged – Accumulation shares	
Opening shares	11,627,814
Shares issued	3,917,133
Shares redeemed	(2,576,340)
Net conversions	(12,968,607)
Closing shares	–

Class Z USD Hedged – Accumulation shares	
Opening shares	13,087,364
Shares issued	1,161,212
Shares redeemed	(3,122,972)
Net conversions	(11,125,604)
Closing shares	–

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

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.73% and vice versa (2018: 4.78%).

Currency exposures

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

	Total
Currency 2019	£000
US Dollar	2,529
Currency 2018	£000
Euro	17,683
Swiss Franc	5,569
US Dollar	19,796

Threadneedle UK Fund

Notes to the financial statements

(continued)

Currency sensitivity

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

Credit/Counterparty exposure

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

2018	Forward Foreign Exchange Contracts Exposure
Counterparty	£000
J.P. Morgan	341

The fund did not hold any collateral received from the fund's counterparties in the current year (2018: £250,000). 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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	11,690	–	2,145,705	2,157,395
US Dollar	1	–	2,528	2,529
Currency 2018	£000	£000	£000	£000
Euro	8	–	17,782	17,790
Swiss Franc	–	–	5,609	5,609
UK Sterling	5,421	1,007	2,125,385	2,131,813
US Dollar	1	–	20,145	20,146
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(30,941)	(30,941)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(107)	(107)
Swiss Franc	–	–	(40)	(40)
UK Sterling	(130)	–	(56,198)	(56,328)
US Dollar	–	–	(350)	(350)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had no outstanding forward foreign exchange contracts (2018 asset value of £344,000 and a liability value of £3,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	2,128,175	–	2,115,333	–
Level 2	–	–	344	(3)
	2,128,175	–	2,115,677	(3)

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	493,409	219	0.04	2,444	0.50
Collective investment schemes	48,037	–	–	–	–
Corporate actions	11,042	–	–	–	–
Total	552,488	219		2,444	

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	380,223	143	0.03	1	0.00
Collective investment schemes	48,913	–	–	–	–
Inspecie transactions	61,902	–	–	–	–
Corporate actions	14,764	–	–	–	–
Total	505,802	143		1	

Total sales net of transaction costs: 505,658

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.11%

7 March 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	316,982	328	0.10	1,593	0.50
Collective investment schemes	10,000	–	–	–	–
Total	326,982	328		1,593	

Gross purchases total:

328,903

Threadneedle UK Fund

Notes to the financial statements

(continued)

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	298,019	222	0.07	–	–
Collective investment schemes	9,000	–	–	–	–
Corporate actions	4,316	–	–	–	–
Total	311,335	222			

Total sales net of transaction costs: 311,113

Transaction costs as a percentage of average Net Assets

Commissions:	0.03%
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 0.07% (7 March 2018: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund for growth, through a concentrated, actively managed portfolio. The select investment 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 consist primarily of equities of companies domiciled in the UK, or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Select Fund has fallen from 127.85p to 122.47p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -5.10% as compared to a median return of -0.46% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with both market-specific concerns around Brexit and global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the aforementioned

deal was overwhelmingly rejected by parliament. Subsequently however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

In terms of activity, new additions to the portfolio during the review period included John Wood Group, BT, Imperial Brands and Micro Focus. Oil-services firm Wood Group is progressing well at integrating its recent acquisition, Amec Foster Wheeler. We feel this should result in significant cost savings. BT's new CEO aims to target long-term growth via ramped-up investment in the UK's fibre network rollout. Such a move could improve relations with both the government and the regulator, thereby increasing the chances of a reasonable return on investment. We believe that Imperial Brands has a competitive core offering, while its measured approach to building its non-combustible proposition appears promising. We bought Micro Focus following its sharp fall in March, which we

felt was overdone. Indeed, the share price subsequently rose. The company enjoys high margins and strong cash flow, and has the option to break up if trading deteriorates further.

Over the review period, we also topped up some holdings, chiefly GlaxoSmithKline. The firm's research and development approach is becoming more focused. We are optimistic about the transformation of the pharma pipeline and have been encouraged by recent decisions, such as the purchase of Novartis' consumer-healthcare segment, the Horlicks sale, the acquisition of Tesaro and the planned disposal of the consumer division.

We exited inter-dealer broker TP ICAP as trading volumes remained subdued, given the flattening of the US yield curve. CRH was also sold; operating performance has disappointed, while the construction market is facing several challenges. We profitably closed our position in Informa and realised some gains in London Stock Exchange.

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

Allocations and sentiment towards the UK market remain incredibly depressed and, importantly, we feel valuations currently look attractive. Many UK-listed companies, including overseas earners, remain undervalued relative to their peers listed elsewhere – undoubtedly a symptom of the political turmoil. The resulting valuation arbitrage opportunity has attracted record levels of inbound activist investment, while we've seen M&A activity accelerate as overseas corporates take advantage of the 'Brexit discount'.

Delving into valuations versus history, sectors such as financials, telecoms and consumer goods all appear notably cheap versus the past decade. At a time of political and economic uncertainty, the defensive qualities of the last two sectors further add to their appeal. Indeed, the UK benefits from some of the highest defensive exposure of all developed markets, which should stand us in good stead should a broad-based rotation into less economically sensitive sectors occur.

We see numerous opportunities to deliver solid risk-adjusted returns by retaining our focus on company fundamentals and using volatile markets to top up and buy favoured stocks.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(25,835)	(8,739)
Revenue	3	20,165	12,095
Expenses	4	(3,425)	(3,450)
Interest payable and similar charges	5	(5)	(1)
Net revenue before taxation		16,735	8,644
Taxation	6	–	–
Net revenue after taxation		16,735	8,644
Total return before distributions		(9,100)	(95)
Distributions	7	(16,735)	(8,646)
Change in net assets attributable to shareholders from investment activities		(25,835)	(8,741)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		465,048	470,080
Current assets:			
Debtors	8	6,402	8,671
Cash and bank balances		9,070	11,696
Cash equivalents**		5,023	5,005
Total assets		485,543	495,452
Liabilities:			
Creditors:			
Distribution payable		(2,226)	(898)
Other creditors	9	(666)	(3,326)
Total liabilities		(2,892)	(4,224)
Net assets attributable to shareholders		482,651	491,228

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	491,228	237,154
Amounts receivable on the issue of shares	118,004	108,914
Amounts payable on the cancellation of shares	(111,694)	(39,148)
Amounts receivable on inspecie transfers	–	188,317
	6,310	258,083
Dilution adjustment	202	68
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(25,835)	(8,741)
Retained distribution on accumulation shares	10,735	4,658
Unclaimed distributions	11	6
Closing net assets attributable to shareholders	482,651	491,228

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.7689	–	1.7689	1.6633
08/09/18 to 07/03/19	1.0623	–	1.0623	0.2778
Group 2				
08/03/18 to 07/09/18	1.2111	0.5578	1.7689	1.6633
08/09/18 to 07/03/19	0.9059	0.1564	1.0623	0.2778
Total distributions in the period			2.8312	1.9411

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.1664	–	2.1664	2.0822
08/09/18 to 07/03/19	1.4151	–	1.4151	0.6764
Group 2				
08/03/18 to 07/09/18	1.0419	1.1245	2.1664	2.0822
08/09/18 to 07/03/19	1.1538	0.2613	1.4151	0.6764
Total distributions in the period			3.5815	2.7586

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle UK Select Fund

DISTRIBUTION TABLE

(continued)

Class D – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	3.7974	–	3.7974	1.7107
08/09/18 to 07/03/19	2.5184	–	2.5184	1.1687
Group 2				
08/03/18 to 07/09/18	1.7706	2.0268	3.7974	1.7107
08/09/18 to 07/03/19	1.3228	1.1956	2.5184	1.1687
Total distributions in the period			6.3158	2.8794

Class L – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	5.3409	–	5.3409	2.5109
08/09/18 to 07/03/19	3.7183	–	3.7183	2.0873
Group 2				
08/03/18 to 07/09/18	3.5124	1.8285	5.3409	2.5109
08/09/18 to 07/03/19	2.6850	1.0333	3.7183	2.0873
Total distributions in the period			9.0592	4.5982

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2.6169	–	2.6169	2.4538
08/09/18 to 07/03/19	1.9011	–	1.9011	1.2170
Group 2				
08/03/18 to 07/09/18	0.7671	1.8498	2.6169	2.4538
08/09/18 to 07/03/19	0.9628	0.9383	1.9011	1.2170
Total distributions in the period			4.5180	3.6708

Class X2 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	8.8315	–	8.8315	4.2982
08/09/18 to 07/03/19	6.4159	–	6.4159	4.1063
Group 2				
08/03/18 to 07/09/18	5.5073	3.3242	8.8315	4.2982
08/09/18 to 07/03/19	4.8002	1.6157	6.4159	4.1063
Total distributions in the period			15.2474	8.4045

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.7404	–	2.7404	2.6374
08/09/18 to 07/03/19	1.8245	–	1.8245	0.9492
Group 2				
08/03/18 to 07/09/18	1.6238	1.1166	2.7404	2.6374
08/09/18 to 07/03/19	1.4535	0.3710	1.8245	0.9492
Total distributions in the period			4.5649	3.5866

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	127.47	128.11	114.87	127.95	128.61	115.29
Return before operating charges (p)	(1.22)	3.50	17.44	(1.23)	3.50	17.54
Operating charges (p)	(2.08)	(2.20)	(2.00)	(1.35)	(1.40)	(1.27)
Return after operating charges (p)*	(3.30)	1.30	15.44	(2.58)	2.10	16.27
Distributions (p)	(2.83)	(1.94)	(2.20)	(3.58)	(2.76)	(2.95)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	121.34	127.47	128.11	121.79	127.95	128.61
*after direct transaction costs of (p)	0.56	0.52	0.43	0.56	0.52	0.43
Performance						
Return after charges (%)	(2.59)	1.01	13.44	(2.02)	1.63	14.11
Other information						
Closing net asset value (£000)	103,644	122,790	121,552	97,754	89,589	87,616
Closing number of shares	85,416,963	96,327,173	94,879,509	80,267,218	70,017,489	68,127,890
Operating charges (%)**	1.63	1.67	1.67	1.06	1.06	1.06
Direct transaction costs (%)***	0.44	0.39	0.36	0.44	0.39	0.36
Prices						
Highest share price (p)	139.69	136.15	128.74	140.39	136.95	129.61
Lowest share price (p)	111.87	125.89	107.46	112.48	126.70	108.05
	Class D – Accumulation shares		Class L – Accumulation shares			
	07/03/2019	07/03/2018 ¹	07/03/2019	07/03/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	225.35	229.57	276.34	280.45		
Return before operating charges (p)	(2.31)	(2.57)	(2.84)	(2.95)		
Operating charges (p)	(2.43)	(1.65)	(1.71)	(1.16)		
Return after operating charges (p)*	(4.74)	(4.22)	(4.55)	(4.11)		
Distributions (p)	(6.32)	(2.88)	(9.06)	(4.60)		
Retained distributions on accumulation shares (p)	6.32	2.88	9.06	4.60		
Closing net asset value per share (p)	220.61	225.35	271.79	276.34		
*after direct transaction costs of (p)	0.99	0.75	1.22	0.91		
Performance						
Return after charges (%)	(2.10)	(1.84)	(1.65)	(1.47)		
Other information						
Closing net asset value (£000)	8,541	9,352	2,978	4,058		
Closing number of shares	3,871,487	4,149,947	1,095,750	1,468,352		
Operating charges (%)**	1.07	1.06 [†]	0.61	0.61 [†]		
Direct transaction costs (%)***	0.44	0.39	0.44	0.39		
Prices						
Highest share price (p)	247.24	239.94	303.48	294.00		
Lowest share price (p)	201.42	221.98	247.92	272.11		

Threadneedle UK Select Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017 ²	07/03/2019	07/03/2018 ¹
Change in net assets per share					
Opening net asset value per share (p)	117.53	114.54	100.00	396.67	400.80
Return before operating charges (p)	(1.23)	3.06	14.59	(4.13)	(3.97)
Operating charges (p)	(0.07)	(0.07)	(0.05)	(0.24)	(0.16)
Return after operating charges (p)*	(1.30)	2.99	14.54	(4.37)	(4.13)
Distributions (p)	(4.52)	(3.67)	(3.57)	(15.25)	(8.40)
Retained distributions on accumulation shares (p)	4.52	3.67	3.57	15.25	8.40
Closing net asset value per share (p)	116.23	117.53	114.54	392.30	396.67
*after direct transaction costs of (p)	0.51	0.47	0.40	1.75	1.31
Performance					
Return after charges (%)	(1.11)	2.61	14.54	(1.10)	(1.03)
Other information					
Closing net asset value (£000)	848	272	319	254,263	239,766
Closing number of shares	730,044	231,352	277,927	64,814,029	60,444,332
Operating charges (%)**	0.06	0.06	0.05 ¹	0.06	0.06 ¹
Direct transaction costs (%)***	0.44	0.39	0.36	0.44	0.39
Prices					
Highest share price (p)	129.22	124.93	114.60	436.13	421.66
Lowest share price (p)	105.91	113.44	93.32	357.47	390.48
Class Z – Income shares					
	07/03/2019	07/03/2018	07/03/2017		
Change in net assets per share					
Opening net asset value per share (p)	153.42	154.20	138.22		
Return before operating charges (p)	(1.47)	4.21	21.04		
Operating charges (p)	(1.36)	(1.40)	(1.27)		
Return after operating charges (p)*	(2.83)	2.81	19.77		
Distributions (p)	(4.56)	(3.59)	(3.79)		
Retained distributions on accumulation shares (p)	–	–	–		
Closing net asset value per share (p)	146.03	153.42	154.20		
*after direct transaction costs of (p)	0.67	0.62	0.52		
Performance					
Return after charges (%)	(1.84)	1.82	14.30		
Other information					
Closing net asset value (£000)	14,623	25,401	27,667		
Closing number of shares	10,013,751	16,556,554	17,942,218		
Operating charges (%)**	0.88	0.88	0.88		
Direct transaction costs (%)***	0.44	0.39	0.36		
Prices					
Highest share price (p)	168.39	164.31	155.53		
Lowest share price (p)	134.94	152.03	129.61		

**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 12 May 2017.

²Commenced 16 March 2016.

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

Threadneedle UK Select Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(25,819)	(8,780)
Other (losses)/gains	(13)	43
Transaction costs	(3)	(2)
Net capital losses	(25,835)	(8,739)

3 REVENUE

	2019 £000	2018 £000
UK dividends	20,057	12,061
Overseas dividends	–	8
Interest on short term investments	31	15
Bank interest	45	11
Underwriting commission	32	–
Total revenue	20,165	12,095

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(3,023)	(3,055)
Registration fees	(301)	(312)
	(3,324)	(3,367)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(63)	(49)
Safe custody fees	(20)	(18)
	(83)	(67)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(11)	(9)
Professional fees	–	(2)
	(18)	(16)
Total expenses*	(3,425)	(3,450)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(5)	(1)
Total interest payable & similar charges	(5)	(1)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	16,735	8,644
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,347)	(1,729)

Effects of:

Revenue not subject to taxation	3,966	2,391
Excess expenses	(619)	(662)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £12,225,875 (2018: £11,606,757) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	10,105	5,539
Final	6,537	3,462
	16,642	9,001
Add: Revenue deducted on the cancellation of shares	783	156
Deduct: Revenue received on the creation of shares	(690)	(511)
Net distribution for the period	16,735	8,646
Net revenue after taxation	16,735	8,644
Equalisation on conversion	–	2
Total distributions	16,735	8,646

Details of the distribution per share are set out in the table on pages 16 to 17.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	32	6,272
Sales awaiting settlement	2,635	–
Accrued revenue	3,735	2,370
Foreign withholding tax recoverable	–	29
Total debtors	6,402	8,671

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(353)	(248)
Purchases awaiting settlement	–	(2,743)
Accrued expenses	(18)	(17)
Amounts payable to ACD	(295)	(318)
Total other creditors	(666)	(3,326)

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 Select Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class X2 shares	N/A*
Class Z shares	0.75%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 18 to 19. The distribution per share class is given in the distribution table on pages 16 to 17.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	96,327,173
Shares issued	4,172,560
Shares redeemed	(14,912,877)
Net conversions	(169,893)
Closing shares	<u>85,416,963</u>
Class 2 – Income shares	
Opening shares	70,017,489
Shares issued	17,627,986
Shares redeemed	(7,378,257)
Net conversions	–
Closing shares	<u>80,267,218</u>
Class D – Accumulation shares	
Opening shares	4,149,947
Shares issued	57,677
Shares redeemed	(336,137)
Net conversions	–
Closing shares	<u>3,871,487</u>
Class L – Accumulation shares	
Opening shares	1,468,352
Shares issued	5,159
Shares redeemed	(377,761)
Net conversions	–
Closing shares	<u>1,095,750</u>
Class X – Accumulation shares	
Opening shares	231,352
Shares issued	530,462
Shares redeemed	(31,770)
Net conversions	–
Closing shares	<u>730,044</u>
Class X2 – Accumulation shares	
Opening shares	60,444,332
Shares issued	22,736,634
Shares redeemed	(18,366,937)
Net conversions	–
Closing shares	<u>64,814,029</u>

Class Z – Income shares

Opening shares	16,556,554
Shares issued	232,937
Shares redeemed	(6,916,687)
Net conversions	140,947
Closing shares	<u>10,013,751</u>

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.46% and vice versa (2018: 4.63%).

Currency exposures

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

	Total
	£000
Currency 2019	
Euro	566
US Dollar	835
Currency 2018	£000
Euro	218
US Dollar	1,114

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	566	–	–	566
UK Sterling	8,504	–	475,638	484,142
US Dollar	–	–	835	835
Currency 2018	£000	£000	£000	£000
Euro	189	–	29	218
UK Sterling	11,507	–	482,613	494,120
US Dollar	–	–	1,114	1,114
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(2,892)	(2,892)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(4,224)	(4,224)

Interest rate risk sensitivity

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

Threadneedle UK Select Fund

Notes to the financial statements

(continued)

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.

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Valuation technique				
Level 1*	470,071	–	475,085	–
	470,071	–	475,085	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Purchases						
Equities	413,939	196	0.05	1,911	0.46	–
Collective investment schemes	44,031	–	–	–	–	–
Corporate actions	5,476	–	–	–	–	–
Total	463,446	196		1,911		

Gross purchases total: 465,553

	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Sales						
Equities	398,893	205	0.05	–	–	–
Collective investment schemes	44,008	–	–	–	–	–
Corporate actions	2,051	–	–	–	–	–
Total	444,952	205		–		

Total sales net of transaction costs: 444,747

Transaction costs as a percentage of average Net Assets

Commissions: 0.08%
Taxes: 0.36%

7 March 2018

	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Purchases						
Equities	241,732	212	0.09	1,230	0.51	–
Collective investment schemes	10,000	–	–	–	–	–
In specie transactions	181,568	–	–	–	–	–
Total	433,300	212		1,230		

Gross purchases total: 434,742

	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Sales						
Equities	166,925	179	0.11	–	–	–
Collective investment schemes	5,000	–	–	–	–	–
Corporate actions	9,383	–	–	–	–	–
Total	181,308	179		–		

Total sales net of transaction costs: 181,129

Transaction costs as a percentage of average Net Assets

Commissions: 0.09%
Taxes: 0.30%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.12% (7 March 2018: 0.16%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Smaller Companies Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies that are domiciled in the UK or have significant UK operations.

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). For liquidity purposes it may invest in cash and near cash.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Smaller Companies Fund has fallen from 346.52p to 308.70p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -12.60% as compared to a median return of -6.09% over the same period. (For information the Numis Smaller Companies (ex Investment Trusts) Index returned -2.24% over the same period).

Market Overview and Portfolio Activity

UK small-caps had a challenging year, as risk assets fell out of favour amid concerns around tightening monetary policy, President Trump's tariff war against China and other US trading partners, and fears that the global economy could be slowing.

Over much of the period, small-caps were also impacted by escalating fears that the UK would leave the EU without a deal. The associated decline in sterling was a further headwind for small-caps, which are perceived to be hurt by the inflationary effects of a weaker currency.

After contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However,

this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the deal was overwhelmingly rejected by parliament. Subsequently, however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019. Small-caps also benefited from a rotation towards risk amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, GDP growth peaked in the summer of 2018, due to the positive effects of the football World Cup and the Royal Wedding on retail sales. Thereafter, growth was impacted by the uncertainty around Brexit; this has hurt consumer and corporate confidence, which has in turn pressured retail sales and business investment. However, the manufacturing sector benefited as companies stockpiled inventories.

More encouragingly, the labour market was resilient to the changing sentiment over Brexit. The employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Wage growth outstripped inflation for much of 2018, and we expect this trend to continue in 2019, while cost pressures should ease unless sterling materially weakens.

In terms of activity, we participated in several initial-public offerings (IPOs), while also adding stocks to the portfolio by purchasing shares already being traded in the market. Examples of particularly successful IPOs included those of investment-platform provider AJ Bell and video-game developer Team17. AJ Bell is expanding by making it easy for people to invest and has one of the lowest cost pricing structures in the market. The business has operational scale in the advisory market and the direct-to-consumer segment. We expect AJ Bell to continue to grow strongly as demographics and regulatory change support growth, and as the business has significant barriers to entry from its scale, technology and brand. With its high-quality

business model, Team17 stands to benefit from the improving market environment for game publishers and developers. A key trend is the fragmentation of platforms and the growth of mobile as a platform; this allows developers to get games to the market faster and Team 17 can work with the best out of thousands of developers to take them to the next level.

Fellow video-game developer Codemasters, another key new position during the year, also has a robust business model, and should benefit from the growth of in-game purchases; these improve the gaming experience and help to smooth out the revenue as well as carrying very high margins.

Over the review period, we also initiated and topped up holdings in several domestically-oriented companies with strong fundamentals and growth prospects, which we felt had been excessively penalised by the market amid fears around Brexit. Examples of new additions in this area included Balfour Beatty and Breedon.

Exits over the period included Just Eat; the company's growth meant that it has moved out of our index. We also sold Gamma Communications on valuation grounds.

We think the outlook for global growth is not as bad as the market expects but that the continued taper in the US will put pressure on corporate profitability.

In the UK, the last few months have seen a significant amount of volatility and political uncertainty. As a result, shares have been pushed to levels that show some considerable value assuming that the UK does not go through a "hard Brexit". Meanwhile, the market turbulence is enabling the fund to pick up proven franchises.

In this environment, we believe it is ever more imperative to own businesses with pricing power, innovation and an ability to grow market share in difficult operating environments. It looks ever more probable that a hard Brexit is unlikely; consequently, we will continue to selectively add to domestic names.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(23,282)	39,381
Revenue	3	3,339	3,426
Expenses	4	(2,445)	(2,564)
Interest payable and similar charges	5	(3)	–
Net revenue before taxation		891	862
Taxation	6	–	–
Net revenue after taxation		891	862
Total return before distributions		(22,391)	40,243
Distributions	7	(1,012)	(1,024)
Change in net assets attributable to shareholders from investment activities		(23,403)	39,219

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		164,420	209,010
Current assets:			
Debtors	8	342	2,521
Cash and bank balances		228	1,706
Total assets		164,990	213,237
Liabilities:			
Creditors:			
Bank overdrafts		(115)	–
Distribution payable		(130)	(128)
Other creditors	9	(722)	(552)
Total liabilities		(967)	(680)
Net assets attributable to shareholders		164,023	212,557

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	212,557	183,312
Amounts receivable on the issue of shares	30,834	71,087
Amounts payable on the cancellation of shares	(56,410)	(81,846)
	(25,576)	(10,759)
Dilution adjustment	333	664
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(23,403)	39,219
Retained distribution on accumulation shares	111	120
Unclaimed distributions	1	1
Closing net assets attributable to shareholders	164,023	212,557

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.5250	–	0.5250	0.5396
08/09/18 to 07/03/19	–	–	–	–
Group 2				
08/03/18 to 07/09/18	0.3260	0.1990	0.5250	0.5396
Total distributions in the period			0.5250	0.5396

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.6443	–	1.6443	1.5474
08/09/18 to 07/03/19	0.3281	–	0.3281	0.2400
Group 2				
08/03/18 to 07/09/18	0.8374	0.8069	1.6443	1.5474
08/09/18 to 07/03/19	0.1090	0.2191	0.3281	0.2400
Total distributions in the period			1.9724	1.7874

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle UK Smaller Companies Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.4688	–	1.4688	1.3492
08/09/18 to 07/03/19	0.8100	–	0.8100	0.8544
Group 2				
08/03/18 to 07/09/18	1.4688	–	1.4688	1.3492
08/09/18 to 07/03/19	0.8100	–	0.8100	0.8544
Total distributions in the period			2.2788	2.2036

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.3268	–	1.3268	1.2404
08/09/18 to 07/03/19	0.4070	–	0.4070	0.3719
Group 2				
08/03/18 to 07/09/18	0.8268	0.5000	1.3268	1.2404
08/09/18 to 07/03/19	0.1774	0.2296	0.4070	0.3719
Total distributions in the period			1.7338	1.6123

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.1275	–	1.1275	1.0463
08/09/18 to 07/03/19	0.3460	–	0.3460	0.3156
Group 2				
08/03/18 to 07/09/18	0.5826	0.5449	1.1275	1.0463
08/09/18 to 07/03/19	0.1441	0.2019	0.3460	0.3156
Total distributions in the period			1.4735	1.3619

Class Z CHF Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018/2019
Group 1			
08/03/18 to 07/09/18	0.2960	–	0.2960
08/09/18 to 07/03/19	0.1880	–	0.1880
Group 2			
08/03/18 to 07/09/18	0.2960	–	0.2960
08/09/18 to 07/03/19	0.1880	–	0.1880
Total distributions in the period			0.4840

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Smaller Companies Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	343.90	282.40	242.84	349.17	286.00	245.52
Return before operating charges (p)	(31.75)	67.67	44.60	(32.22)	68.58	45.24
Operating charges (p)	(5.56)	(5.63)	(4.22)	(3.60)	(3.62)	(2.71)
Return after operating charges (p)*	(37.31)	62.04	40.38	(35.82)	64.96	42.53
Distributions (p)	(0.53)	(0.54)	(0.82)	(1.97)	(1.79)	(2.05)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	306.06	343.90	282.40	311.38	349.17	286.00
*after direct transaction costs of (p)	0.39	0.78	0.64	0.40	0.79	0.64
Performance						
Return after charges (%)	(10.85)	21.97	16.63	(10.26)	22.71	17.32
Other information						
Closing net asset value (£000)	57,849	66,294	51,808	73,500	91,964	91,321
Closing number of shares	18,900,821	19,277,211	18,345,720	23,604,216	26,338,001	31,930,773
Operating charges (%)**	1.68	1.68	1.67	1.07	1.07	1.06
Direct transaction costs (%)***	0.12	0.23	0.25	0.12	0.23	0.25
Prices						
Highest share price (p)	369.07	372.05	285.66	375.36	377.64	289.70
Lowest share price (p)	281.19	285.90	215.56	286.03	289.55	218.39
	Class X – Income shares			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	148.20	121.35	104.09	236.26	193.51	166.10
Return before operating charges (p)	(13.67)	29.15	19.28	(21.81)	46.42	30.63
Operating charges (p)	(0.09)	(0.10)	(0.07)	(2.03)	(2.06)	(1.53)
Return after operating charges (p)*	(13.76)	29.05	19.21	(23.84)	44.36	29.10
Distributions (p)	(2.28)	(2.20)	(1.95)	(1.73)	(1.61)	(1.69)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	132.16	148.20	121.35	210.69	236.26	193.51
*after direct transaction costs of (p)	0.17	0.34	0.26	0.27	0.54	0.44
Performance						
Return after charges (%)	(9.28)	23.94	18.46	(10.09)	22.92	17.52
Other information						
Closing net asset value (£000)	4	40	32	27,120	41,193	17,945
Closing number of shares	3,000	26,664	26,664	12,871,930	17,435,342	9,273,257
Operating charges (%)**	0.06	0.07	0.07	0.89	0.89	0.88
Direct transaction costs (%)***	0.12	0.23	0.25	0.12	0.23	0.25
Prices						
Highest share price (p)	159.75	160.83	123.44	254.11	255.68	196.16
Lowest share price (p)	121.77	122.86	92.91	193.64	195.91	147.84

Threadneedle UK Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Gross accumulation shares ⁵
	07/03/2019	07/03/2018	07/03/2017	07/03/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	200.80	163.34	138.91	100.00
Return before operating charges (p)	(18.63)	39.17	25.71	(13.77)
Operating charges (p)	(1.77)	(1.71)	(1.28)	(0.59)
Return after operating charges (p)*	(20.40)	37.46	24.43	(14.36)
Distributions (p)	(1.47)	(1.36)	(1.41)	(0.48)
Retained distributions on accumulation shares (p)	1.47	1.36	1.41	0.48
Closing net asset value per share (p)	180.40	200.80	163.34	85.64
*after direct transaction costs of (p)	0.24	0.45	0.37	0.11
Performance				
Return after charges (%)	(10.16)	22.93	17.59	(14.36)
Other information				
Closing net asset value (£000)	5,549	13,066	22,206	1
Closing number of shares	3,076,037	6,506,994	13,594,653	1,000
Operating charges (%)**	0.89	0.89	0.88	0.81 [†]
Direct transaction costs (%)***	0.12	0.23	0.25	0.12
Prices				
Highest share price (p)	215.97	216.97	165.18	106.58
Lowest share price (p)	165.48	165.37	123.63	81.94

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

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

¹Commenced 30 May 2018.

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

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(23,282)	39,382
Other gains	2	2
Transaction costs	(2)	(3)
Net capital (losses)/gains	(23,282)	39,381

3 REVENUE

	2019 £000	2018 £000
UK dividends	3,325	3,414
Overseas dividends	–	1
Bank interest	14	11
Total revenue	3,339	3,426

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,208)	(2,322)
Registration fees	(183)	(186)
	(2,391)	(2,508)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(24)	(26)
Safe custody fees	(13)	(13)
	(37)	(39)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(10)	(9)
Professional fees	–	(2)
	(17)	(17)
Total expenses*	(2,445)	(2,564)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(3)	–
Total interest payable & similar charges	(3)	–

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	891	862
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(178)	(172)
Effects of:		
Revenue not subject to taxation	665	682
Excess expenses	(487)	(510)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £6,700,573 (2018: £6,213,271) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	834	858
Final	141	149
	975	1,007
Add: Revenue deducted on the cancellation of shares	80	162
Deduct: Revenue received on the creation of shares	(43)	(145)
Net distribution for the period	1,012	1,024
Net revenue after taxation	891	862
Equalisation on conversion	–	1
Shortfall transfer from capital to revenue	121	161
Total distributions	1,012	1,024

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 23 to 24.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	219	345
Sales awaiting settlement	–	1,999
Accrued revenue	123	177
Total debtors	342	2,521

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(516)	(296)
Accrued expenses	(13)	(13)
Amounts payable to ACD	(193)	(243)
Total other creditors	(722)	(552)

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 Smaller Companies Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 25 to 26. The distribution per share class is given in the distribution table on pages 23 to 24. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	19,277,211
Shares issued	2,138,824
Shares redeemed	(2,440,550)
Net conversions	(74,664)
Closing shares	<u>18,900,821</u>
Class 2 – Income shares	
Opening shares	26,338,001
Shares issued	3,495,824
Shares redeemed	(5,970,009)
Net conversions	(259,600)
Closing shares	<u>23,604,216</u>
Class X – Income shares	
Opening shares	26,664
Shares issued	–
Shares redeemed	(23,664)
Net conversions	–
Closing shares	<u>3,000</u>
Class Z – Income shares	
Opening shares	17,435,342
Shares issued	2,089,266
Shares redeemed	(6,807,285)
Net conversions	154,607
Closing shares	<u>12,871,930</u>
Class Z – Accumulation shares	
Opening shares	6,506,994
Shares issued	3,435,711
Shares redeemed	(7,263,804)
Net conversions	397,136
Closing shares	<u>3,076,037</u>
Class Z CHF Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>

*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 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.38% and vice versa (2018: 3.79%).

Currency exposures

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

Currency 2019

	Total £000
Euro	(115)
Swiss Franc	1

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Swiss Franc	–	–	1	1
UK Sterling	228	–	164,762	164,990
Currency 2018	£000	£000	£000	£000
UK Sterling	1,706	–	211,531	213,237
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	(115)	–	–	(115)
UK Sterling	–	–	(853)	(853)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(680)	(680)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

(continued)

Valuation technique	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	164,420	–	209,009	–
Level 3	–	–	1	–
	<u>164,420</u>	<u>–</u>	<u>209,010</u>	<u>–</u>

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	74,274	27	0.04	156	0.21
Corporate actions	1,702	–	–	–	–
Total	75,976	27		156	

Gross purchases total: 76,159

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	97,521	55	0.06	–	–
Total	97,521	55		–	

Total sales net of transaction costs: 97,466

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.08%

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	109,581	104	0.10	265	0.24
Corporate actions	319	–	–	–	–
Total	109,900	104		265	

Gross purchases total: 110,269

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	121,814	129	0.11	1	0.00
Corporate actions	2,502	–	–	–	–
Total	124,316	129		1	

Total sales net of transaction costs: 124,186

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.12%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 1.69% (7 March 2018: 1.53%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (p)		
	7 March 2019	21 May 2019	% Movement
Class Z CHF Hedged – Gross accumulation shares	86.37	96.35	11.55

Threadneedle UK Growth & Income Fund

Investment Report

Investment Objective

To provide long term capital growth with a reasonable and growing income.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in larger capitalised UK companies, but including, when deemed appropriate small and medium-sized companies, predominantly from the UK.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Growth & Income Fund has fallen from 90.01p to 89.61p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +1.02% as compared to a median return of -0.46% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with both market-specific concerns around Brexit and global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the aforementioned deal was overwhelming rejected by parliament.

Subsequently however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

In terms of activity, we participated in the rights issues of DS Smith and Restaurant Group, which were respectively launched to fund takeovers of Spanish packaging firm Europac and casual-dining chain Wagamama. DS Smith is progressing effectively with the integration of its previous acquisition – US-based Interstate Resources. We expect management to create good shareholder value by bolting on more overseas assets. For Restaurant Group, while the risks to the business have been increased by debt to fund

the recent takeover, we feel that the current valuation does not fully capture the possible upside from rolling out new Wagamama outlets across the still under-penetrated UK market – especially in airport hubs, where the company already boasts a strong foothold. Moreover, the existing pubs and concessions segment continues to make solid progress.

Over the review period, we periodically took advantage of share-price volatility to top up some of our holdings.

GKN was de-listed following its acquisition by turnaround specialist Melrose Industries.

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

Many UK-listed companies, including overseas earners, remain undervalued relative to their peers listed elsewhere – undoubtedly a symptom of the fear sown among global asset allocators by the political tumult. The resulting valuation arbitrage opportunity has attracted record levels of inbound activist investment, while M&A activity has also accelerated as overseas corporates take advantage of the 'Brexit discount'.

Increasingly, as markets have started to acknowledge the reality that there are issues elsewhere in the world, we believe that the opportunity cost of investing in the UK is now very different. With its sizeable defensive contingent, idiosyncratic drivers and lack of any 'hot money', any political resolution concerning Brexit or a broad-based rotation towards less economically sensitive stocks should be beneficial for the market.

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

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	2,168	(15,285)
Revenue	3	12,546	15,722
Expenses	4	(3,974)	(5,265)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		8,571	10,456
Taxation	6	–	–
Net revenue after taxation		8,571	10,456
Total return before distributions		10,739	(4,829)
Distributions	7	(12,149)	(15,202)
Change in net assets attributable to shareholders from investment activities		(1,410)	(20,031)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		304,381	402,885
Current assets:			
Debtors	8	1,644	4,656
Cash and bank balances		1,199	580
Total assets		307,224	408,121
Liabilities:			
Creditors:			
Distribution payable		(4,845)	(5,646)
Other creditors	9	(1,247)	(1,841)
Total liabilities		(6,092)	(7,487)
Net assets attributable to shareholders		301,132	400,634

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	400,634	415,349
Amounts receivable on the issue of shares	38,128	74,416
Amounts payable on the cancellation of shares	(136,419)	(69,191)
	(98,291)	5,225
Dilution adjustment	109	11
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,410)	(20,031)
Retained distribution on accumulation shares	68	65
Unclaimed distributions	22	15
Closing net assets attributable to shareholders	301,132	400,634

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.0066	–	2.0066	2.0821
08/09/18 to 07/03/19	1.4137	–	1.4137	1.2565
Group 2				
08/03/18 to 07/09/18	1.2794	0.7272	2.0066	2.0821
08/09/18 to 07/03/19	0.8531	0.5606	1.4137	1.2565
Total distributions in the period			3.4203	3.3386

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.2683	–	2.2683	2.3407
08/09/18 to 07/03/19	1.6109	–	1.6109	1.4304
Group 2				
08/03/18 to 07/09/18	1.2853	0.9830	2.2683	2.3407
08/09/18 to 07/03/19	0.6627	0.9482	1.6109	1.4304
Total distributions in the period			3.8792	3.7711

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle UK Growth & Income Fund

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	3,2560	–	3,2560	3,3533
08/09/18 to 07/03/19	2,3029	–	2,3029	2,0315
Group 2				
08/03/18 to 07/09/18	1,9321	1,3239	3,2560	3,3533
08/09/18 to 07/03/19	1,5597	0,7432	2,3029	2,0315
Total distributions in the period			5,5589	5,3848

Class Z – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2,1387	–	2,1387	0,7617
08/09/18 to 07/03/19	1,5438	–	1,5438	1,3158
Group 2				
08/03/18 to 07/09/18	1,9204	0,2183	2,1387	0,7617
08/09/18 to 07/03/19	1,5438	–	1,5438	1,3158
Total distributions in the period			3,6825	2,0775

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Growth & Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	88.67	93.34	80.93	98.32	102.98	88.84
Return before operating charges (p)	4.38	0.21	17.02	4.85	0.22	18.74
Operating charges (p)	(1.51)	(1.54)	(1.42)	(1.09)	(1.11)	(1.02)
Return after operating charges (p)*	2.87	(1.33)	15.60	3.76	(0.89)	17.72
Distributions (p)	(3.42)	(3.34)	(3.19)	(3.88)	(3.77)	(3.58)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	88.12	88.67	93.34	98.20	98.32	102.98
*after direct transaction costs of (p)	0.01	0.05	0.10	0.02	0.06	0.11
Performance						
Return after charges (%)	3.24	(1.42)	19.28	3.82	(0.86)	19.95
Other information						
Closing net asset value (£000)	120,366	154,559	191,457	49,995	40,329	59,168
Closing number of shares	136,595,549	174,316,681	205,121,749	50,910,602	41,019,411	57,456,100
Operating charges (%)**	1.63	1.63	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.01	0.06	0.12	0.01	0.06	0.12
Prices						
Highest share price (p)	100.48	100.21	94.69	111.69	110.71	104.50
Lowest share price (p)	82.88	88.22	79.11	92.29	97.82	86.99
	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018 ¹	
Change in net assets per share						
Opening net asset value per share (p)	143.61	150.04	129.11	94.33	100.00	
Return before operating charges (p)	7.08	0.29	27.26	4.57	(5.21)	
Operating charges (p)	(1.32)	(1.34)	(1.23)	(0.90)	(0.46)	
Return after operating charges (p)*	5.76	(1.05)	26.03	3.67	(5.67)	
Distributions (p)	(5.56)	(5.38)	(5.10)	(3.68)	(2.08)	
Retained distributions on accumulation shares (p)	–	–	–	3.68	2.08	
Closing net asset value per share (p)	143.81	143.61	150.04	98.00	94.33	
*after direct transaction costs of (p)	0.02	0.08	0.16	0.02	0.04	
Performance						
Return after charges (%)	4.01	(0.70)	20.16	3.89	(5.67)	
Other information						
Closing net asset value (£000)	130,734	202,806	164,724	37	2,940	
Closing number of shares	90,907,105	141,221,346	109,787,343	37,131	3,116,610	
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88 ¹	
Direct transaction costs (%)***	0.01	0.06	0.12	0.01	0.06	
Prices						
Highest share price (p)	163.27	161.37	155.20	107.24	101.62	
Lowest share price (p)	135.06	142.80	126.47	90.59	92.49	

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

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

¹Commenced 15 June 2017.

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

Threadneedle UK Growth & Income Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	2,169	(15,302)
Other gains	1	18
Transaction costs	(2)	(1)
Net capital gains/(losses)	2,168	(15,285)

3 REVENUE

	2019 £000	2018 £000
UK dividends	12,524	15,703
Interest on short term investments	6	6
Bank interest	9	6
Underwriting commission	7	7
Total revenue	12,546	15,722

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(3,575)	(4,746)
Registration fees	(329)	(433)
	(3,904)	(5,179)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(39)	(52)
Safe custody fees	(16)	(18)
	(55)	(70)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(8)	(9)
Professional fees	–	(2)
	(15)	(16)
Total expenses*	(3,974)	(5,265)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

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

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	8,571	10,456
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,714)	(2,091)
Effects of:		
Revenue not subject to taxation	2,505	3,143
Excess expenses	(790)	(1,052)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	–
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £18,029,500 (2018: £17,239,704) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	6,902	9,449
Final	4,845	5,687
	11,747	15,136
Add: Revenue deducted on the cancellation of shares	643	674
Deduct: Revenue received on the creation of shares	(241)	(608)
Net distribution for the period	12,149	15,202
Net revenue after taxation	8,571	10,456
Annual management charge to capital	3,575	4,746
Equalisation on conversion	3	(1)
Undistributed revenue brought forward	–	1
Total distributions	12,149	15,202

Details of the distribution per share are set out in the table on pages 30 to 31.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	96	395
Sales awaiting settlement	–	2,165
Accrued revenue	1,548	2,096
Total debtors	1,644	4,656

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(882)	(1,366)
Accrued expenses	(14)	(16)
Amounts payable to ACD	(351)	(459)
Total other creditors	(1,247)	(1,841)

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 Growth & Income 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%

Threadneedle UK Growth & Income 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 32. The distribution per share class is given in the distribution table on pages 30 to 31. All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	174,316,681
Shares issued	2,494,415
Shares redeemed	(39,767,824)
Net conversions	(447,723)
Closing shares	<u>136,595,549</u>
Class 2 – Income shares	
Opening shares	41,019,411
Shares issued	7,623,762
Shares redeemed	(11,306,514)
Net conversions	13,573,943
Closing shares	<u>50,910,602</u>
Class Z – Income shares	
Opening shares	141,221,346
Shares issued	18,682,930
Shares redeemed	(59,996,983)
Net conversions	(9,000,188)
Closing shares	<u>90,907,105</u>
Class Z – Accumulation shares	
Opening shares	3,116,610
Shares issued	4,318
Shares redeemed	(3,083,797)
Net conversions	–
Closing shares	<u>37,131</u>

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.28% and vice versa (2018: 4.28%).

Currency exposures

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

	Total £000
Currency 2019	
Euro	11
US Dollar	177
Currency 2018	
Euro	11
US Dollar	229

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Euro	11	–	–	11
UK Sterling	1,179	–	305,857	307,036
US Dollar	9	–	168	177
Currency 2018				
Euro	11	–	–	11
UK Sterling	560	–	407,321	407,881
US Dollar	9	–	220	229
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
UK Sterling	–	–	(6,092)	(6,092)
Currency 2018				
UK Sterling	–	–	(7,487)	(7,487)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	304,381	–	402,885	–
	<u>304,381</u>	<u>–</u>	<u>402,885</u>	<u>–</u>

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	7,354	4	0.05	37	0.50
Corporate actions	4,850	–	–	–	–
Total	<u>12,204</u>	<u>4</u>		<u>37</u>	
Gross purchases total:	<u>12,245</u>				

Threadneedle UK Growth & Income Fund

Notes to the financial statements

(continued)

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	110,108	12	0.01	1	0.00
Corporate actions	2,823	–	–	–	–
Total	112,931	12		1	

Total sales net of transaction costs: 112,918

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.01%

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	44,745	34	0.08	181	0.41
Corporate actions	1,006	–	–	–	–
Total	45,751	34		181	

Gross purchases total: 45,966

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	35,405	19	0.06	–	–
Corporate actions	10,766	–	–	–	–
Total	46,171	19		–	

Total sales net of transaction costs: 46,152

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.05%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.18% (7 March 2018: 0.19%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Equity Income Fund

Investment Report

Investment Objective

To achieve an above average rate of income combined with sound prospects for capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Equity Income Fund has risen from 92.75p to 92.82p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +2.05% as compared to a median return of -0.34% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with both market-specific concerns around Brexit and global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the aforementioned deal was overwhelmingly rejected by parliament. Subsequently however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

In terms of activity, we participated in the rights issues of DS Smith and Phoenix Group. The former was launched to fund the company's takeover of rival Spanish packaging firm Europac. DS Smith is progressing effectively with the integration of its previous acquisition – US-based Interstate Resources. We expect management to create good shareholder value by bolting on more overseas assets. Phoenix's offering was to help it finance its acquisition of Standard Life Aberdeen's UK and European insurance businesses. The firm's shares rebounded amid a recovery in the stocks of UK domestically-oriented companies in 2019, and on news of a boost to profits from favourable adjustments to industry mortality assumptions.

We topped up our position in GKN shortly before the final shareholder vote on the bid for the company by industrial turnaround

specialist Melrose. GKN was later de-listed as it was acquired by Melrose.

Over the review period, we increased exposure to several stocks, notably Imperial Brands and RSA Insurance. While Imperial Brands was periodically buffeted by fears of unfavourable regulatory developments, we believe that the company has a competitive core offering, while its measured approach to building its non-combustible proposition appears prudent. We added to RSA on share-price weakness and retain conviction in the strength of the opportunity for value creation from the company's long-term restructuring project.

We closed a small position in Kier in late summer amid discomfort at some of the company's accounting practices, and to fund higher conviction ideas.

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

Many UK-listed companies, including overseas earners, remain undervalued relative to their peers listed elsewhere – undoubtedly a symptom of the fear sown among global asset allocators by the political tumult. The resulting valuation arbitrage opportunity has attracted record levels of inbound activist investment, while M&A activity has also accelerated as overseas corporates take advantage of the 'Brexit discount'.

Increasingly, as markets have started to acknowledge the reality that there are issues elsewhere in the world, we believe that the opportunity cost of investing in the UK is now very different. With its sizeable defensive contingent, idiosyncratic drivers and lack of any 'hot money', any political resolution concerning Brexit or a broad-based rotation towards less economically sensitive stocks should be beneficial for the market.

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

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	61,193	(187,599)
Revenue	3	167,391	162,834
Expenses	4	(37,510)	(38,779)
Interest payable and similar charges	5	(7)	(6)
Net revenue before taxation		129,874	124,049
Taxation	6	–	–
Net revenue after taxation		129,874	124,049
Total return before distributions		191,067	(63,550)
Distributions	7	(164,379)	(159,561)
Change in net assets attributable to shareholders from investment activities		26,688	(223,111)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		4,039,368	3,930,837
Current assets:			
Debtors	8	28,788	30,684
Cash and bank balances		10	7,701
Cash equivalents**		25,006	–
Total assets		4,093,172	3,969,222
Liabilities:			
Creditors:			
Bank overdrafts		(927)	–
Distribution payable		(19,945)	(18,916)
Other creditors	9	(11,384)	(4,191)
Total liabilities		(32,256)	(23,107)
Net assets attributable to shareholders		4,060,916	3,946,115

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	3,946,115	3,733,290
Amounts receivable on the issue of shares	414,484	726,546
Amounts payable on the cancellation of shares	(377,664)	(343,416)
Amounts payable on in specie transfers	(9,061)	–
	27,759	383,130
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	26,688	(223,111)
Retained distribution on accumulation shares	60,325	52,785
Unclaimed distributions	29	21
Closing net assets attributable to shareholders	4,060,916	3,946,115

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	1.2493	–	1.2493	1.2924
08/06/18 to 07/09/18	0.9699	–	0.9699	1.0967
08/09/18 to 07/12/18	0.8882	–	0.8882	0.7983
08/12/18 to 07/03/19	0.7349	–	0.7349	0.6738
Group 2				
08/03/18 to 07/06/18	0.4710	0.7783	1.2493	1.2924
08/06/18 to 07/09/18	0.5414	0.4285	0.9699	1.0967
08/09/18 to 07/12/18	0.5042	0.3840	0.8882	0.7983
08/12/18 to 07/03/19	0.5795	0.1554	0.7349	0.6738
Total distributions in the period			3.8423	3.8612

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle UK Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	2.3233	–	2.3233	2.3055
08/06/18 to 07/09/18	1.8322	–	1.8322	1.9885
08/09/18 to 07/12/18	1.6979	–	1.6979	1.4726
08/12/18 to 07/03/19	1.4233	–	1.4233	1.2537
Group 2				
08/03/18 to 07/06/18	1.4372	0.8861	2.3233	2.3055
08/06/18 to 07/09/18	0.9549	0.8773	1.8322	1.9885
08/09/18 to 07/12/18	0.9031	0.7948	1.6979	1.4726
08/12/18 to 07/03/19	0.8789	0.5444	1.4233	1.2537
Total distributions in the period			7.2767	7.0203

Class Z CHF Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	1.8094	–	1.8094	1.9374
08/06/18 to 07/09/18	1.4910	–	1.4910	1.6894
08/09/18 to 07/12/18	0.7978	–	0.7978	1.1945
08/12/18 to 07/03/19	–	–	–	1.0111
Group 2				
08/03/18 to 07/06/18	1.8094	–	1.8094	1.9374
08/06/18 to 07/09/18	0.2976	1.1934	1.4910	1.6894
08/09/18 to 07/12/18	0.7978	–	0.7978	1.1945
08/12/18 to 07/03/19	–	–	–	1.0111
Total distributions in the period			4.0982	5.8324

Class Z EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	1.8010	–	1.8010	1.7601
08/06/18 to 07/09/18	1.4480	–	1.4480	1.5880
08/09/18 to 07/12/18	0.7697	–	0.7697	1.1653
08/12/18 to 07/03/19	–	–	–	0.9867
Group 2				
08/03/18 to 07/06/18	–	1.8010	1.8010	1.7601
08/06/18 to 07/09/18	0.9588	0.4892	1.4480	1.5880
08/09/18 to 07/12/18	0.1451	0.6246	0.7697	1.1653
08/12/18 to 07/03/19	–	–	–	0.9867
Total distributions in the period			4.0187	5.5001

Class Z USD Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	2.1460	–	2.1460	2.2697
08/06/18 to 07/09/18	1.7951	–	1.7951	1.9381
08/09/18 to 07/12/18	0.9648	–	0.9648	1.3995
08/12/18 to 07/03/19	–	–	–	1.1471
Group 2				
08/03/18 to 07/06/18	0.5403	1.6057	2.1460	2.2697
08/06/18 to 07/09/18	1.1358	0.6593	1.7951	1.9381
08/09/18 to 07/12/18	0.0375	0.9273	0.9648	1.3995
08/12/18 to 07/03/19	–	–	–	1.1471
Total distributions in the period			4.9059	6.7544

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	92.01	97.70	85.44	129.06	131.73	110.62
Return before operating charges (p)	5.38	(0.23)	17.44	7.49	(0.48)	23.06
Operating charges (p)	(1.52)	(1.60)	(1.47)	(2.16)	(2.19)	(1.95)
Return after operating charges (p)*	3.86	(1.83)	15.97	5.33	(2.67)	21.11
Distributions (p)	(3.84)	(3.86)	(3.71)	(5.47)	(5.28)	(4.88)
Retained distributions on accumulation shares (p)	–	–	–	5.47	5.28	4.88
Closing net asset value per share (p)	92.03	92.01	97.70	134.39	129.06	131.73
*after direct transaction costs of (p)	0.03	0.07	0.02	0.05	0.10	0.03
Performance						
Return after charges (%)	4.20	(1.87)	18.69	4.13	(2.03)	19.08
Other information						
Closing net asset value (£000)	330,425	368,909	458,628	222,901	230,892	252,136
Closing number of shares	359,047,835	400,926,969	469,440,679	165,857,368	178,900,787	191,403,198
Operating charges (%)**	1.59	1.63	1.62	1.59	1.63	1.62
Direct transaction costs (%)***	0.03	0.07	0.03	0.03	0.07	0.03
Prices						
Highest share price (p)	102.82	104.06	98.49	146.01	140.32	131.90
Lowest share price (p)	85.24	90.54	81.88	123.49	126.07	107.59
	Class 1 CHF Hedged – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	09/11/2018 ¹	07/03/2018	07/03/2017	09/11/2018 ¹	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	134.04	146.12	108.88	128.53	128.18	96.96
Return before operating charges (p)	5.50	(9.76)	39.38	2.06	2.51	33.08
Operating charges (p)	(1.04)	(2.32)	(2.14)	(0.99)	(2.16)	(1.86)
Return after operating charges (p)*	4.46	(12.08)	37.24	1.07	0.35	31.22
Distributions (p)	(3.96)	(5.64)	(5.16)	(3.79)	(5.18)	(4.57)
Retained distributions on accumulation shares (p)	3.96	5.64	5.16	3.79	5.18	4.57
Closing net asset value per share (p)	138.50	134.04	146.12	129.60	128.53	128.18
*after direct transaction costs of (p)	0.02	0.11	0.03	0.02	0.10	0.03
Performance						
Return after charges (%)	3.33	(8.27)	34.20	0.83	0.27	32.20
Other information						
Closing net asset value (£000)	–	403	544	–	2,095	919
Closing number of shares	–	300,658	372,574	–	1,629,997	717,119
Operating charges (%)**	–	1.62	1.62	–	1.63	1.61
Direct transaction costs (%)***	–	0.07	0.03	–	0.07	0.03
Prices						
Highest share price (p)	154.75	154.79	146.20	145.72	139.49	129.07
Lowest share price (p)	125.62	131.18	106.17	121.27	122.87	95.82

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Accumulation shares			Class 2 – Income shares		
	09/11/2018 ¹	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	150.78	172.93	124.24	102.42	108.20	94.15
Return before operating charges (p)	19.34	(19.47)	51.13	6.00	(0.26)	19.27
Operating charges (p)	(1.24)	(2.68)	(2.44)	(1.12)	(1.15)	(1.05)
Return after operating charges (p)*	18.10	(22.15)	48.69	4.88	(1.41)	18.22
Distributions (p)	(4.72)	(6.49)	(5.84)	(4.34)	(4.37)	(4.17)
Retained distributions on accumulation shares (p)	4.72	6.49	5.84	–	–	–
Closing net asset value per share (p)	168.88	150.78	172.93	102.96	102.42	108.20
*after direct transaction costs of (p)	0.02	0.12	0.04	0.04	0.08	0.02
Performance						
Return after charges (%)	12.00	(12.81)	39.19	4.76	(1.30)	19.35
Other information						
Closing net asset value (£000)	–	1,053	1,122	181,990	210,343	355,996
Closing number of shares	–	698,723	648,658	176,765,510	205,367,961	329,006,664
Operating charges (%)**	–	1.63	1.62	1.05	1.06	1.05
Direct transaction costs (%)***	–	0.07	0.03	0.03	0.07	0.03
Prices						
Highest share price (p)	185.98	177.28	173.03	114.70	115.42	109.09
Lowest share price (p)	142.57	146.68	120.02	95.27	100.76	90.36
	Class 2 – Accumulation shares			Class D – Income shares		
	07/03/2019	07/03/2018	07/03/2017 ²	07/03/2019	07/03/2018 ³	
Change in net assets per share						
Opening net asset value per share (p)	116.79	118.53	100.00	181.90	196.90	
Return before operating charges (p)	6.76	(0.47)	19.54	10.59	(7.94)	
Operating charges (p)	(1.28)	(1.27)	(1.01)	(1.93)	(1.34)	
Return after operating charges (p)*	5.48	(1.74)	18.53	8.66	(9.28)	
Distributions (p)	(5.02)	(4.85)	(3.57)	(7.56)	(5.72)	
Retained distributions on accumulation shares (p)	5.02	4.85	3.57	–	–	
Closing net asset value per share (p)	122.27	116.79	118.53	183.00	181.90	
*after direct transaction costs of (p)	0.04	0.09	0.03	0.06	0.12	
Performance						
Return after charges (%)	4.69	(1.47)	18.53	4.76	(4.71)	
Other information						
Closing net asset value (£000)	17,355	274	207	1,150	1,719	
Closing number of shares	14,193,793	234,626	174,211	628,455	944,993	
Operating charges (%)**	1.07	1.05	1.05 ¹	1.02	1.03 ¹	
Direct transaction costs (%)***	0.03	0.07	0.03	0.03	0.07	
Prices						
Highest share price (p)	132.44	126.43	118.68	203.77	202.89	
Lowest share price (p)	112.24	114.04	96.40	169.32	178.92	

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class L – Income shares			Class L – Accumulation shares	
	07/03/2019	07/03/2018 ³		07/03/2019	07/03/2018 ³
Change in net assets per share					
Opening net asset value per share (p)	173.04	186.77		277.45	290.42
Return before operating charges (p)	10.10	(7.43)		16.11	(11.80)
Operating charges (p)	(1.08)	(0.75)		(1.76)	(1.17)
Return after operating charges (p)*	9.02	(8.18)		14.35	(12.97)
Distributions (p)	(7.34)	(5.55)		(11.94)	(8.72)
Retained distributions on accumulation shares (p)	–	–		11.94	8.72
Closing net asset value per share (p)	174.72	173.04		291.80	277.45
*after direct transaction costs of (p)	0.06	0.11		0.10	0.17
Performance					
Return after charges (%)	5.21	(4.38)		5.17	(4.47)
Other information					
Closing net asset value (£000)	219,604	15,412		263,452	139,416
Closing number of shares	125,690,839	8,906,635		90,284,756	50,248,860
Operating charges (%)**	0.60	0.61 [†]		0.60	0.61 [†]
Direct transaction costs (%)***	0.03	0.07		0.03	0.07
Prices					
Highest share price (p)	194.16	192.49		315.23	299.33
Lowest share price (p)	161.54	170.18		267.63	270.83
	Class X – Income shares			Class X – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018 ³
Change in net assets per share					
Opening net asset value per share (p)	113.00	118.18	101.82	290.89	303.13
Return before operating charges (p)	6.60	(0.33)	20.95	16.88	(12.12)
Operating charges (p)	(0.06)	(0.06)	(0.06)	(0.15)	(0.12)
Return after operating charges (p)*	6.54	(0.39)	20.89	16.73	(12.24)
Distributions (p)	(4.81)	(4.79)	(4.53)	(12.56)	(9.12)
Retained distributions on accumulation shares (p)	–	–	–	12.56	9.12
Closing net asset value per share (p)	114.73	113.00	118.18	307.62	290.89
*after direct transaction costs of (p)	0.04	0.09	0.03	0.10	0.18
Performance					
Return after charges (%)	5.79	(0.33)	20.52	5.75	(4.04)
Other information					
Closing net asset value (£000)	3,858	1,053	1,174	42,122	50,321
Closing number of shares	3,363,326	932,013	993,784	13,692,572	17,298,673
Operating charges (%)**	0.05	0.05	0.05	0.05	0.06 [†]
Direct transaction costs (%)***	0.03	0.07	0.03	0.03	0.07
Prices					
Highest share price (p)	127.09	126.36	119.15	331.28	312.51
Lowest share price (p)	105.96	111.08	97.99	281.55	283.84

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	137.08	144.45	125.38	170.26	172.41	143.63
Return before operating charges (p)	8.00	(0.36)	25.70	9.88	(0.68)	30.07
Operating charges (p)	(1.17)	(1.21)	(1.10)	(1.47)	(1.47)	(1.29)
Return after operating charges (p)*	6.83	(1.57)	24.60	8.41	(2.15)	28.78
Distributions (p)	(5.77)	(5.80)	(5.53)	(7.28)	(7.02)	(6.43)
Retained distributions on accumulation shares (p)	–	–	–	7.28	7.02	6.43
Closing net asset value per share (p)	138.14	137.08	144.45	178.67	170.26	172.41
*after direct transaction costs of (p)	0.05	0.11	0.03	0.06	0.13	0.04
Performance						
Return after charges (%)	4.98	(1.09)	19.62	4.94	(1.25)	20.04
Other information						
Closing net asset value (£000)	1,745,600	1,955,410	1,848,080	1,032,459	959,094	799,277
Closing number of shares	1,263,689,987	1,426,492,453	1,279,367,778	577,868,081	563,301,037	463,595,811
Operating charges (%)**	0.82	0.83	0.82	0.82	0.83	0.82
Direct transaction costs (%)***	0.03	0.07	0.03	0.03	0.07	0.03
Prices						
Highest share price (p)	153.67	154.16	145.63	193.26	184.00	172.62
Lowest share price (p)	127.76	134.82	120.40	163.94	166.23	140.00
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	09/11/2018 ¹	07/03/2018	07/03/2017	09/11/2018 ¹	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	137.57	148.79	109.89	135.32	133.92	100.49
Return before operating charges (p)	4.85	(10.00)	40.02	2.36	2.55	34.41
Operating charges (p)	(0.55)	(1.22)	(1.12)	(0.54)	(1.15)	(0.98)
Return after operating charges (p)*	4.30	(11.22)	38.90	1.82	1.40	33.43
Distributions (p)	(4.10)	(5.83)	(5.29)	(4.02)	(5.50)	(4.81)
Retained distributions on accumulation shares (p)	4.10	5.83	5.29	4.02	5.50	4.81
Closing net asset value per share (p)	141.87	137.57	148.79	137.14	135.32	133.92
*after direct transaction costs of (p)	0.02	0.11	0.03	0.02	0.10	0.03
Performance						
Return after charges (%)	3.13	(7.54)	35.40	1.34	1.05	33.27
Other information						
Closing net asset value (£000)	–	465	714	–	6,645	12,484
Closing number of shares	–	337,940	479,914	–	4,910,832	9,321,764
Operating charges (%)**	–	0.83	0.82	–	0.83	0.82
Direct transaction costs (%)***	–	0.07	0.03	–	0.07	0.03
Prices						
Highest share price (p)	159.39	157.98	148.88	153.98	146.27	134.41
Lowest share price (p)	128.98	134.56	107.34	127.71	128.49	99.47

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares		
	09/11/2018 ¹	07/03/2018	07/03/2017
Change in net assets per share			
Opening net asset value per share (p)	155.55	176.96	126.10
Return before operating charges (p)	20.26	(20.01)	52.10
Operating charges (p)	(0.66)	(1.40)	(1.24)
Return after operating charges (p)*	19.60	(21.41)	50.86
Distributions (p)	(4.91)	(6.75)	(6.03)
Retained distributions on accumulation shares (p)	4.91	6.75	6.03
Closing net asset value per share (p)	175.15	155.55	176.96
*after direct transaction costs of (p)	0.02	0.12	0.04
Performance			
Return after charges (%)	12.60	(12.10)	40.33
Other information			
Closing net asset value (£000)	–	2,611	2,009
Closing number of shares	–	1,678,459	1,135,384
Operating charges (%)**	–	0.83	0.82
Direct transaction costs (%)***	–	0.07	0.03
Prices			
Highest share price (p)	192.51	181.81	177.07
Lowest share price (p)	147.15	151.23	121.97

**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.

¹Closed 9 November 2018.

²Commenced 28 April 2016.

³Commenced 12 May 2017.

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

Threadneedle UK Equity Income Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	61,173	(187,676)
Forward currency contracts	17	(97)
Other gains	9	178
Transaction costs	(6)	(4)
Net capital gains/(losses)	61,193	(187,599)

3 REVENUE

	2019 £000	2018 £000
UK dividends	158,431	155,604
Overseas dividends	8,544	7,040
Interest on short term investments	45	51
Bank interest	69	60
Underwriting commission	302	79
Total revenue	167,391	162,834

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(34,495)	(35,517)
Registration fees	(2,415)	(2,658)
	(36,910)	(38,175)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(486)	(485)
Safe custody fees	(96)	(98)
	(582)	(583)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(11)	(13)
Professional fees	–	(2)
	(18)	(21)
Total expenses*	(37,510)	(38,779)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(7)	(6)
Total interest payable & similar charges	(7)	(6)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	129,874	124,049
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(25,975)	(24,810)
Effects of:		
Revenue not subject to taxation	33,394	32,554
Excess expenses	(7,417)	(7,744)
Retail Distribution Review (RDR) conversion transfer from capital	(2)	–
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £60,879,925 (2018: £53,482,500) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	131,831	132,239
Final	32,526	29,164
	164,357	161,403
Add: Revenue deducted on the cancellation of shares	1,687	1,029
Deduct: Revenue received on the creation of shares	(1,665)	(2,871)
Net distribution for the period	164,379	159,561
Net revenue after taxation	129,874	124,049
Annual management charge to capital	34,495	35,517
Equalisation on conversion	11	(3)
Undistributed revenue carried forward	(1)	(2)
Total distributions	164,379	159,561

Details of the distribution per share are set out in the table on pages 36 to 38.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	3,032	2,989
Sales awaiting settlement	–	3,806
Accrued revenue	25,756	23,889
Total debtors	28,788	30,684

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(6,355)	(613)
Purchases awaiting settlement	(1,513)	–
Accrued expenses	(66)	(77)
Amounts payable to ACD	(3,450)	(3,501)
Total other creditors	(11,384)	(4,191)

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 Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.080%
Class 2 shares	0.035%
Class D shares	0.110%
Class L shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 39 to 43. The distribution per share class is given in the distribution table on pages 36 to 38. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	400,926,969
Shares issued	28,629,066
Shares redeemed	(55,772,217)
Net conversions	(14,735,983)
Closing shares	<u>359,047,835</u>
Class 1 – Accumulation shares	
Opening shares	178,900,787
Shares issued	21,051,067
Shares redeemed	(29,295,870)
Net conversions	(4,798,616)
Closing shares	<u>165,857,368</u>
Class 1 CHF Hedged – Accumulation shares	
Opening shares	300,658
Shares issued	4,803
Shares redeemed	(68,097)
Net conversions	(237,364)
Closing shares	<u>–</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	1,629,997
Shares issued	247,447
Shares redeemed	(449,367)
Net conversions	(1,428,077)
Closing shares	<u>–</u>
Class 1 USD Hedged – Accumulation shares	
Opening shares	698,723
Shares issued	54,419
Shares redeemed	(178,242)
Net conversions	(574,900)
Closing shares	<u>–</u>
Class 2 – Income shares	
Opening shares	205,367,961
Shares issued	14,892,819
Shares redeemed	(44,981,062)
Net conversions	1,485,792
Closing shares	<u>176,765,510</u>

	2019
Class 2 – Accumulation shares	
Opening shares	234,626
Shares issued	341,580
Shares redeemed	(345,680)
Net conversions	13,963,267
Closing shares	<u>14,193,793</u>
Class D – Income shares	
Opening shares	944,993
Shares issued	47,166
Shares redeemed	(342,627)
Net conversions	(21,077)
Closing shares	<u>628,455</u>
Class L – Income shares	
Opening shares	8,906,635
Shares issued	16,663,984
Shares redeemed	(3,430,308)
Net conversions	103,550,528
Closing shares	<u>125,690,839</u>
Class L – Accumulation shares	
Opening shares	50,248,860
Shares issued	15,501,497
Shares redeemed	(4,514,689)
Net conversions	29,049,088
Closing shares	<u>90,284,756</u>
Class X – Income shares	
Opening shares	932,013
Shares issued	2,431,313
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,363,326</u>
Class X – Accumulation shares	
Opening shares	17,298,673
Shares issued	4,643,566
Shares redeemed	(8,249,667)
Net conversions	–
Closing shares	<u>13,692,572</u>
Class Z – Income shares	
Opening shares	1,426,492,453
Shares issued	69,459,516
Shares redeemed	(97,439,241)
Net conversions	(134,822,741)
Closing shares	<u>1,263,689,987</u>
Class Z – Accumulation shares	
Opening shares	563,301,037
Shares issued	83,443,014
Shares redeemed	(25,562,282)
Net conversions	(43,313,688)
Closing shares	<u>577,868,081</u>
Class Z CHF Hedged – Accumulation shares	
Opening shares	337,940
Shares issued	26,650
Shares redeemed	(155,764)
Net conversions	(208,826)
Closing shares	<u>–</u>
Class Z EUR Hedged – Accumulation shares	
Opening shares	4,910,832
Shares issued	1,446,861
Shares redeemed	(4,132,043)
Net conversions	(2,225,650)
Closing shares	<u>–</u>

Threadneedle UK Equity Income Fund

Notes to the financial statements

(continued)

	2019
Class Z USD Hedged – Accumulation shares	
Opening shares	1,678,459
Shares issued	147,018
Shares redeemed	(372,163)
Net conversions	(1,453,314)
Closing shares	–

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.74% and vice versa (2018: 4.79%).

Currency exposures

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

	Total £000
Currency 2019	
Euro	2
US Dollar	2,237
Currency 2018	
Euro	8,767
Swiss Franc	871
US Dollar	5,898

Currency sensitivity

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

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000
2018	
Counterparty	
J.P. Morgan	135

The fund did not hold any collateral received from the fund's counterparties in the current year (2018: £60,000). 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.

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Euro	2	–	–	2
UK Sterling	–	–	4,090,933	4,090,933
US Dollar	8	–	2,229	2,237
Currency 2018				
Euro	2	–	8,765	8,767
Swiss Franc	–	–	871	871
UK Sterling	7,691	–	3,959,140	3,966,831
US Dollar	8	–	5,890	5,898

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
UK Sterling	(927)	–	(31,329)	(32,256)
Currency 2018				
UK Sterling	–	–	(36,252)	(36,252)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	4,064,374	–	3,930,702	–
Level 2	–	–	135	–
	4,064,374	–	3,930,837	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	% %	Taxes £000	%
Purchases					
Equities	251,361	78	0.03	1,238	0.49
Collective investment schemes	31,006	–	–	–	–
Corporate actions	57,608	–	–	–	–
Total	339,975	78		1,238	

Gross purchases total:

341,291

	Value £000	Commissions £000	% %	Taxes £000	%
Sales					
Equities	233,838	33	0.01	1	0.00
Collective investment schemes	6,000	–	–	–	–
Inspecie transactions	9,021	–	–	–	–
Corporate actions	19,967	–	–	–	–
Total	268,826	33		1	

Total sales net of transaction costs: 268,792

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.03%

Threadneedle UK Equity Income Fund

Notes to the financial statements

(continued)

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	570,732	368	0.06	2,440	0.43
In specie transactions	118,955	–	–	–	–
Corporate actions	10,576	–	–	–	–
Total	700,263	368		2,440	

Gross purchases total: 703,071

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	216,460	178	0.08	–	–
Corporate actions	100,820	–	–	–	–
Total	317,280	178		–	

Total sales net of transaction costs: 317,102

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.06%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.12% (7 March 2018: 0.13%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Monthly Income Fund

Investment Report

Investment Objective

To achieve an above average income combined with sound prospects for capital growth. Income will be paid monthly.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Monthly Income Fund has fallen from 72.60p to 70.18p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -0.36% as compared to a median return of -0.34% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

In terms of global economic growth forecasts, the period under review was a tale of two halves. In emerging markets, a series of crises in the first half of the year (from Argentina to Turkey to Venezuela) was followed by more stability later in the year. In contrast, in the US, the first half saw growth expectations rise, as the benefits of tax reforms and a strong labour market exceeded forecasts. However, from October

onwards, investors began to worry about the impact of rising US rates, which were raised by a quarter of a percent four times during 2018 to finish the year at 2.25-2.5%. Investors also worried about rising Chinese trade tensions, and the negative impact of quantitative tightening. In the UK, the lack of progress in resolving Brexit continued to be the dominant concern, inevitably overshadowing all other factors.

October saw a more than tripling in the aggregate rate of monetary policy normalisation in the US and Europe (from circa \$30bn/month to circa \$105bn/month). This was both the sharpest quarterly rate of increase and the largest absolute change. After a decade of post-financial crisis quantitative easing, this inevitably caused markets to react negatively, especially when coupled with the weaker economic growth expectations referenced above. This was not helped by the continuing flattening of the yield curve as the aforementioned rises in short-term US rates served to significantly reduce the excess by which US 10-year bonds yield more than 2-year bonds. The gap between these two yields approached zero, a measure which has historically been one of the most prescient recession indicators.

Activity within the fund was modest in the first half of the period but picked up markedly in the third quarter of the year. To combat the combination of peaking global growth and rising monetary headwinds, the fund substantially reduced its exposure to industrials (by circa 5%), almost entirely through reducing position sizes across all such holdings rather than by complete exits. We added to preferred defensive stocks such

as GlaxoSmithKline and Unilever and started a new holding in SSE. During the year, a total of six stocks were added to the portfolio and seven taken out, leaving 58 at year end. Other additions were AJ Bell (the fund's traditional solitary IPO of the year); TUI on a price-earnings of 7.8x and a yield of 7.6%; as well as Direct Line, Empiric Student Property and Galliford Try. We later sold Direct Line and exited Royal Mail, Standard Chartered, CRH, N Brown, Micro Focus and Informa.

The dividend cover in the UK equity market continues to remain adequate at around 1.7x. However, dividend growth prospects continue to be overshadowed by maturing economic growth, Brexit uncertainties, trade tariff concerns and a volatile sterling-dollar exchange rate.

For an eighth consecutive year, the fund's first 11 monthly distributions on the majority Class 1 units again increased by 0.01 pence per unit, from 0.25 pence per unit to 0.26 pence per unit. The Z class units saw a broadly similar rate of increase from 0.43 pence per unit to 0.45 pence per unit. And for a second consecutive year after a small reduction in the larger final 12th payment, the fund's overall dividend payment on the Class 1 units increased by 2.5%. At year end, the yield on both these share classes was 4.9%.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(8,099)	(34,448)
Revenue	3	23,640	25,250
Expenses	4	(7,182)	(8,345)
Interest payable and similar charges	5	(1)	–
Net revenue before taxation		16,457	16,905
Taxation	6	(37)	–
Net revenue after taxation		16,420	16,905
Total return before distributions		8,321	(17,543)
Distributions	7	(22,982)	(24,530)
Change in net assets attributable to shareholders from investment activities		(14,661)	(42,073)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		439,307	496,030
Current assets:			
Debtors	8	7,483	3,897
Cash and bank balances		1,174	3,861
Cash equivalents**		5,016	–
Total assets		452,980	503,788
Liabilities:			
Creditors:			
Distribution payable		(3,841)	(4,336)
Other creditors	9	(6,351)	(2,317)
Total liabilities		(10,192)	(6,653)
Net assets attributable to shareholders		442,788	497,135

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	497,135	596,267
Amounts receivable on the issue of shares	11,781	13,220
Amounts payable on the cancellation of shares	(51,645)	(70,410)
	(39,864)	(57,190)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(14,661)	(42,073)
Unclaimed distributions	178	131
Closing net assets attributable to shareholders	442,788	497,135

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.2600	–	0.2600	0.2500
08/04/18 to 07/05/18	0.2600	–	0.2600	0.2500
08/05/18 to 07/06/18	0.2600	–	0.2600	0.2500
08/06/18 to 07/07/18	0.2600	–	0.2600	0.2500
08/07/18 to 07/08/18	0.2600	–	0.2600	0.2500
08/08/18 to 07/09/18	0.2600	–	0.2600	0.2500
08/09/18 to 07/10/18	0.2600	–	0.2600	0.2500
08/10/18 to 07/11/18	0.2600	–	0.2600	0.2500
08/11/18 to 07/12/18	0.2600	–	0.2600	0.2500
08/12/18 to 07/01/19	0.2600	–	0.2600	0.2500
08/01/19 to 07/02/19	0.2600	–	0.2600	0.2500
08/02/19 to 07/03/19	0.5973	–	0.5973	0.6221

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle UK Monthly Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 2				
08/03/18 to 07/04/18	0.0914	0.1686	0.2600	0.2500
08/04/18 to 07/05/18	–	0.2600	0.2600	0.2500
08/05/18 to 07/06/18	–	0.2600	0.2600	0.2500
08/06/18 to 07/07/18	–	0.2600	0.2600	0.2500
08/07/18 to 07/08/18	–	0.2600	0.2600	0.2500
08/08/18 to 07/09/18	–	0.2600	0.2600	0.2500
08/09/18 to 07/10/18	–	0.2600	0.2600	0.2500
08/10/18 to 07/11/18	–	0.2600	0.2600	0.2500
08/11/18 to 07/12/18	–	0.2600	0.2600	0.2500
08/12/18 to 07/01/19	–	0.2600	0.2600	0.2500
08/01/19 to 07/02/19	–	0.2600	0.2600	0.2500
08/02/19 to 07/03/19	0.0893	0.5080	0.5973	0.6221
Total distributions in the period			3.4573	3.3721

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.3900	–	0.3900	0.3700
08/04/18 to 07/05/18	0.3900	–	0.3900	0.3700
08/05/18 to 07/06/18	0.3900	–	0.3900	0.3700
08/06/18 to 07/07/18	0.3900	–	0.3900	0.3700
08/07/18 to 07/08/18	0.3900	–	0.3900	0.3700
08/08/18 to 07/09/18	0.3900	–	0.3900	0.3700
08/09/18 to 07/10/18	0.3900	–	0.3900	0.3700
08/10/18 to 07/11/18	0.3900	–	0.3900	0.3700
08/11/18 to 07/12/18	0.3900	–	0.3900	0.3700
08/12/18 to 07/01/19	0.3900	–	0.3900	0.3700
08/01/19 to 07/02/19	0.3900	–	0.3900	0.3700
08/02/19 to 07/03/19	0.8671	–	0.8671	0.9421
Group 2				
08/03/18 to 07/04/18	0.3900	–	0.3900	0.3700
08/04/18 to 07/05/18	0.3900	–	0.3900	0.3700
08/05/18 to 07/06/18	0.3900	–	0.3900	0.3700
08/06/18 to 07/07/18	0.3900	–	0.3900	0.3700
08/07/18 to 07/08/18	–	0.3900	0.3900	0.3700
08/08/18 to 07/09/18	0.3900	–	0.3900	0.3700
08/09/18 to 07/10/18	0.3900	–	0.3900	0.3700
08/10/18 to 07/11/18	0.3900	–	0.3900	0.3700
08/11/18 to 07/12/18	0.3900	–	0.3900	0.3700
08/12/18 to 07/01/19	0.3900	–	0.3900	0.3700
08/01/19 to 07/02/19	0.3900	–	0.3900	0.3700
08/02/19 to 07/03/19	0.8671	–	0.8671	0.9421
Total distributions in the period			5.1571	5.0121

Class 3 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.4500	–	0.4500	0.4300
08/04/18 to 07/05/18	0.4500	–	0.4500	0.4300
08/05/18 to 07/06/18	0.4500	–	0.4500	0.4300
08/06/18 to 07/07/18	0.4500	–	0.4500	0.4300
08/07/18 to 07/08/18	0.4500	–	0.4500	0.4300
08/08/18 to 07/09/18	0.4500	–	0.4500	0.4300
08/09/18 to 07/10/18	0.4500	–	0.4500	0.4300
08/10/18 to 07/11/18	0.4500	–	0.4500	0.4300
08/11/18 to 07/12/18	0.4500	–	0.4500	0.4300
08/12/18 to 07/01/19	0.4500	–	0.4500	0.4300
08/01/19 to 07/02/19	0.4500	–	0.4500	0.4300
08/02/19 to 07/03/19	1.1075	–	1.1075	1.1322
Group 2				
08/03/18 to 07/04/18	0.1609	0.2891	0.4500	0.4300
08/04/18 to 07/05/18	0.0426	0.4074	0.4500	0.4300
08/05/18 to 07/06/18	–	0.4500	0.4500	0.4300
08/06/18 to 07/07/18	–	0.4500	0.4500	0.4300
08/07/18 to 07/08/18	–	0.4500	0.4500	0.4300
08/08/18 to 07/09/18	–	0.4500	0.4500	0.4300
08/09/18 to 07/10/18	–	0.4500	0.4500	0.4300
08/10/18 to 07/11/18	–	0.4500	0.4500	0.4300
08/11/18 to 07/12/18	–	0.4500	0.4500	0.4300
08/12/18 to 07/01/19	–	0.4500	0.4500	0.4300
08/01/19 to 07/02/19	–	0.4500	0.4500	0.4300
08/02/19 to 07/03/19	0.4535	0.6540	1.1075	1.1322
Total distributions in the period			6.0575	5.8622

Group 2: shares purchased during a distribution period.

Threadneedle UK Monthly Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	71.88	77.99	72.37	105.32	113.70	104.96
Return before operating charges (p)	2.26	(1.48)	10.14	3.30	(2.17)	14.76
Operating charges (p)	(1.18)	(1.26)	(1.23)	(1.12)	(1.20)	(1.16)
Return after operating charges (p)*	1.08	(2.74)	8.91	2.18	(3.37)	13.60
Distributions (p)	(3.46)	(3.37)	(3.29)	(5.16)	(5.01)	(4.86)
Closing net asset value per share (p)	69.50	71.88	77.99	102.34	105.32	113.70
*after direct transaction costs of (p)	0.07	0.13	0.12	0.10	0.19	0.17
Performance						
Return after charges (%)	1.50	(3.51)	12.31	2.07	(2.96)	12.96
Other information						
Closing net asset value (£000)	367,747	406,560	484,630	86	80	73
Closing number of shares	529,162,282	565,574,075	621,396,134	84,409	75,616	64,357
Operating charges (%)**	1.63	1.63	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.09	0.17	0.15	0.09	0.17	0.15
Prices						
Highest share price (p)	77.94	81.71	79.32	114.31	119.27	115.42
Lowest share price (p)	64.46	71.45	68.89	94.83	104.68	100.09

	Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share			
Opening net asset value per share (p)	125.48	135.11	124.42
Return before operating charges (p)	3.93	(2.59)	17.50
Operating charges (p)	(1.12)	(1.18)	(1.14)
Return after operating charges (p)*	2.81	(3.77)	16.36
Distributions (p)	(6.06)	(5.86)	(5.67)
Closing net asset value per share (p)	122.23	125.48	135.11
*after direct transaction costs of (p)	0.12	0.22	0.20
Performance			
Return after charges (%)	2.24	(2.79)	13.15
Other information			
Closing net asset value (£000)	74,955	90,495	111,564
Closing number of shares	61,324,814	72,121,364	82,571,843
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.09	0.17	0.15
Prices			
Highest share price (p)	136.27	141.81	136.99
Lowest share price (p)	113.25	124.70	118.73

**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 Monthly Income Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(8,098)	(34,500)
Other gains	–	53
Transaction costs	(1)	(1)
Net capital losses	(8,099)	(34,448)

3 REVENUE

	2019 £000	2018 £000
UK dividends	21,554	25,222
Overseas dividends	2,004	–
Interest on short term investments	14	11
Bank interest	34	12
Underwriting commission	34	5
Total revenue	23,640	25,250

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(6,562)	(7,625)
Registration fees	(527)	(616)
	(7,089)	(8,241)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(58)	(67)
Safe custody fees	(19)	(21)
	(77)	(88)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(9)	(9)
Professional fees	–	(2)
	(16)	(16)
Total expenses*	(7,182)	(8,345)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

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

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(37)	–
Total current tax (note 6b)	(37)	–
Total tax charge for the period	(37)	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	16,457	16,905
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,291)	(3,381)
Effects of:		
Revenue not subject to taxation	4,608	4,950
Overseas taxes	(37)	–
Excess expenses	(1,317)	(1,569)
Current tax charge for period (note 6a)	(37)	–

The fund has not recognised a deferred tax asset of £43,639,663 (2018: £42,323,275) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	18,934	19,832
Final	3,841	4,336
	22,775	24,168
Add: Revenue deducted on the cancellation of shares	279	449
Deduct: Revenue received on the creation of shares	(72)	(87)
Net distribution for the period	22,982	24,530
Net revenue after taxation	16,420	16,905
Annual management charge to capital	6,562	7,625
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	22,982	24,530

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

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	556	788
Sales awaiting settlement	3,501	–
Accrued revenue	3,399	3,109
Foreign withholding tax recoverable	27	–
Total debtors	7,483	3,897

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(722)	(475)
Purchases awaiting settlement	(4,982)	(1,111)
Accrued expenses	(15)	(18)
Amounts payable to ACD	(632)	(713)
Total other creditors	(6,351)	(2,317)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Monthly Income Fund currently has 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 50. The distribution per share class is given in the distribution table on pages 48 to 49.

All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	565,574,075
Shares issued	15,353,731
Shares redeemed	(50,930,787)
Net conversions	(834,737)
Closing shares	<u>529,162,282</u>
Class 2 – Income shares	
Opening shares	75,616
Shares issued	13,266
Shares redeemed	(4,473)
Net conversions	–
Closing shares	<u>84,409</u>
Class Z – Income shares	
Opening shares	72,121,364
Shares issued	621,288
Shares redeemed	(11,894,822)
Net conversions	476,984
Closing shares	<u>61,324,814</u>

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.66% and vice versa (2018: 4.82%).

Currency exposures

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

	Total
	£000
Currency 2019	
Euro	28
US Dollar	1,387
Currency 2018	
US Dollar	£000
	1,211

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	–	–	28	28
UK Sterling	1,174	–	450,391	451,565
US Dollar	–	–	1,387	1,387
Currency 2018				
UK Sterling	3,861	–	498,716	502,577
US Dollar	–	–	1,211	1,211
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(10,192)	(10,192)
Currency 2018				
UK Sterling	–	–	(6,653)	(6,653)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	444,323	–	496,030	–
	<u>444,323</u>	<u>–</u>	<u>496,030</u>	<u>–</u>

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	71,082	41	0.06	334	0.47
Collective investment schemes	11,016	–	–	–	–
Corporate actions	6,575	–	–	–	–
Total	88,673	41		334	

Gross purchases total: **89,048**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	125,435	72	0.06	–	–
Collective investment schemes	6,000	–	–	–	–
Corporate actions	1,295	–	–	–	–
Total	132,730	72		–	

Total sales net of transaction costs: **132,658**

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.07%

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	131,370	133	0.10	599	0.46
Corporate actions	710	–	–	–	–
Total	132,080	133		599	

Gross purchases total: **132,812**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	175,497	187	0.11	–	–
Corporate actions	19,189	–	–	–	–
Total	194,686	187		–	

Total sales net of transaction costs: **194,499**

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
Taxes:	0.11%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.25% (7 March 2018: 0.26%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Monthly Extra Income Fund

Investment Report

Investment Objective

To achieve a high level of income with prospects of capital growth. Income will be paid monthly.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in Sterling denominated fixed interest securities and UK equities.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 78.23p to 78.72p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +2.81% as compared to a median return of +1.33% over the same period. In view of the nature of the fund, and its investment remit, there is no directly comparable market index.

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with both market-specific concerns around Brexit and global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina. These worries also impacted corporate bonds.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the Brexit deal was overwhelmingly rejected by parliament. Subsequently however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve. These developments also benefited corporate bonds, but sterling investment-grade spreads still widened over the review period.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless, for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

In terms of activity, within equities, we participated in the rights issues of DS Smith and Phoenix Group. The former was launched to fund DS Smith's takeover of Spanish rival Europac. DS Smith is progressing effectively integrating its previous acquisition – US-based Interstate Resources. We expect management to create good shareholder value by bolting on more overseas assets. Phoenix Group's offering was to help it finance its acquisition of Standard Life Aberdeen's UK and European insurance businesses. The firm's shares rebounded amid a recovery in the stocks of UK domestically-oriented companies in 2019, and on news of surprisingly high mortality figures from 2018.

Over the review period, we also topped up our holdings in Spirent Communications, Stagecoach and Pennon.

In credit, we maintained a defensive credit risk position and were modestly underweight duration versus the benchmark. The fund remains overweight in defensive sectors, such as regulated utilities and infrastructure; we feel these areas should be more resilient given the late stage of the credit cycle and the level of credit spreads. In addition, we rotated our banking exposure, by moving up the capital structure and our preference for more defensive operating company bonds.

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

Many UK-listed companies, including overseas earners, remain undervalued relative to their peers listed elsewhere, partly because of asset allocators' worries about the UK's political turmoil. The resulting valuation arbitrage opportunity has fuelled a rise in overseas takeover bids for UK companies and attracted record levels of inbound activist investment.

Increasingly, as markets have started to acknowledge the reality that there are issues elsewhere in the world, we believe that the opportunity cost of investing in the UK is now very different. With its sizeable defensive contingent, idiosyncratic drivers and lack of any 'hot money', any political resolution concerning Brexit or a broad-based rotation towards less economically sensitive stocks should be beneficial for the market.

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

The UK investment-grade market remains supported by the ongoing provision of accommodative monetary policy. The corporate credit cycle is, however, fairly mature and though earnings have been reasonable, the benefits are largely accruing to shareholders. In addition, the ongoing macroeconomic slowdown is beginning to cause earnings to deteriorate in some sectors, notably autos.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	7,209	(12,481)
Revenue	3	13,396	14,960
Expenses	4	(3,206)	(3,801)
Interest payable and similar charges	5	(2)	(1)
Net revenue before taxation		10,188	11,158
Taxation	6	–	–
Net revenue after taxation		10,188	11,158
Total return before distributions		17,397	(1,323)
Distributions	7	(12,917)	(14,420)
Change in net assets attributable to shareholders from investment activities		4,480	(15,743)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		314,191	349,150
Current assets:			
Debtors	8	3,278	3,708
Cash and bank balances	9	13	1,605
Total assets		317,482	354,463
Liabilities:			
Investment liabilities		(57)	(64)
Creditors:			
Bank overdrafts	9	(120)	–
Distribution payable		(1,510)	(1,857)
Other creditors	10	(943)	(646)
Total liabilities		(2,630)	(2,567)
Net assets attributable to shareholders		314,852	351,896

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	351,896	389,526
Amounts receivable on the issue of shares	19,690	29,894
Amounts payable on the cancellation of shares	(61,924)	(52,599)
	(42,234)	(22,705)
Dilution adjustment	15	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,480	(15,743)
Retained distribution on accumulation shares	693	817
Unclaimed distributions	2	1
Closing net assets attributable to shareholders	314,852	351,896

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.2450	–	0.2450	0.2400
08/04/18 to 07/05/18	0.2450	–	0.2450	0.2400
08/05/18 to 07/06/18	0.2450	–	0.2450	0.2400
08/06/18 to 07/07/18	0.2450	–	0.2450	0.2400
08/07/18 to 07/08/18	0.2450	–	0.2450	0.2400
08/08/18 to 07/09/18	0.2450	–	0.2450	0.2400
08/09/18 to 07/10/18	0.2450	–	0.2450	0.2400
08/10/18 to 07/11/18	0.2450	–	0.2450	0.2400
08/11/18 to 07/12/18	0.2450	–	0.2450	0.2400
08/12/18 to 07/01/19	0.2450	–	0.2450	0.2400
08/01/19 to 07/02/19	0.2165	–	0.2165	0.2400
08/02/19 to 07/03/19	0.3962	–	0.3962	0.4370

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle Monthly Extra Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR Hedged – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	77.69	81.44	72.21	122.47	125.53	100.44
Return before operating charges (p)	4.70	0.46	13.33	0.96	3.47	31.22
Operating charges (p)	(1.11)	(1.13)	(1.06)	(1.71)	(1.76)	(1.63)
Return after operating charges (p)*	3.59	(0.67)	12.27	(0.75)	1.71	29.59
Distributions (p)	(3.06)	(3.08)	(3.04)	(4.71)	(4.77)	(4.50)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	78.22	77.69	81.44	117.01	122.47	125.53
*after direct transaction costs of (p)	0.01	0.02	0.02	0.02	0.03	0.03
Performance						
Return after charges (%)	4.62	(0.82)	16.99	(0.61)	1.36	29.46
Other information						
Closing net asset value (£000)	97,572	129,443	159,236	3,966	2,597	2,054
Closing number of shares	124,744,919	166,619,550	195,516,352	3,389,579	2,120,674	1,636,021
Operating charges (%)**	1.39	1.38	1.38	1.39	1.38	1.38
Direct transaction costs (%)***	0.01	0.03	0.03	0.01	0.03	0.03
Prices						
Highest share price (p)	84.82	85.90	82.13	134.01	134.34	129.02
Lowest share price (p)	73.62	76.89	70.98	114.25	119.79	99.27
	Class 1 EUR Hedged – Accumulation shares		Class Z – Income shares			
	07/03/2019	07/03/2018 ¹	07/03/2019	07/03/2018	07/03/2017	
Change in net assets per share						
Opening net asset value per share (p)	95.40	100.00	133.60	139.17	122.67	
Return before operating charges (p)	0.68	(3.92)	8.04	0.71	22.60	
Operating charges (p)	(1.34)	(0.68)	(1.02)	(1.03)	(0.96)	
Return after operating charges (p)*	(0.66)	(4.60)	7.02	(0.32)	21.64	
Distributions (p)	(3.75)	(2.30)	(5.26)	(5.25)	(5.14)	
Retained distributions on accumulation shares (p)	3.75	2.30	–	–	–	
Closing net asset value per share (p)	94.74	95.40	135.36	133.60	139.17	
*after direct transaction costs of (p)	0.02	0.02	0.02	0.04	0.04	
Performance						
Return after charges (%)	(0.69)	(4.60)	5.25	(0.23)	17.64	
Other information						
Closing net asset value (£000)	10	10	196,431	200,709	203,577	
Closing number of shares	10,001	10,001	145,120,698	150,232,940	146,279,143	
Operating charges (%)**	1.37	1.37 ¹	0.74	0.73	0.73	
Direct transaction costs (%)***	0.01	0.03	0.01	0.03	0.03	
Prices						
Highest share price (p)	106.06	102.48	146.26	147.00	140.31	
Lowest share price (p)	90.98	92.85	127.25	132.16	120.73	

Threadneedle Monthly Extra Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z EUR Hedged – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018 ¹
Change in net assets per share					
Opening net asset value per share (p)	123.96	124.37	105.45	95.83	100.00
Return before operating charges (p)	7.50	0.52	19.75	0.65	(3.81)
Operating charges (p)	(0.96)	(0.93)	(0.83)	(0.71)	(0.36)
Return after operating charges (p)*	6.54	(0.41)	18.92	(0.06)	(4.17)
Distributions (p)	(4.97)	(4.76)	(4.49)	(3.76)	(2.30)
Retained distributions on accumulation shares (p)	4.97	4.76	4.49	3.76	2.30
Closing net asset value per share (p)	130.50	123.96	124.37	95.77	95.83
*after direct transaction costs of (p)	0.02	0.03	0.03	0.02	0.02
Performance					
Return after charges (%)	5.28	(0.33)	17.94	(0.06)	(4.17)
Other information					
Closing net asset value (£000)	16,860	19,127	24,659	13	10
Closing number of shares	12,919,667	15,429,800	19,826,888	13,411	10,001
Operating charges (%)**	0.74	0.73	0.73	0.72	0.72 ¹
Direct transaction costs (%)***	0.01	0.03	0.03	0.01	0.03
Prices					
Highest share price (p)	137.74	132.13	124.63	106.87	102.60
Lowest share price (p)	121.33	121.95	104.77	91.41	93.22

**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 22 June 2017.

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

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	7,380	(12,866)
Forward currency contracts	(175)	419
Other gains/(losses)	8	(32)
Transaction costs	(4)	(2)
Net capital gains/(losses)	7,209	(12,481)

3 REVENUE

	2019 £000	2018 £000
UK dividends	10,314	11,768
Overseas dividends	540	242
Interest on debt securities	2,515	2,938
Bank interest	10	7
Underwriting commission	17	5
Total revenue	13,396	14,960

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,754)	(3,292)
Registration fees	(371)	(423)
	(3,125)	(3,715)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(41)	(46)
Safe custody fees	(18)	(20)
	(59)	(66)
Other expenses:		
Regulatory fees	(6)	(5)
Audit fees	(16)	(13)
Professional fees	–	(2)
	(22)	(20)
Total expenses*	(3,206)	(3,801)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(2)	(1)
Total interest payable & similar charges	(2)	(1)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	10,188	11,158
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,038)	(2,232)
Effects of:		
Revenue not subject to taxation	2,143	2,378
Excess expenses	(105)	(146)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £629,142 (2018: £523,923) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	11,168	12,334
Final	1,627	1,981
	12,795	14,315
Add: Revenue deducted on the cancellation of shares	204	233
Deduct: Revenue received on the creation of shares	(82)	(128)
Net distribution for the period	12,917	14,420
Net revenue after taxation	10,188	11,158
Annual management charge to capital	2,754	3,292
Tax relief on capitalised fees	(25)	(30)
Total distributions	12,917	14,420

Details of the distribution per share are set out in the table on pages 54 to 55.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	187	440
Sales awaiting settlement	410	283
Accrued revenue	2,681	2,985
Total debtors	3,278	3,708

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Cash and bank balances	13	1,605
	13	1,605
Cash overdrafts at broker	(120)	–
Total cash and bank balances	(107)	1,605

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(214)	(265)
Purchases awaiting settlement	(397)	–
Accrued expenses	(21)	(21)
Amounts payable to ACD	(279)	(328)
Corporation tax payable	(32)	(32)
Total other creditors	(943)	(646)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.25%
Class Z shares	0.60%

Registration fees

Class 1 shares	0.110%
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 56 to 57. The distribution per share class is given in the distribution table on pages 54 to 55. All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	166,619,550
Shares issued	2,629,969
Shares redeemed	(43,767,997)
Net conversions	(736,603)
Closing shares	<u>124,744,919</u>
Class 1 EUR Hedged – Income shares	
Opening shares	2,120,674
Shares issued	2,059,423
Shares redeemed	(790,518)
Net conversions	–
Closing shares	<u>3,389,579</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
Class Z – Income shares	
Opening shares	150,232,940
Shares issued	9,829,445
Shares redeemed	(15,053,116)
Net conversions	111,429
Closing shares	<u>145,120,698</u>
Class Z – Accumulation shares	
Opening shares	15,429,800
Shares issued	942,219
Shares redeemed	(3,791,226)
Net conversions	338,874
Closing shares	<u>12,919,667</u>
Class Z EUR Hedged – Accumulation shares	
Opening shares	10,001
Shares issued	3,497
Shares redeemed	(87)
Net conversions	–
Closing shares	<u>13,411</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% increase applied to the equity proportion of the fund would result in an increase on this portion of the fund by 2.98% and vice versa (2018: 3.18%).

A 1.00% interest rate decrease applied to the bond proportion of the fund would result in an increase on this portion of the fund by 1.54% and vice versa (2018: 1.60%).

Currency exposures

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

Currency 2019	£000
Euro	3,998
US Dollar	156

Currency 2018	£000
Euro	2,658
US Dollar	166

Currency sensitivity

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

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
2019	£000
Counterparty	
Bank of Scotland	121
Lloyds	80

	Forward Foreign Exchange Contracts Exposure
2018	£000
Counterparty	
Bank of Scotland	2
Citigroup	57
J.P. Morgan	33
Lloyds	5

The fund held £130,000 (2018: £150,000) 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

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	1,518	3,540	4,214	9,272
UK Sterling	8,398	49,558	259,610	317,566
US Dollar	888	2,268	380	3,536
Currency 2018	£000	£000	£000	£000
Euro	1,191	3,731	2,854	7,776
UK Sterling	12,116	57,499	285,983	355,598
US Dollar	730	1,990	1,485	4,205
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	–	–	(5,274)	(5,274)
UK Sterling	(120)	–	(6,748)	(6,868)
US Dollar	–	–	(3,380)	(3,380)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(5,118)	(5,118)
UK Sterling	–	–	(6,526)	(6,526)
US Dollar	–	–	(4,039)	(4,039)

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including forward foreign exchange contracts 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 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £203,000 (2018: £159,000) and a liability value of £57,000 (2018: £64,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	247,993	–	273,718	–
Level 2	66,198	(57)	75,430	(64)
Level 3	–	–	2	–
	314,191	(57)	349,150	(64)

Included within Level 1, are debt securities of £161,000 (2018: £381,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	23,152	–	–	–	–
Equities	8,948	4	0.05	45	0.50
Corporate actions	3,325	–	–	–	–
Total	35,425	4		45	

Gross purchases total:

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	31,748	–	–	–	–
Equities	44,298	5	0.01	1	0.00
Corporate actions	1,426	–	–	–	–
Total	77,472	5		1	

Total sales net of transaction costs: 77,466

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.01%

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	28,879	–	–	–	–
Equities	17,609	15	0.08	58	0.33
Corporate actions	718	–	–	–	–
Total	47,206	15		58	

Gross purchases total:

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	31,341	–	–	–	–
Equities	37,737	24	0.06	–	–
Corporate actions	4,631	–	–	–	–
Total	73,709	24		–	

Total sales net of transaction costs: 73,685

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.02%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.27% (7 March 2018: 0.28%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Corporate Bond Fund

Investment Report

Investment Objective

To achieve a high level of income.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in fixed interest investments in the UK and Continental Europe.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Corporate Bond Fund has fallen from 61.53p to 61.26p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +1.48% as compared to a median return of +1.38% over the same period. The fund return equates approximately to +2.19% gross of tax and charges**. (For information the iBoxx £ Non-Gilts (Linked with UBS Warburg All Stocks Investment Grade Index pre 30/06/2003) gave a total return of +1.81% for the same period).

Market Overview and Portfolio Activity

The 12 months in review was a volatile period for sterling investment grade corporate bonds, which nevertheless managed to deliver a reasonable positive return. This return was due to falling underlying gilt yields, and was partially offset by wider credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

Political noise – both domestic and international – was a constant feature of the period. For most of the year, though, investors preferred to focus on the still-robust macro and corporate backdrop, especially in the US, where tax cuts boosted an already-strong economy.

In the fourth quarter (Q4) of 2018, however, markets were increasingly rattled by a range of factors. As risk appetite

evaporated, equities sold off, core bond yields fell, and credit spreads widened significantly. The main factors unsettling investors included rising political uncertainty in Europe and the US, President Trump's tariff war against China and other US trading partners, and – related to the trade dispute – more evidence of economic deceleration in the eurozone and China.

Fears of a no-deal Brexit waxed and waned over the year, but increased during Q4. In December, UK Prime Minister Theresa May delayed a parliamentary vote on a withdrawal agreement she had secured with the EU, and duly faced a vote of no-confidence called by outraged Conservative backbenchers; she only narrowly survived, and continued to cling to power for the remainder of the period despite ongoing clamour for her resignation. At the time of writing, it remains unclear if the UK will secure a withdrawal agreement before leaving the EU, but the exit date looks certain to be postponed beyond the initially scheduled 29 March 2019 – subject to the approval of the remaining EU member states.

Overarching all of these worries has been the prospect of tighter global monetary conditions. The US Federal Reserve (Fed) raised rates by 25 basis points on four occasions over the year, most recently in December. At that final 2018 meeting, the Fed's guidance was still pointing to two more such hikes in 2019. However, a subsequent dovish shift in commentary from policymakers at the central bank has since cast doubts on this projection. At the time of writing, markets are no longer expecting a US rate rise this year; the easing monetary backdrop has been accompanied by a global rebound in risk assets, with equities rallying and credit spreads tightening in the year to date. Sterling IG bonds have benefited from this change in sentiment.

In the UK, a run of disappointing economic data dissuaded the Bank of England's Monetary Policy Committee from raising rates in May. However, satisfied that harsh weather had been to blame for the poor data, the MPC voted unanimously for a hike in August. More recently, the committee has been unanimous in keeping rates on hold, and has reduced its UK growth projections, citing concerns surrounding Brexit. Uncertainty about the UK's future relationship

with the EU has already taken a toll on the nation's economy; GDP growth over 2018 was the slowest in six years, and business investment fell in all four quarters.

As regards portfolio activity, we participated in new deals from a wide variety of companies during the period. The largest of these additions included new bonds from Bacardi, Becton Dickinson, RBS, Bayer, and BP. We were also active in the secondary market, for example adding a new position in TSB, and increasing exposure to DS Smith, EDF, Imperial Brands, Lloyds Bank, and E.ON, among others. On the other side, we reduced exposure to a number of issuers, such as Western Power Distribution, Digital Realty, MetLife, Southern Gas Networks and Wm Morrison Supermarkets; we exited others, including Kinder Morgan, Westfield America Management, London & Continental Railways, Verizon, and Greene King.

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

Looking ahead, the main risk to the UK economy is if Britain crashes out of the EU without securing a withdrawal agreement. Both sides have a strong incentive to avoid this, and we still think they will find a way to do so.

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

Against this, monetary policy is tightening only gradually, cash rates are still very low, and strong demand for income without too much risk remains a powerful support for investment-grade corporate bonds.

While there is certainly a valuation case to be made for IG credit spreads, we would characterise spreads as compensating for heightened risks, including trade wars and macro slowdown, rather than being outright cheap.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(4,685)	(9,249)
Revenue	3	32,218	32,997
Expenses	4	(4,029)	(4,967)
Interest payable and similar charges	5	(678)	(185)
Net revenue before taxation		27,511	27,845
Taxation	6	–	–
Net revenue after taxation		27,511	27,845
Total return before distributions		22,826	18,596
Distributions	7	(27,523)	(27,878)
Change in net assets attributable to shareholders from investment activities		(4,697)	(9,282)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		932,090	903,184
Current assets:			
Debtors	8	21,341	16,143
Cash and bank balances	9	14,267	21,856
Cash equivalents***		10,017	–
Total assets		977,715	941,183
Liabilities:			
Investment liabilities		(83)	(849)
Creditors:			
Bank overdrafts	9	(1,195)	–
Distribution payable		(2,147)	(2,157)
Other creditors	10	(4,274)	(11,341)
Total liabilities		(7,699)	(14,347)
Net assets attributable to shareholders		970,016	926,836

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	926,836	944,656
Amounts receivable on the issue of shares	191,426	227,052
Amounts payable on the cancellation of shares	(163,107)	(249,873)
	28,319	(22,821)
Dilution adjustment	278	432
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,697)	(9,282)
Retained distribution on accumulation shares	19,264	13,839
Unclaimed distributions	16	12
Closing net assets attributable to shareholders	970,016	926,836

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	0.3852	–	0.3852	0.3891
08/06/18 to 07/09/18	0.3733	–	0.3733	0.4149
08/09/18 to 07/12/18	0.3765	–	0.3765	0.3852
08/12/18 to 07/03/19	0.3683	–	0.3683	0.3720
Group 2				
08/03/18 to 07/06/18	0.1828	0.2024	0.3852	0.3891
08/06/18 to 07/09/18	0.1894	0.1839	0.3733	0.4149
08/09/18 to 07/12/18	0.0977	0.2788	0.3765	0.3852
08/12/18 to 07/03/19	0.1958	0.1725	0.3683	0.3720
Total distributions in the period			1.5033	1.5612

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

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

Threadneedle UK Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	0.6510	–	0.6510	0.6420
08/06/18 to 07/09/18	0.6348	–	0.6348	0.6884
08/09/18 to 07/12/18	0.6443	–	0.6443	0.6433
08/12/18 to 07/03/19	0.6342	–	0.6342	0.6246
Group 2				
08/03/18 to 07/06/18	0.5510	0.1000	0.6510	0.6420
08/06/18 to 07/09/18	0.6348	–	0.6348	0.6884
08/09/18 to 07/12/18	0.4080	0.2363	0.6443	0.6433
08/12/18 to 07/03/19	0.6342	–	0.6342	0.6246
Total distributions in the period			2.5643	2.5983

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	0.3854	–	0.3854	0.3893
08/06/18 to 07/09/18	0.3735	–	0.3735	0.4151
08/09/18 to 07/12/18	0.3768	–	0.3768	0.3855
08/12/18 to 07/03/19	0.3685	–	0.3685	0.3722
Group 2				
08/03/18 to 07/06/18	0.2176	0.1678	0.3854	0.3893
08/06/18 to 07/09/18	0.1652	0.2083	0.3735	0.4151
08/09/18 to 07/12/18	0.0540	0.3228	0.3768	0.3855
08/12/18 to 07/03/19	0.0997	0.2688	0.3685	0.3722
Total distributions in the period			1.5042	1.5621

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	0.4362	–	0.4362	0.4473
08/06/18 to 07/09/18	0.4242	–	0.4242	0.4734
08/09/18 to 07/12/18	0.4263	–	0.4263	0.4428
08/12/18 to 07/03/19	0.4174	–	0.4174	0.4264
Group 2				
08/03/18 to 07/06/18	0.2150	0.2212	0.4362	0.4473
08/06/18 to 07/09/18	0.2351	0.1891	0.4242	0.4734
08/09/18 to 07/12/18	0.1883	0.2380	0.4263	0.4428
08/12/18 to 07/03/19	0.1256	0.2918	0.4174	0.4264
Total distributions in the period			1.7041	1.7899

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	0.8451	–	0.8451	0.8424
08/06/18 to 07/09/18	0.8279	–	0.8279	0.8979
08/09/18 to 07/12/18	0.8378	–	0.8378	0.8461
08/12/18 to 07/03/19	0.8263	–	0.8263	0.8207
Group 2				
08/03/18 to 07/06/18	0.2878	0.5573	0.8451	0.8424
08/06/18 to 07/09/18	0.3250	0.5029	0.8279	0.8979
08/09/18 to 07/12/18	0.4995	0.3383	0.8378	0.8461
08/12/18 to 07/03/19	0.2462	0.5801	0.8263	0.8207
Total distributions in the period			3.3371	3.4071

Class L – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	0.7357	–	0.7357	0.7542
08/06/18 to 07/09/18	0.7161	–	0.7161	0.7969
08/09/18 to 07/12/18	0.7190	–	0.7190	0.7464
08/12/18 to 07/03/19	0.7042	–	0.7042	0.7195
Group 2				
08/03/18 to 07/06/18	0.2102	0.5255	0.7357	0.7542
08/06/18 to 07/09/18	0.2163	0.4998	0.7161	0.7969
08/09/18 to 07/12/18	0.0658	0.6532	0.7190	0.7464
08/12/18 to 07/03/19	0.2139	0.4903	0.7042	0.7195
Total distributions in the period			2.8750	3.0170

Class L – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	0.7671	–	0.7671	0.7633
08/06/18 to 07/09/18	0.7520	–	0.7520	0.8126
08/09/18 to 07/12/18	0.7606	–	0.7606	0.7670
08/12/18 to 07/03/19	0.7504	–	0.7504	0.7448
Group 2				
08/03/18 to 07/06/18	0.3485	0.4186	0.7671	0.7633
08/06/18 to 07/09/18	0.3938	0.3582	0.7520	0.8126
08/09/18 to 07/12/18	0.3920	0.3686	0.7606	0.7670
08/12/18 to 07/03/19	0.1826	0.5678	0.7504	0.7448
Total distributions in the period			3.0301	3.0877

Class L – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	0.7357	–	0.7357	0.7541
08/06/18 to 07/09/18	0.7161	–	0.7161	0.7970
08/09/18 to 07/12/18	0.7190	–	0.7190	0.7465
08/12/18 to 07/03/19	0.7041	–	0.7041	0.7191
Group 2				
08/03/18 to 07/06/18	0.5287	0.2070	0.7357	0.7541
08/06/18 to 07/09/18	0.2827	0.4334	0.7161	0.7970
08/09/18 to 07/12/18	0.2311	0.4879	0.7190	0.7465
08/12/18 to 07/03/19	0.5605	0.1436	0.7041	0.7191
Total distributions in the period			2.8749	3.0167

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/06/18	0.9008	–	0.9008	0.9224
08/06/18 to 07/09/18	0.8794	–	0.8794	0.9692
08/09/18 to 07/12/18	0.8800	–	0.8800	0.9130
08/12/18 to 07/03/19	0.8628	–	0.8628	0.8826
Group 2				
08/03/18 to 07/06/18	0.9008	–	0.9008	0.9224
08/06/18 to 07/09/18	0.8794	–	0.8794	0.9692
08/09/18 to 07/12/18	0.8800	–	0.8800	0.9130
08/12/18 to 07/03/19	0.8628	–	0.8628	0.8826
Total distributions in the period			3.5230	3.6872

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/06/18	0.9572	–	0.9572	0.9477
08/06/18 to 07/09/18	0.9424	–	0.9424	1.0042
08/09/18 to 07/12/18	0.9508	–	0.9508	0.9541
08/12/18 to 07/03/19	0.9399	–	0.9399	0.9302
Group 2				
08/03/18 to 07/06/18	0.3874	0.5698	0.9572	0.9477
08/06/18 to 07/09/18	0.5991	0.3433	0.9424	1.0042
08/09/18 to 07/12/18	0.4845	0.4663	0.9508	0.9541
08/12/18 to 07/03/19	0.3518	0.5881	0.9399	0.9302
Total distributions in the period			3.7903	3.8362

Group 2: shares purchased during a distribution period.

Threadneedle UK Corporate Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	60.96	61.51	56.62	103.01	101.38	100.00
Return before operating charges (p)	1.77	1.58	7.30	3.04	2.58	1.85
Operating charges (p)	(0.53)	(0.57)	(0.56)	(0.91)	(0.95)	(0.38)
Return after operating charges (p)*	1.24	1.01	6.74	2.13	1.63	1.47
Distributions (p)	(1.50)	(1.56)	(1.85)	(2.56)	(2.60)	(1.13)
Retained distributions on accumulation shares (p)**	–	–	–	2.56	2.60	1.04
Closing net asset value per share (p)	60.70	60.96	61.51	105.14	103.01	101.38
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.03	1.64	11.90	2.07	1.61	1.47
Other information						
Closing net asset value (£000)	37,608	41,541	46,072	338	191	67
Closing number of shares	61,959,400	68,146,854	74,897,533	321,385	184,932	65,755
Operating charges (%)**	0.88	0.92	0.92	0.88	0.91	0.96 [†]
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	61.56	63.28	63.55	105.47	105.64	101.75
Lowest share price (p)	59.64	61.06	56.93	102.22	101.28	97.74
	Class 1 – Gross income shares [§]			Class 2 – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	60.99	61.55	56.65	61.05	61.61	56.70
Return before operating charges (p)	1.78	1.57	7.31	1.78	1.58	7.33
Operating charges (p)	(0.54)	(0.57)	(0.56)	(0.34)	(0.35)	(0.34)
Return after operating charges (p)*	1.24	1.00	6.75	1.44	1.23	6.99
Distributions (p)	(1.50)	(1.56)	(1.85)	(1.70)	(1.79)	(2.08)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	60.73	60.99	61.55	60.79	61.05	61.61
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.03	1.62	11.92	2.36	2.00	12.33
Other information						
Closing net asset value (£000)	16,187	16,733	21,163	182,457	246,559	228,123
Closing number of shares	26,652,455	27,434,683	34,384,379	300,126,582	403,837,101	370,284,218
Operating charges (%)**	0.88	0.92	0.92	0.56	0.56	0.56
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	61.59	63.32	63.67	61.69	63.44	63.68
Lowest share price (p)	59.67	61.10	56.97	59.74	61.20	57.02

Threadneedle UK Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares [§]			Class 3 – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	08/06/2017 ²	07/03/2017	
Change in net assets per share						
Opening net asset value per share (p)	118.32	116.03	103.23	111.29	99.50	
Return before operating charges (p)	3.51	2.96	13.43	3.05	12.89	
Operating charges (p)	(0.67)	(0.67)	(0.63)	(0.29)	(1.10)	
Return after operating charges (p)*	2.84	2.29	12.80	2.76	11.79	
Distributions (p)	(3.34)	(3.41)	(3.83)	(0.68)	(3.17)	
Retained distributions on accumulation shares (p)**	3.34	3.41	3.83	0.68	3.17	
Closing net asset value per share (p)	121.16	118.32	116.03	114.05	111.29	
*after direct transaction costs of (p)	–	–	–	–	–	
Performance						
Return after charges (%)	2.40	1.97	12.40	2.48	11.85	
Other information						
Closing net asset value (£000)	347,689	349,536	375,617	–	3	
Closing number of shares	286,961,969	295,405,481	323,725,313	–	3,000	
Operating charges (%)**	0.56	0.56	0.56	–	1.02	
Direct transaction costs (%)**	–	–	–	–	–	
Prices						
Highest share price (p)	121.54	121.28	117.24	114.26	112.73	
Lowest share price (p)	117.70	115.93	103.81	111.18	100.04	
	Class L – Income shares			Class L – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017 ¹	07/03/2019	07/03/2018	07/03/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	99.44	100.34	100.00	103.67	101.56	100.00
Return before operating charges (p)	2.90	2.59	1.84	3.07	2.59	1.86
Operating charges (p)	(0.45)	(0.47)	(0.19)	(0.48)	(0.48)	(0.19)
Return after operating charges (p)*	2.45	2.12	1.65	2.59	2.11	1.67
Distributions (p)	(2.88)	(3.02)	(1.31)	(3.03)	(3.09)	(1.32)
Retained distributions on accumulation shares (p)**	–	–	–	3.03	3.09	1.21
Closing net asset value per share (p)	99.01	99.44	100.34	106.26	103.67	101.56
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.46	2.11	1.65	2.50	2.08	1.67
Other information						
Closing net asset value (£000)	72,668	487	589	10,788	11,510	11,697
Closing number of shares	73,391,811	489,476	587,242	10,151,572	11,102,748	11,517,039
Operating charges (%)**	0.46	0.46	0.47 ¹	0.46	0.46	0.47 ¹
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	100.50	103.34	101.51	106.60	106.24	101.93
Lowest share price (p)	97.30	99.69	97.71	103.20	101.48	97.78

Threadneedle UK Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class L – Gross income shares ⁵			Class X – Gross income shares ⁵		
	07/03/2019	07/03/2018	07/03/2017 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	99.44	100.34	100.00	107.03	108.00	99.38
Return before operating charges (p)	2.90	2.59	1.84	3.12	2.79	12.86
Operating charges (p)	(0.46)	(0.47)	(0.19)	(0.06)	(0.07)	(0.06)
Return after operating charges (p)*	2.44	2.12	1.65	3.06	2.72	12.80
Distributions (p)	(2.87)	(3.02)	(1.31)	(3.52)	(3.69)	(4.18)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	99.01	99.44	100.34	106.57	107.03	108.00
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.45	2.11	1.65	2.86	2.52	12.88
Other information						
Closing net asset value (£000)	6,954	10,090	218,524	245	383	650
Closing number of shares	7,023,159	10,147,441	217,788,097	230,128	357,739	602,107
Operating charges (%)***	0.46	0.46	0.47 ¹	0.06	0.06	0.06
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	100.49	103.35	101.51	108.25	111.35	111.92
Lowest share price (p)	97.29	99.69	97.71	104.74	107.39	99.94
Class X – Gross accumulation shares⁵						
	07/03/2019	07/03/2018	07/03/2017 ²			
Change in net assets per share						
Opening net asset value per share (p)	113.73	110.97	100.00			
Return before operating charges (p)	3.39	2.83	11.02			
Operating charges (p)	(0.07)	(0.07)	(0.05)			
Return after operating charges (p)*	3.32	2.76	10.97			
Distributions (p)	(3.79)	(3.84)	(4.11)			
Retained distributions on accumulation shares (p)**	3.79	3.84	4.11			
Closing net asset value per share (p)	117.05	113.73	110.97			
*after direct transaction costs of (p)	–	–	–			
Performance						
Return after charges (%)	2.92	2.49	10.97			
Other information						
Closing net asset value (£000)	295,082	249,806	42,151			
Closing number of shares	252,109,463	219,642,935	37,984,213			
Operating charges (%)***	0.06	0.06	0.05 ¹			
Direct transaction costs (%)****	–	–	–			
Prices						
Highest share price (p)	117.41	116.47	111.82			
Lowest share price (p)	113.49	110.90	100.00			

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

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

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

⁵Only available to eligible investors.

¹Commenced 12 October 2016.

²Closed 8 June 2017.

³Commenced 16 March 2016.

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

Threadneedle UK Corporate Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(2,047)	(15,508)
Derivative contracts	(1,587)	254
Forward currency contracts	(1,888)	6,633
Other gains/(losses)	839	(627)
Transaction costs	(2)	(1)
Net capital losses	(4,685)	(9,249)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	32,090	32,922
Interest on short term investments	59	32
Bank interest	69	43
Total revenue	32,218	32,997

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(3,467)	(4,361)
Registration fees	(372)	(408)
	(3,839)	(4,769)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(113)	(115)
Safe custody fees	(59)	(62)
	(172)	(177)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(11)	(13)
Professional fees	–	(2)
	(18)	(21)
Total expenses*	(4,029)	(4,967)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(12)	(23)
Derivative expense	(666)	(162)
Total interest payable & similar charges	(678)	(185)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	27,511	27,845
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,502)	(5,569)
Effects of:		
Distributions treated as tax deductible	5,504	5,576
Retail Distribution Review (RDR) conversion transfer from capital	(2)	(7)
Current tax charge for period (note 6a)	–	–

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	20,880	21,164
Final	6,966	6,709
	27,846	27,873
Add: Revenue deducted on the cancellation of shares	554	827
Deduct: Revenue received on the creation of shares	(877)	(822)
Net distribution for the period	27,523	27,878
Net revenue after taxation	27,511	27,845
Equalisation on conversion	12	32
Undistributed revenue brought forward	–	1
Total distributions	27,523	27,878

Details of the distribution per share are set out in the table on pages 61 to 62.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	3,190	81
Sales awaiting settlement	2,535	–
Accrued revenue	15,616	16,062
Total debtors	21,341	16,143

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	2,266	2,246
Cash and bank balances	12,001	19,610
	14,267	21,856
Cash overdrafts at broker	(1,195)	–
Total cash and bank balances	13,072	21,856

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(581)	(10,924)
Purchases awaiting settlement	(3,304)	–
Accrued expenses	(28)	(33)
Amounts payable to ACD	(361)	(384)
Total other creditors	(4,274)	(11,341)

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 UK Corporate Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle UK Corporate Bond Fund currently has five share classes; Class 1, Class 2, Class 3, Class L and Class X shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	0.75%
Class 2 shares	0.50%
Class 3 shares	1.00%
Class L shares	0.40%
Class X shares	N/A*

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class 3 shares	0.035%
Class L shares	0.035%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 63 to 65. The distribution per share class is given in the distribution table on pages 61 to 62. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	68,146,854
Shares issued	1,641,531
Shares redeemed	(7,787,724)
Net conversions	(41,261)
Closing shares	<u>61,959,400</u>
Class 1 – Accumulation shares	
Opening shares	184,932
Shares issued	175,966
Shares redeemed	(39,513)
Net conversions	–
Closing shares	<u>321,385</u>
Class 1 – Gross income shares	
Opening shares	27,434,683
Shares issued	1,295,237
Shares redeemed	(2,077,465)
Net conversions	–
Closing shares	<u>26,652,455</u>
Class 2 – Income shares	
Opening shares	403,837,101
Shares issued	37,533,930
Shares redeemed	(34,683,334)
Net conversions	(106,561,115)
Closing shares	<u>300,126,582</u>
Class 2 – Gross accumulation shares	
Opening shares	295,405,481
Shares issued	80,385,002
Shares redeemed	(88,840,642)
Net conversions	12,128
Closing shares	<u>286,961,969</u>
Class L – Income shares	
Opening shares	489,476
Shares issued	8,775,502
Shares redeemed	(1,296,311)
Net conversions	65,423,144
Closing shares	<u>73,391,811</u>

	2019
Class L – Accumulation shares	
Opening shares	11,102,748
Shares issued	809,458
Shares redeemed	(1,760,634)
Net conversions	–
Closing shares	<u>10,151,572</u>
Class L – Gross income shares	
Opening shares	10,147,441
Shares issued	451,172
Shares redeemed	(3,575,454)
Net conversions	–
Closing shares	<u>7,023,159</u>
Class X – Gross income shares	
Opening shares	357,739
Shares issued	–
Shares redeemed	(127,611)
Net conversions	–
Closing shares	<u>230,128</u>
Class X – Gross accumulation shares	
Opening shares	219,642,935
Shares issued	53,283,076
Shares redeemed	(20,816,458)
Net conversions	–
Closing shares	<u>252,109,463</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 6.70% and vice versa (2018: 6.70%).

Currency exposures

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

	Total
Currency 2019	£000
Euro	315
US Dollar	338
Currency 2018	£000
Euro	(29)
US Dollar	57

Currency sensitivity

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

Credit/Counterparty exposure

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

	Credit Default Swaps Exposure	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
2019	£000	£000	£000	£000
Counterparty				
Barclays	–	–	1,986	–
Citigroup	–	–	11	–
Goldman Sachs	569	–	–	–
HSBC	–	–	1,335	–
J.P. Morgan	–	–	16	–
Lloyds	–	–	78	–
UBS	–	76	–	–

Threadneedle UK Corporate Bond Fund

Notes to the financial statements

(continued)

2018 Counterparty	Credit Default Swaps Exposure £000	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Citigroup	–	–	136	–
J.P. Morgan	–	–	–	1,090
UBS	–	29	–	–

The fund held £3,960,000 (2018: £30,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	11,557	1.23	8,823	0.98
Aaa	2,510	0.27	7,229	0.80
AA+	1,576	0.17	1,710	0.19
AA	26,532	2.82	21,230	2.35
Aa2u	37,627	3.99	3,506	0.39
AA–	7,702	0.82	20,759	2.30
A+	12,531	1.33	5,706	0.63
A1	–	–	3,911	0.43
A	17,251	1.83	39,035	4.33
A–	124,468	13.21	94,996	10.53
A3	6,584	0.70	–	–
BBB+	216,455	22.98	278,864	30.90
Baa1	15,580	1.65	9,490	1.05
BBB	197,671	20.98	180,316	19.98
Baa2	17,958	1.91	27,639	3.06
BBB–	123,717	13.13	86,879	9.63
Baa3	6,234	0.66	3,846	0.43
BB+	41,250	4.38	44,475	4.93
BB	15,730	1.67	8,561	0.95
BB–	6,934	0.74	15,989	1.77
B+	3,100	0.33	7,126	0.79
B	1,439	0.15	4,850	0.54
Not Rated*	33,529	3.56	28,029	3.11
Liquidity Funds	10,017	1.06	–	–
Derivatives**	4,072	0.43	(634)	(0.07)
	942,024	100.00	902,335	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

Currency 2019	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Euro	22,012	47,699	1,563	71,274
UK Sterling	126,070	686,593	163,559	976,222
US Dollar	14,938	54,907	1,669	71,514
Currency 2018	£000	£000	£000	£000
Euro	16,353	28,365	2,757	47,475
UK Sterling	126,627	708,933	123,641	959,201
US Dollar	10,779	33,768	17,400	61,947

Currency 2019	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Euro	(1,195)	–	(69,764)	(70,959)
UK Sterling	–	–	(6,859)	(6,859)
US Dollar	–	–	(71,176)	(71,176)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(47,504)	(47,504)
UK Sterling	–	–	(32,393)	(32,393)
US Dollar	–	–	(61,890)	(61,890)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps, forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various credit default swaps, forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk. At 7 March 2019, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £4,154,000 (2018: £215,000) and a liability value of £83,000 (2018: £849,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	52,891	(66)	3,585	(50)
Level 2	889,214	(17)	899,577	(799)
Level 3	2	–	22	–
	942,107	(83)	903,184	(849)

Included within Level 1, are debt securities of £52,749,000 (2018: £3,506,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

Threadneedle UK Corporate Bond Fund

Notes to the financial statements

(continued)

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £523,574,614 (2018: £489,376,412) and £489,561,643 (2018: £461,054,942) respectively. Collective investment schemes purchases and sales amounted to £22,016,987 (2018: £Nil) and £12,000,000 (2018: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £1,454,806 (2018: £2,364,541) 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 £11,948 (2018: £10,107).

At the balance sheet date, the portfolio dealing spread was 0.65% (7 March 2018: 0.66%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Bond Fund

Investment Report

Investment Objective

To achieve total return primarily by way of income with some capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK Government Securities denominated in Sterling and Sterling denominated securities issued by Governments, Government Agencies and Supranational Borrowers.

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 other fixed interest securities and money market securities). For liquidity purposes it may invest in cash and near cash.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Sterling Bond Fund has risen from 56.46p to 57.80p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +2.73% as compared to a median return of +2.59% over the same period. The fund return equates approximately to +2.86% gross of tax and charges**. (For information the FTSE All Stocks Index gave a total return of +2.54% for the same period).

Market Overview and Portfolio Activity

UK government bonds advanced over the review period, as geopolitical worries, including fears of a US-led global trade war, and concerns about a slowdown in global growth prompted bouts of risk aversion, supporting gilts and core bonds. Concern over deteriorating relations between Russia and the West, as well as about the eurozone's stability, owing to political uncertainty in Italy, led yields lower early in the review period. Volatility in emerging markets, following sharp falls in the Turkish lira and the Argentine peso, lent further impetus to core bonds in the summer. Gilts were boosted in October by the DMO's announcement following the

budget that gilt issuance would fall by £8.5bn for the financial year. Yields on gilts and other core government bonds fell modestly in January as US rate-hike fears receded, and edged higher in February.

Meanwhile Brexit uncertainties and related fears underpinned gilt demand. Fears of a 'no-deal' Brexit grew as a draft EU withdrawal agreement found little support with MPs, prompting the prime minister to delay a scheduled parliamentary vote on the deal in December; she subsequently narrowly survived a vote of no-confidence. However, fears of a 'hard Brexit' ebbed in March, as the prime minister offered parliament a second vote on her EU withdrawal agreement, promising that if her deal was rejected, MPs would have a subsequent vote on whether to leave the EU without an agreement or to postpone the exit date.

Weak data early in 2018 as a result of the severe winter weather and a sharper-than-expected fall in inflation dissuaded the Bank of England (BoE) from a previously near-certain interest-rate hike in May. Economic activity rebounded in the second quarter, leading investors to correctly anticipate a quarter-point rate hike in August, to 0.75%. However, as growth pulled back again in the three months to October, the BoE chose to leave the base rate unchanged. While retail sales were shown to have rebounded in January, and consumer confidence improved in February, the BoE left rates unchanged and cut its expectations for growth this year, citing concerns around Brexit.

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

Activity in March was fairly quiet, largely comprising relative-value switches within maturity buckets. On 10 April we sold 2055 and 2065 gilts into 2057s and sold 2027s into 2026s and 2028s. Later, we trimmed duration in 7–15s and 15–25s but added more in 25–35s and ultra-longs. The portfolio was underweight at the front-end of the yield curve ahead of the BoE's May meeting, but we later added some duration here. Towards month-end, as the Italian crisis took hold, we reduced duration in the 7–15 year segment to flat. On 1 June, we halved the long position in 25–35s, and a week after added duration in 10-years. Later, we increased duration in ultra-longs after they cheapened. In mid-June, we closed the

underweight in 15–25s and took 25–35s to flat. Before the BoE's meeting, we took the portfolio to flat across all maturities.

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

In early October, we adjusted exposures around the 2071 syndication before reducing exposure across most maturity buckets as yields approached the bottom of the trading range. As yields rose as a Brexit deal appeared imminent, we switched some exposure to 20-years and ultra-longs into 30-years. Once it was clear that the deal was unlikely to be backed by parliament, we carried out some relative value trades, taking advantage of significant improvements in yield pick-ups. In December, we moved some of the flattening bias from ultra-longs to 20-years and made numerous relative value trades for record pick-ups in yield. As yields fell following the delay to the parliamentary vote, we reduced duration by closing the overweight in 25–30s. The portfolio ended 2018 0.2 years short.

January was a quiet period; we sold some 2023 gilts and bought 2021s. The portfolio began February with a flattening bias, given that an Article 50 extension would likely lift yields at the front end of the curve. Until late in the month, trading activity was limited to relative value opportunities. Notable trades included adding 0.1 (years) CTD (contribution to duration) on 27 February via the purchase of 2024 gilts as yields approached their February peak. Going into March, the portfolio's overall relative duration had risen to -0.2 years.

Looking ahead, the main risk to the UK economy is if Britain crashes out of the European Union without securing an agreement. Both sides have a strong incentive to avoid this, and we still think they will find a way to do so. Nevertheless, with the political situation in the UK so volatile, and with time running out, it is still possible that we could end up with a "no-deal" exit by default. It is very unlikely that interest rates will move until the future path is much clearer.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	9,024	(5,506)
Revenue	3	5,294	3,826
Expenses	4	(2,018)	(2,907)
Interest payable and similar charges	5	(1)	–
Net revenue before taxation		3,275	919
Taxation	6	–	–
Net revenue after taxation		3,275	919
Total return before distributions		12,299	(4,587)
Distributions	7	(4,941)	(3,345)
Change in net assets attributable to shareholders from investment activities		7,358	(7,932)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		445,169	310,561
Current assets:			
Debtors	8	9,882	1,030
Cash and bank balances		7,046	2,515
Total assets		462,097	314,106
Liabilities:			
Creditors:			
Distribution payable		(1,832)	(1,250)
Other creditors	9	(9,040)	(1,421)
Total liabilities		(10,872)	(2,671)
Net assets attributable to shareholders		451,225	311,435

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	311,435	324,765
Amounts receivable on the issue of shares	312,338	126,941
Amounts payable on the cancellation of shares	(181,635)	(133,336)
	130,703	(6,395)
Dilution adjustment	113	28
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,358	(7,932)
Retained distribution on accumulation shares	1,616	969
Closing net assets attributable to shareholders	451,225	311,435

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.3719	–	0.3719	0.2919
08/09/18 to 07/03/19	0.3586	–	0.3586	0.3132
Group 2				
08/03/18 to 07/09/18	0.0778	0.2941	0.3719	0.2919
08/09/18 to 07/03/19	0.1561	0.2025	0.3586	0.3132
Total distributions in the period			0.7305	0.6051

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.7984	–	0.7984	0.6203
08/09/18 to 07/03/19	0.7752	–	0.7752	0.6691
Group 2				
08/03/18 to 07/09/18	0.4650	0.3334	0.7984	0.6203
08/09/18 to 07/03/19	0.3463	0.4289	0.7752	0.6691
Total distributions in the period			1.5736	1.2894

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

Threadneedle Sterling Bond Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.7966	–	0.7966	0.6990
08/09/18 to 07/03/19	0.7663	–	0.7663	0.7286
Group 2				
08/03/18 to 07/09/18	0.7966	–	0.7966	0.6990
08/09/18 to 07/03/19	0.7663	–	0.7663	0.7286
Total distributions in the period			1.5629	1.4276

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.7167	–	0.7167	0.6036
08/09/18 to 07/03/19	0.6974	–	0.6974	0.6386
Group 2				
08/03/18 to 07/09/18	0.3452	0.3715	0.7167	0.6036
08/09/18 to 07/03/19	0.1272	0.5702	0.6974	0.6386
Total distributions in the period			1.4141	1.2422

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.6943	–	0.6943	0.5872
08/09/18 to 07/03/19	0.6694	–	0.6694	0.6203
Group 2				
08/03/18 to 07/09/18	0.4474	0.2469	0.6943	0.5872
08/09/18 to 07/03/19	0.5697	0.0997	0.6694	0.6203
Total distributions in the period			1.3637	1.2075

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.7562	–	0.7562	0.6326
08/09/18 to 07/03/19	0.7337	–	0.7337	0.6717
Group 2				
08/03/18 to 07/09/18	0.4875	0.2687	0.7562	0.6326
08/09/18 to 07/03/19	0.3044	0.4293	0.7337	0.6717
Total distributions in the period			1.4899	1.3043

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares ⁵		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	56.13	57.66	55.37	120.55	122.53	116.33
Return before operating charges (p)	2.32	(0.29)	3.66	4.99	(0.61)	7.63
Operating charges (p)	(0.30)	(0.63)	(0.67)	(0.65)	(1.37)	(1.43)
Return after operating charges (p)*	2.02	(0.92)	2.99	4.34	(1.98)	6.20
Distributions (p)	(0.73)	(0.61)	(0.70)	(1.57)	(1.29)	(1.47)
Retained distributions on accumulation shares (p)	–	–	–	1.57	1.29	1.47
Closing net asset value per share (p)	57.42	56.13	57.66	124.89	120.55	122.53
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.60	(1.60)	5.40	3.60	(1.62)	5.33
Other information						
Closing net asset value (£000)	283,655	210,876	187,043	30,437	19,899	22,470
Closing number of shares	494,003,665	375,705,291	324,416,218	24,370,959	16,506,423	18,338,201
Operating charges (%)**	0.53	1.10	1.17	0.53	1.12	1.17
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	57.96	58.66	61.89	125.28	125.09	130.19
Lowest share price (p)	54.89	55.33	54.64	118.65	118.18	114.85
	Class X – Gross income shares ⁵			Class X – Gross accumulation shares ⁵		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	114.87	116.88	111.13	105.99	106.60	100.00
Return before operating charges (p)	4.75	(0.56)	7.36	4.43	(0.55)	6.65
Operating charges (p)	(0.02)	(0.02)	(0.02)	(0.07)	(0.06)	(0.05)
Return after operating charges (p)*	4.73	(0.58)	7.34	4.36	(0.61)	6.60
Distributions (p)	(1.56)	(1.43)	(1.59)	(1.41)	(1.24)	(1.39)
Retained distributions on accumulation shares (p)	–	–	–	1.41	1.24	1.39
Closing net asset value per share (p)	118.04	114.87	116.88	110.35	105.99	106.60
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.12	(0.50)	6.60	4.11	(0.57)	6.60
Other information						
Closing net asset value (£000)	3	3	3	64,523	3,891	19,344
Closing number of shares	3,000	3,000	3,000	58,471,904	3,670,742	18,146,953
Operating charges (%)**	0.02	0.02	0.02	0.06	0.06	0.05
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	119.15	119.49	125.06	110.67	109.44	112.58
Lowest share price (p)	112.64	113.29	109.88	104.63	103.88	98.92

Threadneedle Sterling Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	109.00	111.35	106.30	118.71	119.97	113.16
Return before operating charges (p)	4.50	(0.55)	7.02	4.93	(0.62)	7.44
Operating charges (p)	(0.58)	(0.59)	(0.59)	(0.64)	(0.64)	(0.63)
Return after operating charges (p)*	3.92	(1.14)	6.43	4.29	(1.26)	6.81
Distributions (p)	(1.36)	(1.21)	(1.38)	(1.49)	(1.30)	(1.48)
Retained distributions on accumulation shares (p)	–	–	–	1.49	1.30	1.48
Closing net asset value per share (p)	111.56	109.00	111.35	123.00	118.71	119.97
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.60	(1.02)	6.05	3.61	(1.05)	6.02
Other information						
Closing net asset value (£000)	10,042	12,849	17,528	62,565	63,917	78,377
Closing number of shares	9,001,019	11,788,519	15,740,931	50,864,249	53,841,774	65,333,205
Operating charges (%)**	0.53	0.53	0.53	0.53	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	112.59	113.55	119.18	123.39	122.87	127.03
Lowest share price (p)	106.62	107.46	104.99	116.86	116.38	111.81

**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.

[§]Only available to eligible investors.

[†]Commenced 16 March 2016.

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

Threadneedle Sterling Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019	2018
	£000	£000
Non-derivative securities	9,026	(5,505)
Transaction costs	(2)	(1)
Net capital gains/(losses)	9,024	(5,506)

3 REVENUE

	2019	2018
	£000	£000
Interest on debt securities	5,252	3,814
Bank interest	42	12
Total revenue	5,294	3,826

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,666)	(2,426)
Registration fees	(269)	(408)
	(1,935)	(2,834)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(47)	(38)
Safe custody fees	(18)	(16)
	(65)	(54)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(11)	(11)
Professional fees	–	(2)
	(18)	(19)
Total expenses*	(2,018)	(2,907)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

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

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	3,275	919
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(655)	(184)
Effects of:		
Excess expenses	655	184
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £5,709,097 (2018: £6,364,077) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019	2018
	£000	£000
Interim	2,622	1,504
Final	2,802	1,745
	5,424	3,249
Add: Revenue deducted on the cancellation of shares	753	386
Deduct: Revenue received on the creation of shares	(1,236)	(290)
Net distribution for the period	4,941	3,345
Net revenue after taxation	3,275	919
Annual management charge to capital	1,666	2,426
Total distributions	4,941	3,345

Details of the distribution per share are set out in the table on pages 70 to 71.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	407	4
Sales awaiting settlement	8,150	–
Accrued revenue	1,325	1,026
Total debtors	9,882	1,030

9 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(802)	(1,253)
Purchases awaiting settlement	(8,028)	–
Accrued expenses	(18)	(17)
Amounts payable to ACD	(192)	(151)
Total other creditors	(9,040)	(1,421)

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

Annual management charge	
Class 1 shares	0.45%
Class X shares	N/A*
Class Z shares	0.40%
Registration fees	
Class 1 shares	0.060%
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 72 to 73. The distribution per share class is given in the distribution table on pages 70 to 71. All classes have the same rights on winding up.

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

Threadneedle Sterling Bond Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	375,705,291
Shares issued	166,974,271
Shares redeemed	(48,675,897)
Net conversions	–
Closing shares	494,003,665
Class 1 – Gross accumulation shares	
Opening shares	16,506,423
Shares issued	106,372,165
Shares redeemed	(98,507,629)
Net conversions	–
Closing shares	24,370,959
Class X – Gross income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class X – Gross accumulation shares	
Opening shares	3,670,742
Shares issued	59,189,045
Shares redeemed	(4,387,883)
Net conversions	–
Closing shares	58,471,904
Class Z – Income shares	
Opening shares	11,788,519
Shares issued	3,185,271
Shares redeemed	(5,972,771)
Net conversions	–
Closing shares	9,001,019
Class Z – Gross accumulation shares	
Opening shares	53,841,774
Shares issued	15,921,128
Shares redeemed	(18,898,653)
Net conversions	–
Closing shares	50,864,249

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 11.42% and vice versa (2018: 11.70%).

Currency exposures

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

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	6,168	1.39	8,859	2.85
Aaa	6,801	1.53	6,363	2.05
AA+	6,362	1.43	5,934	1.91
AA	6,279	1.41	6,579	2.12
Aa2u	341,837	76.79	226,405	72.90
AA-	2,337	0.52	–	–
Not Rated*	75,385	16.93	56,421	18.17
	445,169	100.00	310,561	100.00

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	7,046	445,169	9,882	462,097
Currency 2018				
UK Sterling	2,515	310,561	1,030	314,106
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(10,872)	(10,872)
Currency 2018				
UK Sterling	–	–	(2,671)	(2,671)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle Sterling Bond Fund

Notes to the financial statements

(continued)

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	422,453	–	286,565	–
Level 2	22,716	–	23,996	–
	<u>445,169</u>	<u>–</u>	<u>310,561</u>	<u>–</u>

Included within Level 1, are debt securities of £422,453,000 (2018: £286,565,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £1,142,618,198 (2018: £746,720,746) and £1,014,502,976 (2018: £752,419,351) respectively.

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

At the balance sheet date, the portfolio dealing spread was 0.06% (7 March 2018: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Fund**

Investment Report Investment Objective

To achieve a high level of capital security and provide income.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in Sterling denominated cash deposits and certificates of deposit and UK Government issued Treasury Bills. If the ACD considers it desirable it may also invest up to 50% of the total assets of the Fund in Sterling denominated commercial paper. The investment policy shall be subject to the following credit rating restrictions:

- Bank deposits shall be held with and certificates of deposit shall be issued by a deposit taking institution with a minimum long term credit rating of either (a) Standard & Poor's AA-, or (b) Moody's AA3;
- Commercial paper issued by institutions with a minimum short term credit rating either (a) Standard & Poor's A1, or (b) Moody's P1, and with a maximum term to maturity of 184 days; and
- UK Government issued treasury bills shall have a maximum term to maturity of 184 days.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Sterling Fund has risen from 99.83p to 100.10p.

The total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +0.43%. (Source: Threadneedle, bid-bid, net income reinvested.)

Market Overview and Portfolio Activity

During the period under review, the fund remained well diversified and liquid, being invested in a mix of well-rated banks and sovereign-backed institutions. When selecting suitable investments for the portfolio, we continued to take into account the financial strength of these banks and financial institutions.

Sterling proved volatile during the year as investors reacted to the latest developments in the Brexit negotiations between UK prime

minister Theresa May and EU leaders. Over the year as a whole, sterling strengthened against the euro as the latter was hurt by slowing growth in the region and worries over the rise of populism, especially in Italy. Towards the end of the reporting period, sterling gained as fears of a hard Brexit began to ebb. However, the pound weakened against the US dollar, which benefited from a series of interest rate hikes amid stronger US economic data.

Within the UK, the Bank of England raised rates once in 2018. On 2 August, the bank's Monetary Policy Committee (MPC) announced a quarter-point rise in official interest rates from 0.5% to 0.75%. This was only the second increase in a decade and rates are now the highest since March 2009. The MPC raised rates after stronger economic releases, which followed some softer data earlier in 2018 as a result of the severe winter weather. Nevertheless for 2018 as a whole, GDP rose at the slowest pace in six years, partly because of the uncertainty induced by Brexit. More encouragingly, the labour market was buoyant, with wage growth reaching a decade high in the fourth quarter of 2018, while the employment rate was the strongest on record. We expect real wage growth to continue to improve in 2019, while cost pressures should ease unless sterling materially weakens.

In the US, December saw the Federal Reserve increase official US interest rates for a fourth time in 2018. Rates were raised by another quarter-point to a range of 2.25% to 2.5%. The move was in line with expectations and came despite comments by President Trump arguing against a further rise. Jay Powell, Chairman of the Federal Reserve, was keen to reiterate the Fed's independence, with political factors playing no part in the decision-making process. The Fed cited the strength of the US economy and low unemployment as factors behind the decision to raise rates. However, at January's Federal Open Market Committee (FOMC) meeting, the bank unexpectedly adopted a more dovish stance. The FOMC kept rates on hold and stressed that it would be "patient" as regards future hikes. Significantly, the post-meeting commentary no longer predicted "further gradual increases" in rates. Jay Powell later reinforced the message by adding that the "case for raising rates has weakened".

The European Central Bank (ECB) has also adopted a dovish tone, with its president, Mario Draghi, stating that there would be no interest rate hikes through to the summer of 2019, and that the proceeds of bond maturities would be reinvested. The ECB finally ended its bond-buying stimulus plan in December – this programme had helped to fuel the eurozone's economic recovery since the global financial crisis.

During the review period we kept the fund relatively short and broadly unchanged. At the time of writing, the weighted average maturity of the fund is approximately 38 days and the weighted average yield is 0.80%. The fund is invested approximately 67% in bank-issued certificates of deposit, 21% in short-dated bank deposits (including 5% in a AAA rated external liquidity fund), and 12% in UK government issued Treasury bills.

Looking ahead, within the US we expect the Fed to move from the framework of "forward guidance" it has used in recent years (marked by predictable, quarterly rate increases) to a framework of "data dependence", in which more recent developments in economic data will guide the path of monetary policy. Barring an acceleration in inflation, we expect the Fed to pause its quarterly rate-hiking cycle in 2019 and to take a wait-and-see approach, which could prove negative for the dollar.

In the UK, the Bank of England is likely to keep interest rates on hold for the time being, given the current uncertainties over Brexit and the implications for the UK economy. In February's meeting, the bank cut its expectations for growth this year.

The portfolio will continue to comprise very short-dated instruments with a view to achieving a competitive rate of interest.

From 1 May 2019, due to changes in EU Money Market Fund regulations, the fund will be categorised as a 'Short-Term VNAV Money Market Fund' and a letter of explanation has been sent out to investors.

To reflect the fund's new status, the fund name will be changed to 'Threadneedle Sterling Short-Term Money Market Fund'.

The investment process and risk profile of the fund will remain unchanged.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	122	2
Revenue	3	3,192	1,399
Expenses	4	(882)	(1,045)
Interest payable and similar charges	5	(4)	–
Net revenue before taxation		2,306	354
Taxation	6	–	–
Net revenue after taxation		2,306	354
Total return before distributions		2,428	356
Distributions	7	(2,306)	(354)
Change in net assets attributable to shareholders from investment activities		122	2

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		376,250	439,340
Current assets:			
Debtors	8	636	208
Cash and bank balances		88,326	54,766
Cash equivalents***		23,173	20,014
Total assets		488,385	514,328
Liabilities:			
Creditors:			
Distribution payable		(799)	(52)
Other creditors	9	(689)	(119)
Total liabilities		(1,488)	(171)
Net assets attributable to shareholders		486,897	514,157

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	514,157	459,824
Amounts receivable on the issue of shares	601,578	301,618
Amounts payable on the cancellation of shares	(629,994)	(247,599)
	(28,416)	54,019
Dilution adjustment	20	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	122	2
Retained distribution on accumulation shares	1,014	312
Closing net assets attributable to shareholders	486,897	514,157

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.1624	–	0.1624	–
08/09/18 to 07/03/19	0.2535	–	0.2535	0.0153
Group 2				
08/03/18 to 07/09/18	0.1024	0.0600	0.1624	–
08/09/18 to 07/03/19	0.1098	0.1437	0.2535	0.0153
Total distributions in the period			0.4159	0.0153

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.1754	–	0.1754	–
08/09/18 to 07/03/19	0.2676	–	0.2676	0.0343
Group 2				
08/03/18 to 07/09/18	0.0399	0.1355	0.1754	–
08/09/18 to 07/03/19	0.0901	0.1775	0.2676	0.0343
Total distributions in the period			0.4430	0.0343

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

Threadneedle Sterling Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.2527	–	0.2527	0.0870
08/09/18 to 07/03/19	0.3450	–	0.3450	0.1453
Group 2				
08/03/18 to 07/09/18	0.1220	0.1307	0.2527	0.0870
08/09/18 to 07/03/19	0.2641	0.0809	0.3450	0.1453
Total distributions in the period			0.5977	0.2323

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	99.81	99.81	99.82	100.06	100.02	100.00
Return before operating charges (p)	0.68	0.30	0.43	0.69	0.30	0.12
Operating charges (p)	(0.23)	(0.28)	(0.28)	(0.21)	(0.26)	(0.10)
Return after operating charges (p)*	0.45	0.02	0.15	0.48	0.04	0.02
Distributions (p)	(0.42)	(0.02)	(0.16)	(0.44)	(0.03)	(0.04)
Retained distributions on accumulation shares (p)	–	–	–	0.44	0.03	0.04
Closing net asset value per share (p)	99.84	99.81	99.81	100.54	100.06	100.02
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.45	0.02	0.15	0.48	0.04	0.02
Other information						
Closing net asset value (£000)	314,520	343,102	296,801	49,689	39,196	49,032
Closing number of shares	315,022,373	343,751,180	297,352,012	49,424,514	39,172,736	49,020,940
Operating charges (%)**	0.23	0.28	0.28	0.21	0.26	0.26 ¹
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	100.10	99.83	99.92	100.54	100.07	100.02
Lowest share price (p)	99.82	99.79	99.82	100.06	100.01	100.00
	Class 3 – Gross accumulation shares ⁵		Class X – Gross accumulation shares ⁵			
	08/06/2017 ²	07/03/2017	07/03/2019	07/03/2018	07/03/2017 ³	
Change in net assets per share						
Opening net asset value per share (p)	99.73	99.95	100.62	100.39	100.00	
Return before operating charges (p)	0.07	0.44	0.69	0.29	0.44	
Operating charges (p)	(0.16)	(0.66)	(0.06)	(0.06)	(0.05)	
Return after operating charges (p)*	(0.09)	(0.22)	0.63	0.23	0.39	
Distributions (p)	–	–	(0.60)	(0.23)	(0.40)	
Retained distributions on accumulation shares (p)	–	–	0.60	0.23	0.40	
Closing net asset value per share (p)	99.64	99.73	101.25	100.62	100.39	
*after direct transaction costs of (p)	–	–	–	–	–	
Performance						
Return after charges (%)	(0.09)	(0.22)	0.63	0.23	0.39	
Other information						
Closing net asset value (£000)	–	3	122,688	131,859	113,988	
Closing number of shares	–	3,000	121,172,112	131,044,192	113,546,450	
Operating charges (%)**	0.63	0.66	0.06	0.06	0.05 ¹	
Direct transaction costs (%)***	–	–	–	–	–	
Prices						
Highest share price (p)	99.73	99.95	101.25	100.63	100.39	
Lowest share price (p)	99.64	99.73	100.63	100.39	100.00	

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

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

⁵Only available to eligible investors.

¹Commenced 12 October 2016.

²Closed 8 June 2017.

³Commenced 16 March 2016.

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

Threadneedle Sterling Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	123	2
Transaction costs	(1)	–
Net capital gains	122	2

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	2,726	1,257
Interest on short term investments	289	120
Bank interest	177	22
Total revenue	3,192	1,399

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(540)	(562)
Registration fees	(253)	(392)
	(793)	(954)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(59)	(58)
Safe custody fees	(21)	(23)
	(80)	(81)
Other expenses:		
Audit fees	(9)	(10)
	(9)	(10)
Total expenses*	(882)	(1,045)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(4)	–
Total interest payable & similar charges	(4)	–

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,306	354
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(461)	(71)
Effects of:		
Distributions treated as tax deductible	461	71
Current tax charge for period (note 6a)	–	–

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	924	108
Final	1,349	256
	2,273	364
Add: Revenue deducted on the cancellation of shares	650	23
Deduct: Revenue received on the creation of shares	(617)	(33)
Net distribution for the period	2,306	354

Details of the distribution per share are set out in the table on pages 77 to 78.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	282	62
Accrued revenue	354	146
Total debtors	636	208

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(602)	(17)
Accrued expenses	(16)	(19)
Amounts payable to ACD	(71)	(83)
Total other creditors	(689)	(119)

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

Annual management charge	
Class 1 shares	0.15%
Class 2 shares	0.15%
Class X shares	N/A*
Registration fees	
Class 1 shares	0.060%
Class 2 shares	0.035%
Class X shares	0.035%

Threadneedle Sterling 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 79. The distribution per share class is given in the distribution table on pages 77 to 78. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	343,751,180
Shares issued	364,855,166
Shares redeemed	(389,761,584)
Net conversions	(3,822,389)
Closing shares	<u>315,022,373</u>
Class 2 – Accumulation shares	
Opening shares	39,172,736
Shares issued	22,821,269
Shares redeemed	(16,381,583)
Net conversions	3,812,092
Closing shares	<u>49,424,514</u>
Class X – Gross accumulation shares	
Opening shares	131,044,192
Shares issued	212,850,301
Shares redeemed	(222,722,381)
Net conversions	–
Closing shares	<u>121,172,112</u>

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 0.02% and vice versa (2018: 0.00%).

Currency exposures

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

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	88,326	399,423	636	488,385
Currency 2018				
UK Sterling	54,766	459,354	208	514,328

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(1,488)	(1,488)
Currency 2018				
UK Sterling	–	–	(171)	(171)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	399,423	–	459,354	–
	<u>399,423</u>	<u>–</u>	<u>459,354</u>	<u>–</u>

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

Included within Level 1, are debt securities of £58,250,000 (2018: £39,983,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £1,743,470,604 (2018: £1,740,232,585) and £1,807,300,514 (2018: £1,707,675,951) respectively. Collective investment schemes purchases and sales amounted to £31,173,337 (2018: £20,000,000) and £28,000,000 (2018: £Nil) respectively.

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

At the balance sheet date, the portfolio dealing spread was 0.01% (7 March 2018: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle European Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities of companies domiciled in Continental Europe or which have significant Continental European operations with growth prospects. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle European Fund has fallen from 227.56p to 223.80p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -3.36% as compared to a median return of -6.39% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned -3.27% over the same period).

Market Overview and Portfolio Activity

This was a volatile period for European equities.

Markets initially delivered strong gains and the eurozone's composite Purchasing Managers' Index pushed firmly into expansionary territory. Data later showed continuing growth, but at a slower pace, and GDP figures indicated a loss of momentum in Germany. Sectors linked to economic expansion suffered

from profit-taking during the fourth quarter of 2018 as investors rotated into defensive stocks, and oil prices dropped sharply.

The European Central Bank completed its bond-buying stimulus plan – this programme had helped to drive the region's post-crisis economic recovery. Monetary policy in the region continued to be accommodative; interest rates remained on hold at record lows. Markets were unsettled by President Trump's protectionism, which led to tariffs on goods imported into the US from China and Europe. Stocks also reacted to rising political risk in the eurozone. Italy's new populist government unnerved investors by targeting a larger-than-expected budget deficit for 2019.

2019 started on a more upbeat note and markets rebounded. News that the US and China were to hold further talks reignited hopes that President Trump may soften his stance on trade tariffs. Investors were also reassured when the US Federal Reserve adopted a more dovish tone, signalling that it was alert to the downside economic risks of further rapid interest-rate increases.

The UK remained mired in Brexit negotiations, and GDP figures indicated a contraction in December 2018 as economic uncertainty took its toll. During the review period, it was unclear whether the proposed Brexit date of 29 March would be delayed, whether an acceptable alternative agreement would emerge, or whether the UK would leave the EU with no deal.

New positions included Akzo Nobel, Knorr-Bremse and Puma. Paint business Akzo Nobel has a strong balance sheet and operates in a concentrated industry, which has led to rational pricing and an attractive business model. Knorr-Bremse specialises in braking systems for trucks and trains, another concentrated market. Technology provides barriers to entry and

the firm should be unaffected by the potential shift to electric or autonomous driving as brakes will still be required. Puma is seeing strong top-line and gross margin expansion, and continued growth in fashion sportswear. The firm has scope for increasing market share.

We sold Volvo, which issued a cautious 2019 truck market outlook, following a period of strong revenue growth. The company also reported that an emissions control component was de-grading more quickly than expected. Other sales included Svenska Handelsbanken; after many years of good performance relative to the sector, the company is now suffering from competition and pricing pressure in the Swedish mortgage market.

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

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

Our main focus in managing the portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(24,136)	55,932
Revenue	3	28,323	24,115
Expenses	4	(9,909)	(10,350)
Interest payable and similar charges	5	(7)	(8)
Net revenue before taxation		18,407	13,757
Taxation	6	(1,378)	(1,267)
Net revenue after taxation		17,029	12,490
Total return before distributions		(7,107)	68,422
Distributions	7	(17,029)	(12,493)
Change in net assets attributable to shareholders from investment activities		(24,136)	55,929

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		1,062,476	1,071,634
Current assets:			
Debtors	8	7,046	9,250
Cash and bank balances		8,101	2,072
Total assets		1,077,623	1,082,956
Liabilities:			
Investment liabilities		(1)	(6)
Creditors:			
Distribution payable		(20)	(13)
Other creditors	9	(6,753)	(1,542)
Total liabilities		(6,774)	(1,561)
Net assets attributable to shareholders		1,070,849	1,081,395

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,081,395	740,932
Amounts receivable on the issue of shares	153,655	286,322
Amounts payable on the cancellation of shares	(157,354)	(321,436)
Amounts receivable on in specie transfers	–	306,155
	(3,699)	271,041
Dilution adjustment	70	331
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(24,136)	55,929
Retained distribution on accumulation shares	17,219	13,162
Closing net assets attributable to shareholders	1,070,849	1,081,395

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.8697	–	1.8697	1.5267
Group 2 08/03/18 to 07/03/19	–	1.8697	1.8697	1.5267
Total distributions in the period	1.8697		1.8697	1.5267

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.5873	–	3.5873	3.2864
Group 2 08/03/18 to 07/03/19	0.4645	3.1228	3.5873	3.2864
Total distributions in the period	3.5873		3.5873	3.2864

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle European Fund

DISTRIBUTION TABLE

(continued)

Class D – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	5.9543	–	5.9543	0.6594
Group 2 08/03/18 to 07/03/19	0.1892	5.7651	5.9543	0.6594
Total distributions in the period			5.9543	0.6594

Class L – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	3.4805	–	3.4805	1.0142
Group 2 08/03/18 to 07/03/19	0.1405	3.3400	3.4805	1.0142
Total distributions in the period			3.4805	1.0142

Class L – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	4.8531	–	4.8531	1.4072
Group 2 08/03/18 to 07/03/19	0.6886	4.1645	4.8531	1.4072
Total distributions in the period			4.8531	1.4072

Class L GBP – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	3.1536	–	3.1536	0.9079
Group 2 08/03/18 to 07/03/19	3.1536	–	3.1536	0.9079
Total distributions in the period			3.1536	0.9079

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.1180	–	3.1180	2.9402
Group 2 08/03/18 to 07/03/19	1.1997	1.9183	3.1180	2.9402
Total distributions in the period			3.1180	2.9402

Class X2 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	12.3557	–	12.3557	5.0822
Group 2 08/03/18 to 07/03/19	1.2447	11.1110	12.3557	5.0822
Total distributions in the period			12.3557	5.0822

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	2.1912	–	2.1912	2.0551
Group 2 08/03/18 to 07/03/19	0.0831	2.1081	2.1912	2.0551
Total distributions in the period			2.1912	2.0551

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.8784	–	2.8784	2.6601
Group 2 08/03/18 to 07/03/19	0.4191	2.4593	2.8784	2.6601
Total distributions in the period			2.8784	2.6601

Group 2: shares purchased during a distribution period.

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

Threadneedle European Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	227.50	210.31	178.68	256.75	235.91	199.21
Return before operating charges (p)	(0.06)	21.03	34.90	(0.07)	23.58	39.02
Operating charges (p)	(3.71)	(3.84)	(3.27)	(2.73)	(2.74)	(2.32)
Return after operating charges (p)*	(3.77)	17.19	31.63	(2.80)	20.84	36.70
Distributions (p)	(1.87)	(1.53)	(1.27)	(3.59)	(3.29)	(2.76)
Retained distributions on accumulation shares (p)	1.87	1.53	1.27	3.59	3.29	2.76
Closing net asset value per share (p)	223.73	227.50	210.31	253.95	256.75	235.91
*after direct transaction costs of (p)	0.28	0.37	0.42	0.31	0.42	0.47
Performance						
Return after charges (%)	(1.66)	8.17	17.70	(1.09)	8.83	18.42
Other information						
Closing net asset value (£000)	313,643	361,879	316,254	344,321	346,112	319,929
Closing number of shares	140,189,774	159,069,537	150,376,673	135,583,758	134,804,454	135,616,138
Operating charges (%)**	1.63	1.67	1.68	1.06	1.06	1.07
Direct transaction costs (%)***	0.12	0.16	0.21	0.12	0.16	0.21
Prices						
Highest share price (p)	246.95	241.55	210.36	279.48	272.18	235.96
Lowest share price (p)	204.62	207.11	176.98	232.00	232.49	197.56
	Class D – Accumulation shares		Class L – Income shares			
	07/03/2019	07/03/2018 ¹	07/03/2019	07/03/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	430.82	419.74	188.20	183.66		
Return before operating charges (p)	(0.13)	14.22	(0.06)	6.34		
Operating charges (p)	(4.63)	(3.14)	(1.15)	(0.79)		
Return after operating charges (p)*	(4.76)	11.08	(1.21)	5.55		
Distributions (p)	(5.95)	(0.66)	(3.48)	(1.01)		
Retained distributions on accumulation shares (p)	5.95	0.66	–	–		
Closing net asset value per share (p)	426.06	430.82	183.51	188.20		
*after direct transaction costs of (p)	0.53	0.59	0.23	0.26		
Performance						
Return after charges (%)	(1.10)	2.64	(0.64)	3.02		
Other information						
Closing net asset value (£000)	951	996	205	211		
Closing number of shares	223,169	231,232	111,918	112,119		
Operating charges (%)**	1.07	1.06 [†]	0.61	0.61 [†]		
Direct transaction costs (%)***	0.12	0.16	0.12	0.16		
Prices						
Highest share price (p)	468.92	456.72	205.30	200.47		
Lowest share price (p)	389.24	412.40	170.67	180.45		

Threadneedle European Fund

Comparative Table Disclosure

(continued)

	Class L – Accumulation shares		Class L GBP – Income shares		
	07/03/2019	07/03/2018 ¹	07/03/2019	07/03/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	262.36	254.66	166.53	169.32	
Return before operating charges (p)	(0.07)	8.80	1.22	(1.20)	
Operating charges (p)	(1.61)	(1.10)	(1.04)	(0.68)	
Return after operating charges (p)*	(1.68)	7.70	0.18	(1.88)	
Distributions (p)	(4.85)	(1.41)	(3.15)	(0.91)	
Retained distributions on accumulation shares (p)	4.85	1.41	–	–	
Closing net asset value per share (p)	260.68	262.36	163.56	166.53	
*after direct transaction costs of (p)	0.32	0.36	0.21	0.22	
Performance					
Return after charges (%)	(0.64)	3.02	0.11	(1.11)	
Other information					
Closing net asset value (£000)	1,573	2,377	383	475	
Closing number of shares	603,578	905,998	234,420	284,914	
Operating charges (%)**	0.61	0.61 [†]	0.61	0.60 [†]	
Direct transaction costs (%)***	0.12	0.16	0.12	0.16	
Prices					
Highest share price (p)	286.20	277.97	181.26	180.09	
Lowest share price (p)	237.93	250.21	152.16	162.73	
	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018 ¹
Change in net assets per share					
Opening net asset value per share (p)	129.62	117.91	98.57	513.63	496.31
Return before operating charges (p)	(0.04)	11.79	19.41	(0.18)	17.53
Operating charges (p)	(0.08)	(0.08)	(0.07)	(0.31)	(0.21)
Return after operating charges (p)*	(0.12)	11.71	19.34	(0.49)	17.32
Distributions (p)	(3.12)	(2.94)	(2.45)	(12.36)	(5.08)
Retained distributions on accumulation shares (p)	3.12	2.94	2.45	12.36	5.08
Closing net asset value per share (p)	129.50	129.62	117.91	513.14	513.63
*after direct transaction costs of (p)	0.16	0.21	0.25	0.63	0.70
Performance					
Return after charges (%)	(0.09)	9.93	19.62	(0.10)	3.49
Other information					
Closing net asset value (£000)	210,531	198,699	85,483	179,035	148,571
Closing number of shares	162,578,165	153,294,434	72,497,914	34,889,972	28,925,626
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06 [†]
Direct transaction costs (%)***	0.12	0.16	0.21	0.12	0.16
Prices					
Highest share price (p)	141.77	137.23	117.94	561.76	543.80
Lowest share price (p)	118.06	116.34	97.96	467.84	487.68

Threadneedle European Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	139.31	129.66	110.77	183.00	167.84	141.49
Return before operating charges (p)	(0.05)	12.97	21.72	(0.06)	16.78	27.73
Operating charges (p)	(1.23)	(1.26)	(1.08)	(1.62)	(1.62)	(1.38)
Return after operating charges (p)*	(1.28)	11.71	20.64	(1.68)	15.16	26.35
Distributions (p)	(2.19)	(2.06)	(1.75)	(2.88)	(2.66)	(2.23)
Retained distributions on accumulation shares (p)	–	–	–	2.88	2.66	2.23
Closing net asset value per share (p)	135.84	139.31	129.66	181.32	183.00	167.84
*after direct transaction costs of (p)	0.17	0.23	0.26	0.22	0.30	0.33
Performance						
Return after charges (%)	(0.92)	9.03	18.63	(0.92)	9.03	18.62
Other information						
Closing net asset value (£000)	567	608	363	19,640	21,467	18,903
Closing number of shares	417,059	436,406	279,762	10,831,823	11,730,948	11,261,904
Operating charges (%)**	0.88	0.88	0.89	0.88	0.88	0.89
Direct transaction costs (%)***	0.12	0.16	0.21	0.12	0.16	0.21
Prices						
Highest share price (p)	151.76	149.83	131.44	199.36	193.95	167.88
Lowest share price (p)	126.05	127.81	109.89	165.58	165.44	140.36

**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 12 May 2017.

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

Threadneedle European Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019	2018
	£000	£000
Non-derivative securities	(23,483)	66,024
Forward currency contracts	(64)	(10,193)
Other (losses)/gains	(583)	111
Transaction costs	(6)	(10)
Net capital (losses)/gains	(24,136)	55,932

3 REVENUE

	2019	2018
	£000	£000
UK dividends	1,580	844
Overseas dividends	26,699	23,260
Bank interest	44	11
Total revenue	28,323	24,115

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(9,027)	(9,349)
Registration fees	(666)	(788)
	(9,693)	(10,137)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(132)	(127)
Safe custody fees	(64)	(66)
	(196)	(193)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(13)	(9)
Non audit service fees payable to auditors	–	(3)
Professional fees	–	(2)
	(20)	(20)
Total expenses*	(9,909)	(10,350)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Interest payable	(7)	(8)
Total interest payable & similar charges	(7)	(8)

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(1,378)	(1,267)
Total current tax (note 6b)	(1,378)	(1,267)
Total tax charge for the period	(1,378)	(1,267)
b) Factors affecting taxation charge for period		
Net revenue before taxation	18,407	13,757
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,681)	(2,751)

Effects of:

Revenue not subject to taxation	5,675	4,816
Overseas taxes	(1,378)	(1,267)
Excess expenses	(1,994)	(2,064)
Retail Distribution Review (RDR) conversion transfer from capital	–	(1)
Current tax charge for period (note 6a)	(1,378)	(1,267)

The fund has not recognised a deferred tax asset of £12,296,395 (2018: £10,302,968) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019	2018
	£000	£000
Final	17,240	13,175
	17,240	13,175
Add: Revenue deducted on the cancellation of shares	2,143	2,180
Deduct: Revenue received on the creation of shares	(2,354)	(2,862)
Net distribution for the period	17,029	12,493
Net revenue after taxation	17,029	12,490
Equalisation on conversion	–	3
Total distributions	17,029	12,493

Details of the distribution per share are set out in the table on pages 82 to 83.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	200	3,674
Sales awaiting settlement	2,804	1,706
Accrued revenue	570	727
Foreign withholding tax recoverable	3,472	3,143
Total debtors	7,046	9,250

9 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(5,771)	(493)
Accrued expenses	(30)	(33)
Amounts payable to ACD	(876)	(940)
Corporation tax payable	(76)	(76)
Total other creditors	(6,753)	(1,542)

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 European Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class X2 shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.150%
Class L shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 84 to 86. The distribution per share class is given in the distribution table on pages 82 to 83. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	159,069,537
Shares issued	12,810,674
Shares redeemed	(31,677,088)
Net conversions	(13,349)
Closing shares	140,189,774
Class 2 – Accumulation shares	
Opening shares	134,804,454
Shares issued	18,848,307
Shares redeemed	(18,069,003)
Net conversions	–
Closing shares	135,583,758
Class D – Accumulation shares	
Opening shares	231,232
Shares issued	1,840
Shares redeemed	(9,903)
Net conversions	–
Closing shares	223,169
Class L – Income shares	
Opening shares	112,119
Shares issued	331
Shares redeemed	(532)
Net conversions	–
Closing shares	111,918
Class L – Accumulation shares	
Opening shares	905,998
Shares issued	707
Shares redeemed	(303,127)
Net conversions	–
Closing shares	603,578
Class L GBP – Income shares	
Opening shares	284,914
Shares issued	–
Shares redeemed	(50,494)
Net conversions	–
Closing shares	234,420

	2019
Class X – Accumulation shares	
Opening shares	153,294,434
Shares issued	19,873,025
Shares redeemed	(10,589,294)
Net conversions	–
Closing shares	162,578,165
Class X2 – Accumulation shares	
Opening shares	28,925,626
Shares issued	10,035,727
Shares redeemed	(4,071,381)
Net conversions	–
Closing shares	34,889,972
Class Z – Income shares	
Opening shares	436,406
Shares issued	139,316
Shares redeemed	(158,663)
Net conversions	–
Closing shares	417,059
Class Z – Accumulation shares	
Opening shares	11,730,948
Shares issued	629,168
Shares redeemed	(1,544,809)
Net conversions	16,516
Closing shares	10,831,823

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.67% and vice versa (2018: 4.85%).

Currency exposures

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

	Total £000
Currency 2019	
Danish Krone	103,266
Euro	847,836
Norwegian Krone	14,242
Swedish Krona	65,183
Swiss Franc	15,760
US Dollar	23,680
Currency 2018	£000
Danish Krone	45,645
Euro	838,256
Norwegian Krone	24,696
Swedish Krona	111,116
Swiss Franc	57,053
US Dollar	236

Currency sensitivity analysis

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

	Currency movement	Fund movement
Currency 2019	%	%
Euro	4.04	3.20
Currency 2018	%	%
Euro	3.11	2.41
Swedish Krona	4.12	0.42

Threadneedle European 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 (2018: same).

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets		Fixed rate financial assets		Financial assets not carrying interest		Total
	£000	£000	£000	£000	£000	£000	
Currency 2019							
Danish Krone	1	–	–	103,265	–	–	103,266
Euro	30	–	–	847,806	–	–	847,836
Norwegian Krone	–	–	–	14,242	–	–	14,242
Swedish Krona	–	–	–	65,183	–	–	65,183
Swiss Franc	1	–	–	15,759	–	–	15,760
UK Sterling	8,069	–	–	202	–	–	8,271
US Dollar	–	–	–	23,680	–	–	23,680
Currency 2018	£000	£000	£000	£000	£000	£000	£000
Danish Krone	–	–	–	45,667	–	–	45,667
Euro	284	–	–	838,363	–	–	838,647
Norwegian Krone	–	–	–	24,696	–	–	24,696
Swedish Krona	–	–	–	111,168	–	–	111,168
Swiss Franc	–	–	–	57,080	–	–	57,080
UK Sterling	1,788	–	–	4,161	–	–	5,949
US Dollar	–	–	–	236	–	–	236
	Floating rate financial liabilities		Fixed rate financial liabilities		Financial liabilities not carrying interest		Total
	£000	£000	£000	£000	£000	£000	
Currency 2019							
UK Sterling	–	–	–	(7,389)	–	–	(7,389)
Currency 2018	£000	£000	£000	£000	£000	£000	£000
Danish Krone	–	–	–	(22)	–	–	(22)
Euro	–	–	–	(391)	–	–	(391)
Swedish Krona	–	–	–	(52)	–	–	(52)
Swiss Franc	–	–	–	(27)	–	–	(27)
UK Sterling	–	–	–	(1,556)	–	–	(1,556)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2018: £Nil) and a liability value of £1,000 (2018: £6,000).

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,062,476	–	1,071,634	–
Level 2	–	(1)	–	(6)
	<u>1,062,476</u>	<u>(1)</u>	<u>1,071,634</u>	<u>(6)</u>

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	623,826	389	0.06	566
Total	623,826	389		566

Gross purchases total:

624,781

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	607,314	382	0.06	–
Corporate actions	3,484	–	–	–
Total	610,798	382		–

Total sales net of transaction costs:

610,416

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.05%

7 March 2018

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	628,587	477	0.08	770
In specie transactions	302,674	–	–	–
Corporate actions	2,940	–	–	–
Total	934,201	477		770

Gross purchases total:

935,448

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	670,251	485	0.07	–
Corporate actions	570	–	–	–
Total	670,821	485		–

Total sales net of transaction costs:

670,336

Transaction costs as a percentage of average Net Assets

Commissions:	0.09%
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.

Threadneedle European Fund

Notes to the financial statements

(continued)

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

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

At the balance sheet date, the portfolio dealing spread was 0.06% (7 March 2018: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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 ("SWT") 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 7 March 2019 within foreign withholding tax recoverable we continue to accrue for the refunds which amount to £1,449,666 which represents 0.14% of the overall NAV. Given the uncertainty that remained in relation to the payment of these accrued SWT reclaim amounts, and the length of time that had passed with no material change in STA's position, the decision was taken to write off the SWT accruals within the Fund as of 22 March 2019 and cease all future SWT accruals for SWT reclaims. For the avoidance of doubt, we will continue to pursue all outstanding and future SWT claims. Any SWT reclaims that are paid by the STA will be treated as windfall gains to the Funds.

Threadneedle European Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund mainly in a relatively concentrated portfolio of equities of companies domiciled in Continental Europe or which have significant Continental European operations. The select investment 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 in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle European Select Fund has fallen from 295.36p to 288.49p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -3.21% as compared to a median return of -6.39% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned -3.27% over the same period).

Market Overview and Portfolio Activity

This was a volatile period for European equities.

Markets initially delivered strong gains and the eurozone's composite Purchasing Managers' Index pushed firmly into

expansionary territory. Data later showed continuing growth, but at a slower pace, and GDP figures indicated a loss of momentum in Germany. Sectors linked to economic expansion suffered from profit-taking during the fourth quarter of 2018 as investors rotated into defensive stocks, and oil prices dropped sharply.

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

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

2019 started on a more upbeat note and markets rebounded. News that the US and China were to hold further talks reignited hopes that President Trump may soften his stance on trade tariffs. Investors were also reassured when the US Federal Reserve adopted a more dovish tone, signalling that it was alert to the downside economic risks of further rapid interest-rate increases.

The UK remained mired in Brexit negotiations, and GDP figures indicated a contraction in December 2018 as economic uncertainty took its toll. During the review period, it was unclear whether the proposed Brexit date of 29 March would be delayed, whether an acceptable alternative agreement would emerge, or whether the UK would leave the EU with no deal.

New holdings included Knorr-Bremse, interXion and Koninkljkje Philips. Knorr-Bremse specialises in braking systems for trucks

and trains, a concentrated market. Technology provides barriers to entry and the firm should be unaffected by the potential shift to electric or autonomous driving as brakes will still be required. Interxion provides computing, network, storage and IT infrastructure on an outsourced basis. Its market share in Europe is large, and this is a growth sector. Philips is transitioning towards a more focused healthcare company; management is seeking to raise growth, increase margins, and make further strategic disposals.

We sold Svenska Handelsbanken; after many years of good performance relative to the sector, the bank is now suffering from competition and pricing pressure in the Swedish mortgage market. Other sales included Smurfit Kappa; shares in the packaging firm had risen following a takeover approach from International Paper, but the bid was rejected.

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

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

Our main focus in managing this high-conviction portfolio is on stock selection. We seek to identify high-quality companies with the pricing power to sustain strong returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(102,423)	268,510
Revenue	3	64,180	64,530
Expenses	4	(27,898)	(36,092)
Interest payable and similar charges	5	(109)	(115)
Net revenue before taxation		36,173	28,323
Taxation	6	(3,620)	(3,508)
Net revenue after taxation		32,553	24,815
Total return before distributions		(69,870)	293,325
Distributions	7	(32,557)	(24,926)
Change in net assets attributable to shareholders from investment activities		(102,427)	268,399

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		1,504,769	3,129,017
Current assets:			
Debtors	8	14,370	13,246
Cash and bank balances		12,021	4,837
Cash equivalents**		857	–
Total assets		1,532,017	3,147,100
Liabilities:			
Investment liabilities		–	(306)
Creditors:			
Distribution payable		(1,877)	(2,143)
Other creditors	9	(3,126)	(6,322)
Total liabilities		(5,003)	(8,771)
Net assets attributable to shareholders		1,527,014	3,138,329

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	3,138,329	2,886,813
Amounts receivable on the issue of shares	1,504,765	498,238
Amounts payable on the cancellation of shares	(1,861,123)	(538,483)
Amounts payable on inspecie transfers	(1,179,921)	–
	(1,536,279)	(40,245)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(102,427)	268,399
Retained distribution on accumulation shares	27,391	23,362
Closing net assets attributable to shareholders	1,527,014	3,138,329

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/03/19	0.6324	–	0.6324	0.4123
Group 2				
08/03/18 to 07/03/19	–	0.6324	0.6324	0.4123
Total distributions in the period			0.6324	0.4123

Class 1 EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019
Group 1			
08/03/18 to 07/03/19	0.9729	–	0.9729
Group 2			
08/03/18 to 07/03/19	–	0.9729	0.9729
Total distributions in the period			0.9729

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle European Select Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.4709	–	1.4709	0.9564
Group 2 08/03/18 to 07/03/19	–	1.4709	1.4709	0.9564
Total distributions in the period			1.4709	0.9564

Class 1 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.2646	–	2.2646	
Group 2 08/03/18 to 07/03/19	–	2.2646	2.2646	
Total distributions in the period			2.2646	

Class 1 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.2646	–	2.2646	
Group 2 08/03/18 to 07/03/19	–	2.2646	2.2646	
Total distributions in the period			2.2646	

Class 1 SGD Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.2814	–	1.2814	0.6128
Group 2 08/03/18 to 07/03/19	0.3734	0.9080	1.2814	0.6128
Total distributions in the period			1.2814	0.6128

Class 1 USD Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.0491	–	1.0491	0.5673
Group 2 08/03/18 to 07/03/19	–	1.0491	1.0491	0.5673
Total distributions in the period			1.0491	0.5673

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.9690	–	1.9690	1.6995
Group 2 08/03/18 to 07/03/19	0.0898	1.8792	1.9690	1.6995
Total distributions in the period			1.9690	1.6995

Class 2 EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	2.1642	–	2.1642	
Group 2 08/03/18 to 07/03/19	–	2.1642	2.1642	
Total distributions in the period			2.1642	

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.4676	–	3.4676	2.9678
Group 2 08/03/18 to 07/03/19	0.1906	3.2770	3.4676	2.9678
Total distributions in the period			3.4676	2.9678

Class 2 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.8117	–	3.8117	
Group 2 08/03/18 to 07/03/19	–	3.8117	3.8117	
Total distributions in the period			3.8117	

Class 2 USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.4536	–	1.4536	1.4178
Group 2 08/03/18 to 07/03/19	–	1.4536	1.4536	1.4178
Total distributions in the period			1.4536	1.4178

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.8003	–	2.8003	2.5640
Group 2 08/03/18 to 07/03/19	0.8732	1.9271	2.8003	2.5640
Total distributions in the period			2.8003	2.5640

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.9275	–	1.9275	1.7124
Group 2 08/03/18 to 07/03/19	0.3047	1.6228	1.9275	1.7124
Total distributions in the period			1.9275	1.7124

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.4587	–	2.4587	2.1598
Group 2 08/03/18 to 07/03/19	0.4384	2.0203	2.4587	2.1598
Total distributions in the period			2.4587	2.1598

Class Z EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.5257	–	2.5257	
Group 2 08/03/18 to 07/03/19	–	2.5257	2.5257	
Total distributions in the period			2.5257	

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.5257	–	2.5257	
Group 2 08/03/18 to 07/03/19	–	2.5257	2.5257	
Total distributions in the period			2.5257	

Group 2: shares purchased during a distribution period.

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

Threadneedle European Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	126.83	115.44	96.23	132.95
Return before operating charges (p)	(0.88)	13.89	21.36	(9.75)
Operating charges (p)	(2.07)	(2.09)	(1.73)	(0.70)
Return after operating charges (p)*	(2.95)	11.80	19.63	(10.45)
Distributions (p)	(0.63)	(0.41)	(0.42)	(0.97)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	123.25	126.83	115.44	121.53
*after direct transaction costs of (p)	0.07	0.08	0.16	0.04
Performance				
Return after charges (%)	(2.33)	10.22	20.40	(7.86)
Other information				
Closing net asset value (£000)	347	4,032	2,219	–
Closing number of shares	281,501	3,179,272	1,922,302	–
Operating charges (%)**	1.62	1.63	1.63	–
Direct transaction costs (%)***	0.06	0.06	0.15	–
Prices				
Highest share price (p)	138.89	133.84	115.90	138.89
Lowest share price (p)	114.20	115.22	94.76	119.08
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	295.27	267.87	222.47	309.51
Return before operating charges (p)	(2.10)	32.22	49.41	(24.96)
Operating charges (p)	(4.77)	(4.82)	(4.01)	(1.64)
Return after operating charges (p)*	(6.87)	27.40	45.40	(26.60)
Distributions (p)	(1.47)	(0.96)	(0.98)	(2.26)
Retained distributions on accumulation shares (p)	1.47	0.96	0.98	2.26
Closing net asset value per share (p)	288.40	295.27	267.87	282.91
*after direct transaction costs of (p)	0.17	0.18	0.37	0.08
Performance				
Return after charges (%)	(2.33)	10.23	20.41	(8.59)
Other information				
Closing net asset value (£000)	266,743	1,072,075	1,022,097	–
Closing number of shares	92,488,996	363,087,509	381,570,993	–
Operating charges (%)**	1.61	1.63	1.63	–
Direct transaction costs (%)***	0.06	0.06	0.15	–
Prices				
Highest share price (p)	323.33	310.57	267.95	323.33
Lowest share price (p)	265.85	267.37	219.09	277.23

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares			Class 1 SGD Hedged – Accumulation shares		
	09/11/2018 ¹			09/11/2018 ²	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	309.51			165.60	162.05	130.09
Return before operating charges (p)	(24.96)			4.00	6.32	34.29
Operating charges (p)	(1.64)			(1.89)	(2.77)	(2.33)
Return after operating charges (p)*	(26.60)			2.11	3.55	31.96
Distributions (p)	(2.26)			(1.28)	(0.61)	(0.56)
Retained distributions on accumulation shares (p)	2.26			1.28	0.61	0.56
Closing net asset value per share (p)	282.91			167.71	165.60	162.05
*after direct transaction costs of (p)	0.08			0.09	0.10	0.22
Performance						
Return after charges (%)	(8.59)			1.27	2.19	24.57
Other information						
Closing net asset value (£000)	–			–	31,830	38,893
Closing number of shares	–			–	19,220,877	24,000,866
Operating charges (%)**	–			–	1.63	1.63
Direct transaction costs (%)***	–			–	0.06	0.15
Prices						
Highest share price (p)	323.33			187.16	178.31	162.09
Lowest share price (p)	277.23			161.68	161.52	125.87
	Class 1 USD Hedged – Accumulation shares			Class 2 – Income shares		
	09/11/2018 ²	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	136.89	142.82	112.51	188.89	171.92	143.23
Return before operating charges (p)	10.67	(3.56)	32.33	(1.37)	20.65	31.87
Operating charges (p)	(1.61)	(2.37)	(2.02)	(2.01)	(1.98)	(1.64)
Return after operating charges (p)*	9.06	(5.93)	30.31	(3.38)	18.67	30.23
Distributions (p)	(1.05)	(0.57)	(0.45)	(1.97)	(1.70)	(1.54)
Retained distributions on accumulation shares (p)	1.05	0.57	0.45	–	–	–
Closing net asset value per share (p)	145.95	136.89	142.82	183.54	188.89	171.92
*after direct transaction costs of (p)	0.08	0.09	0.19	0.11	0.11	0.24
Performance						
Return after charges (%)	6.62	(4.15)	26.94	(1.79)	10.86	21.11
Other information						
Closing net asset value (£000)	–	10,151	10,179	1,233	3,367	23,649
Closing number of shares	–	7,414,994	7,127,197	671,722	1,782,764	13,756,276
Operating charges (%)**	–	1.63	1.63	1.06	1.07	1.05
Direct transaction costs (%)***	–	0.06	0.15	0.06	0.06	0.15
Prices						
Highest share price (p)	160.91	153.65	142.89	207.38	200.18	173.51
Lowest share price (p)	133.26	135.42	108.54	170.82	171.60	141.22

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Income shares	Class 2 – Accumulation shares		
	09/11/2018 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	198.30	333.00	300.37	248.04
Return before operating charges (p)	(13.78)	(2.42)	36.15	55.23
Operating charges (p)	(0.70)	(3.55)	(3.52)	(2.90)
Return after operating charges (p)*	(14.48)	(5.97)	32.63	52.33
Distributions (p)	(2.16)	(3.47)	(2.97)	(2.67)
Retained distributions on accumulation shares (p)	–	3.47	2.97	2.67
Closing net asset value per share (p)	181.66	327.03	333.00	300.37
*after direct transaction costs of (p)		0.20	0.20	0.41
Performance				
Return after charges (%)	0.05	(1.79)	10.86	21.10
Other information				
Closing net asset value (£000)	–	195,428	556,027	698,969
Closing number of shares	–	59,757,401	166,976,283	232,701,017
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.06	0.06	0.15
Prices				
Highest share price (p)	207.38	365.60	349.75	300.46
Lowest share price (p)	177.97	301.13	299.82	244.55
	Class 2 EUR – Accumulation shares	Class 2 USD Hedged – Accumulation shares		
	09/11/2018 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	349.58	139.61	144.80	113.42
Return before operating charges (p)	(28.10)	16.60	(3.62)	32.72
Operating charges (p)	(1.23)	(1.60)	(1.57)	(1.34)
Return after operating charges (p)*	(29.33)	15.00	(5.19)	31.38
Distributions (p)	(3.81)	(1.45)	(1.42)	(1.18)
Retained distributions on accumulation shares (p)	3.81	1.45	1.42	1.18
Closing net asset value per share (p)	320.25	154.61	139.61	144.80
*after direct transaction costs of (p)	0.09	0.09	0.09	0.19
Performance				
Return after charges (%)	(8.39)	10.74	(3.58)	27.67
Other information				
Closing net asset value (£000)	–	15,308	19,050	31,857
Closing number of shares	–	9,901,087	13,645,147	22,000,553
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.06	0.06	0.15
Prices				
Highest share price (p)	365.60	164.57	156.02	144.84
Lowest share price (p)	313.74	135.99	138.05	109.54

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	136.69	122.07	99.80	152.02	138.36	115.26
Return before operating charges (p)	(1.02)	14.70	22.34	(1.11)	16.65	25.69
Operating charges (p)	(0.08)	(0.08)	(0.07)	(1.27)	(1.28)	(1.06)
Return after operating charges (p)*	(1.10)	14.62	22.27	(2.38)	15.37	24.63
Distributions (p)	(2.80)	(2.56)	(2.19)	(1.93)	(1.71)	(1.53)
Retained distributions on accumulation shares (p)	2.80	2.56	2.19	–	–	–
Closing net asset value per share (p)	135.59	136.69	122.07	147.71	152.02	138.36
*after direct transaction costs of (p)	0.08	0.08	0.17	0.09	0.09	0.19
Performance						
Return after charges (%)	(0.80)	11.98	22.31	(1.57)	11.11	21.37
Other information						
Closing net asset value (£000)	106,330	78,459	44,254	142,693	186,351	103,327
Closing number of shares	78,419,864	57,399,396	36,252,507	96,604,604	122,581,844	74,679,528
Operating charges (%)**	0.06	0.06	0.06	0.83	0.83	0.83
Direct transaction costs (%)***	0.06	0.06	0.15	0.06	0.06	0.15
Prices						
Highest share price (p)	150.79	143.38	122.11	167.08	161.42	139.93
Lowest share price (p)	124.60	121.85	98.59	137.72	138.11	113.68
	Class Z – Accumulation shares			Class Z EUR – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	193.92	174.52	143.80	203.70		
Return before operating charges (p)	(1.43)	21.01	32.04	(16.37)		
Operating charges (p)	(1.62)	(1.61)	(1.32)	(0.56)		
Return after operating charges (p)*	(3.05)	19.40	30.72	(16.93)		
Distributions (p)	(2.46)	(2.16)	(1.91)	(2.53)		
Retained distributions on accumulation shares (p)	2.46	2.16	1.91	2.53		
Closing net asset value per share (p)	190.87	193.92	174.52	186.77		
*after direct transaction costs of (p)	0.11	0.12	0.24	0.05		
Performance						
Return after charges (%)	(1.57)	11.12	21.36	(8.31)		
Other information						
Closing net asset value (£000)	798,932	1,176,987	911,369	–		
Closing number of shares	418,570,008	606,959,394	522,202,689	–		
Operating charges (%)**	0.83	0.83	0.83	–		
Direct transaction costs (%)***	0.06	0.06	0.15	–		
Prices						
Highest share price (p)	213.13	203.61	174.58	213.13		
Lowest share price (p)	175.68	174.20	141.83	182.96		

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares
	09/11/2018 ¹
Change in net assets per share	
Opening net asset value per share (p)	203.70
Return before operating charges (p)	(16.37)
Operating charges (p)	(0.56)
Return after operating charges (p)*	(16.93)
Distributions (p)	(2.53)
Retained distributions on accumulation shares (p)	2.53
Closing net asset value per share (p)	186.77
*after direct transaction costs of (p)	0.05
Performance	
Return after charges (%)	(8.31)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Performance fee (%)	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	213.13
Lowest share price (p)	182.96

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

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

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

Threadneedle European Select Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(106,880)	276,012
Forward currency contracts	4,328	(8,042)
Other gains	132	543
Transaction costs	(3)	(3)
Net capital (losses)/gains	(102,423)	268,510

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	64,170	64,481
Interest on debt securities	–	34
Bank interest	6	15
Management fee rebate on collective investment scheme holdings	4	–
Total revenue	64,180	64,530

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(25,801)	(33,280)
Registration fees	(1,578)	(2,221)
	(27,379)	(35,501)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(306)	(374)
Safe custody fees	(136)	(164)
Revenue collection expenses	(60)	(28)
	(502)	(566)
Other expenses:		
Regulatory fees	(8)	(6)
Audit fees	(9)	(12)
Non audit service fees payable to auditors	–	(5)
Professional fees	–	(2)
	(17)	(25)
Total expenses*	(27,898)	(36,092)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(109)	(115)
Total interest payable & similar charges	(109)	(115)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(3,620)	(3,508)
Total current tax (note 6b)	(3,620)	(3,508)
Total tax charge for the period	(3,620)	(3,508)
b) Factors affecting taxation charge for period		
Net revenue before taxation	36,173	28,323
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(7,235)	(5,665)

Effects of:

Revenue not subject to taxation	12,874	12,875
Overseas taxes	(3,620)	(3,508)
Excess expenses	(5,638)	(7,188)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	(22)
Current tax charge for period (note 6a)	(3,620)	(3,508)

The fund has not recognised a deferred tax asset of £21,379,128 (2018: £15,741,036) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	11,370	–
Final	17,941	25,505
	29,311	25,505
Add: Revenue deducted on the cancellation of shares	20,170	4,554
Deduct: Revenue received on the creation of shares	(16,924)	(5,133)
Net distribution for the period	32,557	24,926
Net revenue after taxation	32,553	24,815
Equalisation on conversion	4	111
Undistributed revenue brought forward	–	1
Undistributed revenue carried forward	–	(1)
Total distributions	32,557	24,926

Details of the distribution per share are set out in the table on pages 91 to 92.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	479	2,197
Sales awaiting settlement	6,205	–
Accrued revenue	560	1,236
Foreign withholding tax recoverable*	7,126	9,813
Total debtors	14,370	13,246

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(1,741)	(2,865)
Accrued expenses	(35)	(79)
Amounts payable to ACD	(1,350)	(3,378)
Total other creditors	(3,126)	(6,322)

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 European Select Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.080%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 93 to 97.

The distribution per share class is given in the distribution table on pages 91 to 92.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	3,179,272
Shares issued	325,611
Shares redeemed	(37,512)
Net conversions	(3,185,870)
Closing shares	<u>281,501</u>
Class 1 EUR – Income shares*	
Opening shares	–
Shares issued	250,193
Shares redeemed	(153,503)
Net conversions	(96,690)
Closing shares	<u>–</u>
Class 1 – Accumulation shares	
Opening shares	363,087,509
Shares issued	12,504,263
Shares redeemed	(11,384,751)
Net conversions	(271,718,025)
Closing shares	<u>92,488,996</u>
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	835,432
Shares redeemed	(12,403,254)
Net conversions	11,567,822
Closing shares	<u>–</u>
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	18,800
Shares redeemed	(65,405)
Net conversions	46,605
Closing shares	<u>–</u>
Class 1 SGD Hedged – Accumulation shares	
Opening shares	19,220,877
Shares issued	279,433
Shares redeemed	(5,726,715)
Net conversions	(13,773,595)
Closing shares	<u>–</u>
Class 1 USD Hedged – Accumulation shares	
Opening shares	7,414,994
Shares issued	162,619
Shares redeemed	(4,294,206)
Net conversions	(3,283,407)
Closing shares	<u>–</u>

	2019
Class 2 – Income shares	
Opening shares	1,782,764
Shares issued	17,397
Shares redeemed	(393,496)
Net conversions	(734,943)
Closing shares	<u>671,722</u>
Class 2 EUR – Income shares*	
Opening shares	–
Shares issued	1,010
Shares redeemed	(71,001)
Net conversions	69,991
Closing shares	<u>–</u>
Class 2 – Accumulation shares	
Opening shares	166,976,283
Shares issued	10,260,111
Shares redeemed	(47,099,917)
Net conversions	(70,379,076)
Closing shares	<u>59,757,401</u>
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	494,877
Shares redeemed	(7,911,819)
Net conversions	7,416,942
Closing shares	<u>–</u>
Class 2 USD Hedged – Accumulation shares	
Opening shares	13,645,147
Shares issued	1,506,838
Shares redeemed	(5,250,898)
Net conversions	–
Closing shares	<u>9,901,087</u>
Class X – Accumulation shares	
Opening shares	57,399,396
Shares issued	21,219,165
Shares redeemed	(198,697)
Net conversions	–
Closing shares	<u>78,419,864</u>
Class Z – Income shares	
Opening shares	122,581,844
Shares issued	5,228,743
Shares redeemed	(31,453,690)
Net conversions	247,707
Closing shares	<u>96,604,604</u>
Class Z – Accumulation shares	
Opening shares	606,959,394
Shares issued	21,464,833
Shares redeemed	(82,512,275)
Net conversions	(127,341,944)
Closing shares	<u>418,570,008</u>
Class Z EUR – Accumulation shares*	
Opening shares	–
Shares issued	3,859,689
Shares redeemed	(21,939,256)
Net conversions	18,079,567
Closing shares	<u>–</u>
Class Z USD – Accumulation shares*	
Opening shares	–
Shares issued	1,873,813
Shares redeemed	(19,610)
Net conversions	(1,854,203)
Closing shares	<u>–</u>

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

Threadneedle European Select Fund

Notes to the financial statements

(continued)

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.53% and vice versa (2018: 4.40%).

Currency exposures

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

	Total
Currency 2019	£000
Danish Krone	71,184
Euro	1,247,648
Swedish Krona	98,301
Swiss Franc	34,343
US Dollar	79,113
Currency 2018	£000
Danish Krone	111,056
Euro	2,471,719
Singapore Dollar	32,217
Swedish Krona	279,132
Swiss Franc	131,221
US Dollar	119,445

Currency sensitivity analysis

The only material currency exposure of the fund is to the Euro. A movement of 4.04% (2018: 3.11%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 3.30% (2018: 2.45%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
2019	£000
Counterparty	
J.P. Morgan	51
2018	£000
Counterparty	
Barclays	2

The fund did not hold any collateral received from the fund's counterparties in the current year (2018: £107,000). 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 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Danish Krone	–	–	71,184	71,184
Euro	12,002	–	1,251,928	1,263,930
Swedish Krona	–	–	98,301	98,301
Swiss Franc	1	–	34,342	34,343
UK Sterling	14	–	1,414	1,428
US Dollar	4	–	79,109	79,113

Currency 2018	£000	£000	£000	£000
Danish Krone	–	–	111,056	111,056
Euro	4,595	–	2,529,374	2,533,969
Singapore Dollar	16	–	32,212	32,228
Swedish Krona	–	–	279,132	279,132
Swiss Franc	1	–	131,220	131,221
UK Sterling	224	–	2,143	2,367
US Dollar	1	–	119,504	119,505

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	–	–	(16,282)	(16,282)
UK Sterling	–	–	(5,003)	(5,003)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(62,250)	(62,250)
Singapore Dollar	–	–	(11)	(11)
UK Sterling	–	–	(8,828)	(8,828)
US Dollar	–	–	(60)	(60)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £51,000 (2018: £2,000) and a liability value of £Nil (2018: £306,000).

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	1,505,575	–	3,129,015	–
Level 2	51	–	2	(306)
	1,505,626	–	3,129,017	(306)

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

Threadneedle European Select Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
Purchases					
Equities	448,811	255	0.06	411	0.09
Collective investment schemes	43,974	–	–	–	–
Total	492,785	255		411	

Gross purchases total: 493,451

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
Sales					
Equities	795,840	490	0.02	1	–
Collective investment schemes	42,579	–	–	–	–
Inspecie transactions	1,167,599	–	–	–	–
Corporate actions	4,981	–	–	–	–
Total	2,010,999	490		1	

Total sales net of transaction costs: 2,010,508

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.02%

7 March 2018

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
Purchases					
Equities	825,855	700	0.08	435	0.05
Collective investment schemes	13,224	–	–	–	–
Total	839,079	700		435	

Gross purchases total: 840,214

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
Sales					
Equities	840,554	716	0.09	1	0.00
Collective investment schemes	13,312	–	–	–	–
Total	853,866	716		1	

Total sales net of transaction costs: 853,149

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.01%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.06% (7 March 2018: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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 ("SWT") 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 7 March 2019 within foreign withholding tax recoverable we continue to accrue for the refunds which amount to £3,049,443 which represents 0.20% of the overall NAV. Given the uncertainty that remained in relation to the payment of these accrued SWT reclaim amounts, and the length of time that had passed with no material

change in STA's position, the decision was taken to write off the SWT accruals within the Fund as of 22 March 2019 and cease all future SWT accruals for SWT reclaims. For the avoidance of doubt, we will continue to pursue all outstanding and future SWT claims. Any SWT reclaims that are paid by the STA will be treated as windfall gains to the Funds.

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 (p)		
	7 March 2019	20 May 2019	% Movement
Class 2 USD Hedged – Accumulation shares	154.65	170.54	10.28

Threadneedle European Smaller Companies Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies domiciled in Continental Europe or with significant Continental European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle European Smaller Companies Fund has fallen from 870.19p to 827.48p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -5.60% as compared to a median return of -10.21% over the same period. (For information the EMIX Smaller Europe ex UK Index returned -7.89% over the same period).

Market Overview and Portfolio Activity

This was a volatile period for European equities.

Markets initially delivered strong gains and the eurozone's composite Purchasing Managers' Index pushed firmly into expansionary territory. Data later showed continuing growth, but at a slower pace, and GDP figures indicated a loss of momentum

in Germany. Sectors linked to economic expansion suffered from profit-taking during the fourth quarter of 2018 as investors rotated into defensive stocks, and oil prices dropped sharply.

The European Central Bank completed its bond-buying stimulus plan – this programme had helped to drive the region's post-crisis economic recovery. Monetary policy in the region continued to be accommodative; interest rates remained on hold at record lows. Markets were unsettled by President Trump's protectionism, which led to tariffs on goods imported into the US from China and Europe. Stocks also reacted to rising political risk in the eurozone. Italy's new populist government unnerved investors by targeting a larger-than-expected budget deficit for 2019.

2019 started on a more upbeat note and markets rebounded. News that the US and China were to hold further talks reignited hopes that President Trump may soften his stance on trade tariffs. Investors were also reassured when the US Federal Reserve adopted a more dovish tone, signalling that it was alert to the downside economic risks of further rapid interest-rate increases.

The UK remained mired in Brexit negotiations, and GDP figures indicated a contraction in December 2018 as economic uncertainty took its toll. During the review period, it was unclear whether the proposed Brexit date of 29 March would be delayed, whether an acceptable alternative agreement would emerge, or whether the UK would leave the EU with no deal.

Purchases included new holdings in InterXion and SEB Group. InterXion provides outsourced data storage and network

infrastructure. Its market share in Europe is large, and this is a growth sector. SEB Group is a kitchen-product business. The company's brands give it pricing power and penetration in emerging markets is very successful, especially in China. We also took advantage of share-price weakness to open a new holding in VAT Group, a manufacturer of vacuum valves and other products for the electronics industry.

We sold telecom-mast firm El Towers and Ahlsell, a distributor of installation products, tools and supplies, following takeover bids. Other sales included Paddy Power Betfair; the regulatory situation has changed in the UK to the detriment of betting companies.

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

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

Our main focus in managing the portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(192,816)	343,228
Revenue	3	42,175	37,438
Expenses	4	(24,846)	(29,287)
Interest payable and similar charges	5	(103)	(189)
Net revenue before taxation		17,226	7,962
Taxation	6	(2,096)	(2,172)
Net revenue after taxation		15,130	5,790
Total return before distributions		(177,686)	349,018
Distributions	7	(15,139)	(5,812)
Change in net assets attributable to shareholders from investment activities		(192,825)	343,206

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		451,724	2,242,688
Current assets:			
Debtors	8	1,772	21,273
Cash and bank balances		102	16,051
Cash equivalents**		1,029	21,347
Total assets		454,627	2,301,359
Liabilities:			
Investment liabilities		(1)	(20)
Creditors:			
Distribution payable		(257)	(184)
Other creditors	9	(2,890)	(11,960)
Total liabilities		(3,148)	(12,164)
Net assets attributable to shareholders		451,479	2,289,195

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	2,289,195	1,717,667
Amounts receivable on the issue of shares	2,274,838	464,080
Amounts payable on the cancellation of shares	(2,447,181)	(243,073)
Amounts payable on inspecie transfers	(1,485,655)	–
	(1,657,998)	221,007
Dilution adjustment	173	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(192,825)	343,206
Retained distribution on accumulation shares	12,934	7,315
Closing net assets attributable to shareholders	451,479	2,289,195

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.1261	–	1.1261	0.4960
Group 2 08/03/18 to 07/03/19	–	1.1261	1.1261	0.4960
Total distributions in the period			1.1261	0.4960

Class 1 EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019
Group 1 08/03/18 to 07/03/19	1.1249	–	1.1249
Group 2 08/03/18 to 07/03/19	–	1.1249	1.1249
Total distributions in the period			1.1249

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle European Smaller Companies Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.1532	–	1.1532	0.5095
Group 2 08/03/18 to 07/03/19	–	1.1532	1.1532	0.5095
Total distributions in the period			1.1532	0.5095

Class 1 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	4.0669	–	4.0669	
Group 2 08/03/18 to 07/03/19	–	4.0669	4.0669	
Total distributions in the period			4.0669	

Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	0.6424	–	0.6424	0.1774
Group 2 08/03/18 to 07/03/19	–	0.6424	0.6424	0.1774
Total distributions in the period			0.6424	0.1774

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	7.2538	–	7.2538	6.2614
Group 2 08/03/18 to 07/03/19	0.2881	6.9657	7.2538	6.2614
Total distributions in the period			7.2538	6.2614

Class 2 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	8.9274	–	8.9274	
Group 2 08/03/18 to 07/03/19	–	8.9274	8.9274	
Total distributions in the period			8.9274	

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.7199	–	1.7199	1.5241
Group 2 08/03/18 to 07/03/19	–	1.7199	1.7199	1.5241
Total distributions in the period			1.7199	1.5241

Class Z EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.9668	–	1.9668	
Group 2 08/03/18 to 07/03/19	–	1.9668	1.9668	
Total distributions in the period			1.9668	

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.8918	–	1.8918	1.6632
Group 2 08/03/18 to 07/03/19	0.2056	1.6862	1.8918	1.6632
Total distributions in the period			1.8918	1.6632

Class Z EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.1635	–	2.1635	
Group 2 08/03/18 to 07/03/19	–	2.1635	2.1635	
Total distributions in the period			2.1635	

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.5059	–	1.5059	1.3094
Group 2 08/03/18 to 07/03/19	–	1.5059	1.5059	1.3094
Total distributions in the period			1.5059	1.3094

Group 2: shares purchased during a distribution period.

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

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2019	07/03/2018	07/03/2017	07/03/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	846.11	710.70	566.89	892.73
Return before operating charges (p)	(27.05)	149.44	154.63	(77.99)
Operating charges (p)	(14.41)	(13.53)	(10.64)	(10.10)
Return after operating charges (p)*	(41.46)	135.91	143.99	(88.09)
Distributions (p)	(1.13)	(0.50)	(0.18)	(1.12)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	803.52	846.11	710.70	803.52
*after direct transaction costs of (p)	0.71	0.48	0.40	0.70
Performance				
Return after charges (%)	(4.90)	19.12	25.40	(9.87)
Other information				
Closing net asset value (£000)	436	37,151	22,964	34,005
Closing number of shares	54,266	4,390,817	3,231,135	4,231,965
Operating charges (%)**	1.69	1.67	1.67	1.67 ¹
Direct transaction costs (%)***	0.08	0.06	0.06	0.08
Prices				
Highest share price (p)	921.17	871.49	711.58	921.17
Lowest share price (p)	726.80	711.50	559.28	726.80
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	23/11/2018 ²
Change in net assets per share				
Opening net asset value per share (p)	869.42	729.86	582.03	892.73
Return before operating charges (p)	(27.84)	153.42	158.72	(97.91)
Operating charges (p)	(14.76)	(13.86)	(10.89)	(5.66)
Return after operating charges (p)*	(42.60)	139.56	147.83	(103.57)
Distributions (p)	(1.15)	(0.51)	(0.16)	(4.07)
Retained distributions on accumulation shares (p)	1.15	0.51	0.16	4.07
Closing net asset value per share (p)	826.82	869.42	729.86	789.16
*after direct transaction costs of (p)	0.73	0.49	0.41	0.27
Performance				
Return after charges (%)	(4.90)	19.12	25.40	(11.60)
Other information				
Closing net asset value (£000)	83,057	1,340,754	1,065,302	–
Closing number of shares	10,045,388	154,211,766	145,959,714	–
Operating charges (%)**	1.69	1.67	1.67	–
Direct transaction costs (%)***	0.08	0.06	0.06	–
Prices				
Highest share price (p)	946.55	894.98	730.59	946.55
Lowest share price (p)	746.83	730.67	574.21	789.16

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class 1 CHF Hedged – Accumulation shares			Class 2 – Accumulation shares		
	23/11/2018 ²	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	143.32	131.53	103.34	979.38	817.13	647.63
Return before operating charges (p)	(8.50)	14.16	30.09	(31.76)	172.11	177.18
Operating charges (p)	(1.26)	(2.37)	(1.90)	(10.48)	(9.86)	(7.68)
Return after operating charges (p)*	(9.76)	11.79	28.19	(42.24)	162.25	169.50
Distributions (p)	(0.64)	(0.18)	(0.01)	(7.25)	(6.26)	(4.63)
Retained distributions on accumulation shares (p)	0.64	0.18	0.01	7.25	6.26	4.63
Closing net asset value per share (p)	133.56	143.32	131.53	937.14	979.38	817.13
*after direct transaction costs of (p)	0.06	0.08	0.07	0.82	0.55	0.45
Performance						
Return after charges (%)	(6.81)	8.96	27.28	(4.31)	19.86	26.17
Other information						
Closing net asset value (£000)	–	374	196	108,819	385,333	334,659
Closing number of shares	–	260,891	148,890	11,611,884	39,344,529	40,955,479
Operating charges (%)**	–	1.67	1.66	1.07	1.06	1.06
Direct transaction costs (%)***	–	0.06	0.06	0.08	0.06	0.06
Prices						
Highest share price (p)	159.99	149.00	131.69	1,069.41	1,007.29	817.94
Lowest share price (p)	133.56	131.89	101.48	845.43	818.05	638.96
	Class 2 EUR – Accumulation shares			Class Z – Income shares		
	23/11/2018 ²			07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	1,035.08			188.06	157.90	125.83
Return before operating charges (p)	(138.13)			(6.14)	33.27	34.48
Operating charges (p)	(4.07)			(1.64)	(1.59)	(1.26)
Return after operating charges (p)*	(142.20)			(7.78)	31.68	33.22
Distributions (p)	(8.93)			(1.72)	(1.52)	(1.15)
Retained distributions on accumulation shares (p)	8.93			–	–	–
Closing net asset value per share (p)	892.88			178.56	188.06	157.90
*after direct transaction costs of (p)	0.31			0.16	0.11	0.09
Performance						
Return after charges (%)	(13.74)			(4.14)	20.06	26.40
Other information						
Closing net asset value (£000)	–			21,697	20,019	11,790
Closing number of shares	–			12,151,117	10,644,917	7,466,765
Operating charges (%)**	–			0.88	0.88	0.88
Direct transaction costs (%)***	–			0.08	0.06	0.06
Prices						
Highest share price (p)	1,069.41			205.52	194.94	159.20
Lowest share price (p)	892.88			162.57	158.08	124.15

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z EUR – Income shares	Class Z – Accumulation shares		
	23/11/2018 ²	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	198.85	206.89	172.32	136.33
Return before operating charges (p)	(24.59)	(6.75)	36.31	37.34
Operating charges (p)	(0.62)	(1.82)	(1.74)	(1.35)
Return after operating charges (p)*	(25.21)	(8.57)	34.57	35.99
Distributions (p)	(1.97)	(1.89)	(1.66)	(1.24)
Retained distributions on accumulation shares (p)	–	1.89	1.66	1.24
Closing net asset value per share (p)	171.67	198.32	206.89	172.32
*after direct transaction costs of (p)	0.06	0.17	0.12	0.10
Performance				
Return after charges (%)	(12.68)	(4.14)	20.06	26.40
Other information				
Closing net asset value (£000)	–	203,465	504,483	282,260
Closing number of shares	–	102,592,660	243,838,268	163,804,006
Operating charges (%)**	–	0.88	0.88	0.88
Direct transaction costs (%)***	–	0.08	0.06	0.06
Prices				
Highest share price (p)	205.52	226.10	212.74	172.49
Lowest share price (p)	171.67	178.85	172.51	134.51
	Class Z EUR – Accumulation shares	Class Z CHF Hedged – Accumulation shares		
	23/11/2018 ²	23/11/2018 ³	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	218.76	146.30	133.18	103.79
Return before operating charges (p)	(29.19)	(8.47)	14.39	30.43
Operating charges (p)	(0.71)	(0.68)	(1.27)	(1.04)
Return after operating charges (p)*	(29.90)	(9.15)	13.12	29.39
Distributions (p)	(2.16)	(1.51)	(1.31)	(0.94)
Retained distributions on accumulation shares (p)	2.16	1.51	1.31	0.94
Closing net asset value per share (p)	188.86	137.15	146.30	133.18
*after direct transaction costs of (p)	0.06	0.06	0.09	0.07
Performance				
Return after charges (%)	(13.67)	(6.25)	9.85	28.32
Other information				
Closing net asset value (£000)	–	–	1,081	496
Closing number of shares	–	–	739,107	372,501
Operating charges (%)**	–	–	0.88	0.88
Direct transaction costs (%)***	–	–	0.06	0.06
Prices				
Highest share price (p)	226.10	163.94	151.20	133.32
Lowest share price (p)	188.86	137.15	133.54	102.08

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

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

¹Commenced 15 June 2018.

²Commenced 15 June 2018 and closed 23 November 2018.

³Closed 23 November 2018.

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

Threadneedle European Smaller Companies Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(193,347)	340,802
Forward currency contracts	326	(48)
Other gains	213	2,480
Transaction costs	(8)	(6)
Net capital (losses)/gains	(192,816)	343,228

3 REVENUE

	2019 £000	2018 £000
UK dividends	506	449
Overseas dividends	41,661	36,977
Bank interest	–	12
Subsidized expense rebate	8	–
Total revenue	42,175	37,438

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(22,301)	(26,350)
Registration fees	(2,198)	(2,535)
	(24,499)	(28,885)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(220)	(252)
Safe custody fees	(112)	(129)
	(332)	(381)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(8)	(10)
Non audit service fees payable to auditors	–	(3)
Professional fees	–	(2)
	(15)	(21)
Total expenses*	(24,846)	(29,287)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(103)	(189)
Total interest payable & similar charges	(103)	(189)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(2,096)	(2,172)
Total current tax (note 6b)	(2,096)	(2,172)
Total tax charge for the period	(2,096)	(2,172)
b) Factors affecting taxation charge for period		
Net revenue before taxation	17,226	7,962
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,445)	(1,592)

Effects of:

Revenue not subject to taxation	8,438	7,469
Overseas taxes	(2,096)	(2,172)
Excess expenses	(4,991)	(5,872)
Retail Distribution Review (RDR) conversion transfer from capital	(2)	(5)
Current tax charge for period (note 6a)	(2,096)	(2,172)

The fund has not recognised a deferred tax asset of £7,659,893 (2018: £2,669,123) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	10,329	–
Final	3,156	7,499
	13,485	7,499
Add: Revenue deducted on the cancellation of shares	21,406	1,844
Deduct: Revenue received on the creation of shares	(19,752)	(3,531)
Net distribution for the period	15,139	5,812
Net revenue after taxation	15,130	5,790
Equalisation on conversion	9	22
Total distributions	15,139	5,812

Details of the distribution per share are set out in the table on pages 102 to 103.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	268	7,535
Sales awaiting settlement	134	9,766
Accrued revenue	8	264
Foreign withholding tax recoverable*	1,362	3,708
Total debtors	1,772	21,273

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(2,391)	(8,083)
Purchases awaiting settlement	–	(844)
Accrued expenses	(18)	(59)
Amounts payable to ACD	(481)	(2,974)
Total other creditors	(2,890)	(11,960)

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 European Smaller Companies Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle European Smaller Companies 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	0.150%
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 104 to 106. The distribution per share class is given in the distribution table on pages 102 to 103. All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	4,390,817
Shares issued	468,303
Shares redeemed	(193,313)
Net conversions	(4,611,541)
Closing shares	<u>54,266</u>
Class 1 EUR – Income shares*	
Opening shares	–
Shares issued	586,587
Shares redeemed	(976,440)
Net conversions	4,621,818
Closing shares	<u>4,231,965</u>
Class 1 – Accumulation shares	
Opening shares	154,211,766
Shares issued	3,016,921
Shares redeemed	(4,478,981)
Net conversions	(142,704,318)
Closing shares	<u>10,045,388</u>
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	3,016,466
Shares redeemed	(18,566,313)
Net conversions	15,549,847
Closing shares	<u>–</u>
Class 1 CHF Hedged – Accumulation shares	
Opening shares	260,891
Shares issued	10
Shares redeemed	(10,001)
Net conversions	(250,900)
Closing shares	<u>–</u>
Class 2 – Accumulation shares	
Opening shares	39,344,529
Shares issued	4,262,122
Shares redeemed	(3,539,909)
Net conversions	(28,454,858)
Closing shares	<u>11,611,884</u>
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	2,966,567
Shares redeemed	(8,510,615)
Net conversions	5,544,048
Closing shares	<u>–</u>
Class Z – Income shares	
Opening shares	10,644,917
Shares issued	5,154,264
Shares redeemed	(2,368,283)
Net conversions	(1,279,781)
Closing shares	<u>12,151,117</u>

	2019
Class Z EUR – Income shares*	
Opening shares	–
Shares issued	13,621,773
Shares redeemed	(158,447)
Net conversions	(13,463,326)
Closing shares	<u>–</u>
Class Z – Accumulation shares	
Opening shares	243,838,268
Shares issued	43,507,004
Shares redeemed	(22,631,640)
Net conversions	(162,120,972)
Closing shares	<u>102,592,660</u>
Class Z EUR – Accumulation shares*	
Opening shares	–
Shares issued	11,374,775
Shares redeemed	(46,251,668)
Net conversions	34,876,893
Closing shares	<u>–</u>
Class Z CHF Hedged – Accumulation shares	
Opening shares	739,107
Shares issued	375,242
Shares redeemed	(10,000)
Net conversions	(1,104,349)
Closing shares	<u>–</u>

*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 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.06% and vice versa (2018: 4.52%).

Currency exposures

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

	Total £000	
Currency 2019		
Danish Krone	25,649	
Euro	341,526	
Norwegian Krone	4	
Swedish Krona	30,410	
Swiss Franc	45,966	
US Dollar	9,327	
Currency 2018	£000	
Danish Krone	118,298	
Euro	1,718,232	
Norwegian Krone	35,493	
Swedish Krona	266,337	
Swiss Franc	155,521	
US Dollar	155	
Currency sensitivity analysis		
The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).		
	Currency movement	Fund movement
Currency 2019	%	%
Euro	4.04	3.06
Swiss Franc	1.35	0.14
	Currency movement	Fund movement
Currency 2018	%	%
Euro	3.11	2.34
Swiss Franc	4.12	0.48

Threadneedle European Smaller Companies 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
2019	£000
Counterparty	
Bank of Scotland	1
2018	Forward Foreign Exchange Contracts Exposure
Counterparty	£000
Barclays	5

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Danish Krone	–	–	25,649	25,649
Euro	14	–	342,964	342,978
Norwegian Krone	–	–	4	4
Swedish Krona	36	–	30,374	30,410
Swiss Franc	1	–	45,965	45,966
UK Sterling	15	–	1,730	1,745
US Dollar	36	–	9,291	9,327
Currency 2018	£000	£000	£000	£000
Danish Krone	–	–	118,298	118,298
Euro	15,921	26,838	1,677,821	1,720,580
Norwegian Krone	–	–	35,493	35,493
Swedish Krona	1	–	266,336	266,337
Swiss Franc	–	–	155,521	155,521
UK Sterling	128	–	7,535	7,663
US Dollar	1	–	154	155
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	–	–	(1,452)	(1,452)
UK Sterling	–	–	(3,148)	(3,148)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(2,348)	(2,348)
UK Sterling	–	–	(12,504)	(12,504)

Interest rate risk sensitivity

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

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 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £1,000 (2018: £5,000) and a liability value of £1,000 (2018: £20,000).

14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

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

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

	2019		2018	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	452,752	–	2,264,030	–
Level 2	1	–	5	(20)
	<u>452,753</u>	<u>–</u>	<u>2,264,035</u>	<u>(20)</u>

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

	Value £000	Commissions £000	%	Taxes £000	%
7 March 2019					
Purchases					
Equities	460,476	271	0.06	245	0.05
Collective investment schemes	29,108	–	–	–	–
Total	489,584	271		245	
Gross purchases total:	490,100				
Sales					
Equities	563,593	330	0.02	–	–
Collective investment schemes	54,435	–	–	–	–
Inspecie transactions	1,481,035	–	–	–	–
Corporate actions	9,539	–	–	–	–
Total	2,108,602	330		–	
Total sales net of transaction costs:	2,108,272				
Transaction costs as a percentage of average Net Assets					
Commissions:		0.06%			
Taxes:		0.02%			

	Value £000	Commissions £000	%	Taxes £000	%
7 March 2018					
Purchases					
Equities	552,251	457	0.08	498	0.09
Collective investment schemes	26,495	–	–	–	–
Total	578,746	457		498	
Gross purchases total:	579,701				

Threadneedle European Smaller Companies Fund

Notes to the financial statements

(continued)

Sales	Value	Commissions	Taxes		
	£000	£000	%	£000	%
Equities	338,210	297	0.09	–	–
Total	338,210	297		–	

Total sales net of transaction costs: 337,913

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.02%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.15% (7 March 2018: 0.18%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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 ("SWT") 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 7 March 2019 within foreign withholding tax recoverable we continue to accrue for the refunds which amount to £483,119 which represents 0.11% of the overall NAV. Given the uncertainty that remained in relation to the payment of these accrued SWT reclaim amounts, and the length of time that had passed with no material change in STA's position, the decision was taken to write off the SWT accruals within the Fund as of 22 March 2019 and cease all future SWT accruals for SWT reclaims. For the avoidance of doubt, we will continue to pursue all outstanding and future SWT claims. Any SWT reclaims that are paid by the STA will be treated as windfall gains to the Funds.

Threadneedle European Bond Fund

Investment Report

Investment Objective

To achieve total return primarily by way of income with some capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in European public sector sovereign bonds and corporate bonds, issued by companies domiciled in Europe or with significant European operations, denominated in a range of European currencies or other Euro denominated public sector sovereign bonds and corporate bonds. The Fund has the flexibility to invest in bonds issued by Eastern European issuers.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle European Bond Fund has fallen from 79.09p to 77.30p.

The sterling total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -1.04%, which equates approximately to -0.57% gross of tax and charges**. For information the ICE BofAML Pan-Europe Broad Market Index returned -1.01% over the same period.

Market Overview and Portfolio Activity

Over the review period, yields on core government bonds generally fell, but those on emerging-market debt and some peripheral eurozone government issues rose as risk assets fell out of favour. The main factors unsettling investors included growing political risk in Europe, heightened geopolitical tensions between the West and Russia, jitters over President Trump's administration, America's tariff war against China and other key trading partners, and, related to the latter, evidence of economic deceleration in China.

There was also the prospect of tighter monetary conditions. The Federal Reserve (Fed) led the way, hiking US interest rates four times during 2018, but became more dovish around the turn of

the year. This led both core bonds and riskier debt to rally so far in 2019. Bonds issued by the euro area's periphery and emerging markets were also supported by hopes of a breakthrough in the US-China trade talks.

Europe remains far behind the US in normalising monetary policy. While the European Central Bank (ECB) took its first steps last year, by finally terminating net new purchases under its massive bond-buying programme, it recently announced more stimulus measures via long-term lending operations to banks, after growth in the region stalled in 2018.

The Bank of England (BoE) raised rates once over the review period, in August, as improving economic data convinced policymakers that the slowdown in early 2018 had been largely weather-induced. Thereafter, growth momentum faded as fears of a no-deal Brexit grew. This dampened expectations of further rate hikes, and the BoE recently reduced its UK growth projections, citing Brexit-related uncertainty. Despite this, gilt yields rose towards the end of the review period amid optimism that the UK's exit from the EU might be delayed.

In the eurozone's periphery, yields rose and spreads over comparable German bonds widened, chiefly because of fears over the formation of a eurosceptic government in Italy and, later, the populists' insistence on a free-spending budget against the EU's wishes. While Italy and the EU ultimately agreed on a revised budget deficit, investors remained anxious about the European political landscape, owing to violent protests in France in late 2018 which led the government to scrap a planned hike in fuel taxes. Later, the protestors met with Italy's deputy prime minister, which soured Franco-Italian relations.

Over the review period, we generally maintained a long duration stance, as we viewed the long-term drivers of lower yields as remaining broadly intact.

We initiated positions in Austrian, French and Spanish government debt. We closed our position in Belgium, and reduced our holdings in Germany and the Netherlands. We increased exposure to the UK

and Italy. We were overweight in Italy during much of 2018, as we felt markets were excessively penalising the country's debt. We took some profits on our position in December as bonds benefited on optimism that the government's tensions with Brussels would be resolved.

Credit exposure was modest, relative to the benchmark, though we did carry out several trades involving corporate bonds over the year. We also bought and sold agency debt; the biggest new addition here was French public finance company AFD.

The latter part of 2018 saw a sharp reduction in estimates for growth globally and in the US, as the stimulatory effects of US tax reform waned and headwinds from tighter financial conditions became stronger. Meanwhile, the US-China trade dispute keeps prospects for global trade volumes uncertain.

The Fed has strongly signalled that it is comfortable maintaining policy rates around current levels while it assesses the near-term outlook for the economy. This should ensure estimates of the high-point in the rate cycle are contained, which should, in turn, maintain support for Treasuries.

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

While the eurozone's economic performance was poor in 2018, there are early signs of some modest stabilisation and the ECB retains confidence in its inflation narrative. That said, rate hikes appear to be some way off. Despite recent events in Italy, we think the risk of a break-up of the eurozone is low.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(1,609)	3,729
Revenue	3	1,644	1,543
Expenses	4	(1,090)	(1,264)
Interest payable and similar charges	5	(488)	(898)
Net revenue/(expense) before taxation		66	(619)
Taxation	6	–	–
Net revenue/(expense) after taxation		66	(619)
Total return before distributions		(1,543)	3,110
Distributions	7	(1,008)	(444)
Change in net assets attributable to shareholders from investment activities		(2,551)	2,666

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		90,807	84,644
Current assets:			
Debtors	8	2,121	613
Cash and bank balances	9	2,874	6,710
Cash equivalents***		1,635	–
Total assets		97,437	91,967
Liabilities:			
Investment liabilities		(879)	(1,736)
Creditors:			
Distribution payable		(100)	(34)
Other creditors	10	(956)	(326)
Total liabilities		(1,935)	(2,096)
Net assets attributable to shareholders		95,502	89,871

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	89,871	142,164
Amounts receivable on the issue of shares	40,139	28,444
Amounts payable on the cancellation of shares	(32,784)	(83,759)
	7,355	(55,315)
Dilution adjustment	46	95
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(2,551)	2,666
Retained distribution on accumulation shares	781	261
Closing net assets attributable to shareholders	95,502	89,871

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.4111	–	0.4111	0.1871
08/09/18 to 07/03/19	0.3882	–	0.3882	0.1162
Group 2				
08/03/18 to 07/09/18	0.1714	0.2397	0.4111	0.1871
08/09/18 to 07/03/19	0.1877	0.2005	0.3882	0.1162
Total distributions in the period			0.7993	0.3033

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

Threadneedle European Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.8100	–	0.8100	0.3672
08/09/18 to 07/03/19	0.7685	–	0.7685	0.2286
Group 2				
08/03/18 to 07/09/18	0.4851	0.3249	0.8100	0.3672
08/09/18 to 07/03/19	0.4956	0.2729	0.7685	0.2286
Total distributions in the period			1.5785	0.5958

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.8005	–	0.8005	0.4180
08/09/18 to 07/03/19	0.7635	–	0.7635	0.2860
Group 2				
08/03/18 to 07/09/18	0.7310	0.0695	0.8005	0.4180
08/09/18 to 07/03/19	0.3441	0.4194	0.7635	0.2860
Total distributions in the period			1.5640	0.7040

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.5979	–	0.5979	0.2935
08/09/18 to 07/03/19	0.5656	–	0.5656	0.1868
Group 2				
08/03/18 to 07/09/18	0.1828	0.4151	0.5979	0.2935
08/09/18 to 07/03/19	0.2946	0.2710	0.5656	0.1868
Total distributions in the period			1.1635	0.4803

Group 2: shares purchased during a distribution period.

Threadneedle European Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	78.88	77.17	69.40	155.38	151.44	134.93
Return before operating charges (p)	(0.35)	2.94	9.40	(0.70)	5.77	18.27
Operating charges (p)	(0.90)	(0.93)	(0.90)	(1.77)	(1.83)	(1.76)
Return after operating charges (p)*	(1.25)	2.01	8.50	(2.47)	3.94	16.51
Distributions (p)	(0.80)	(0.30)	(0.73)	(1.58)	(0.60)	(1.41)
Retained distributions on accumulation shares (p)	–	–	–	1.58	0.60	1.41
Closing net asset value per share (p)	76.83	78.88	77.17	152.91	155.38	151.44
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.58)	2.60	12.25	(1.59)	2.60	12.24
Other information						
Closing net asset value (£000)	15,474	17,872	27,814	71,593	66,997	109,379
Closing number of shares	20,141,055	22,657,687	36,044,002	46,821,469	43,117,742	72,226,456
Operating charges (%)**	1.15	1.19	1.19	1.15	1.19	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	79.74	82.47	82.08	157.90	161.85	160.50
Lowest share price (p)	75.76	75.05	69.20	150.04	147.29	134.64
	Class 2 – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	143.04	138.57	122.70	114.54	111.50	99.77
Return before operating charges (p)	(0.62)	5.39	16.63	(0.52)	4.26	13.54
Operating charges (p)	(0.85)	(0.92)	(0.76)	(0.74)	(0.74)	(0.71)
Return after operating charges (p)*	(1.47)	4.47	15.87	(1.26)	3.52	12.83
Distributions (p)	(1.56)	(0.70)	(1.45)	(1.16)	(0.48)	(1.10)
Retained distributions on accumulation shares (p)	1.56	0.70	1.45	–	–	–
Closing net asset value per share (p)	141.57	143.04	138.57	112.12	114.54	111.50
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.03)	3.23	12.93	(1.10)	3.16	12.86
Other information						
Closing net asset value (£000)	4,011	281	375	4,424	4,721	4,596
Closing number of shares	2,833,571	196,630	270,733	3,945,786	4,121,096	4,121,693
Operating charges (%)**	0.60	0.65	0.56	0.65	0.65	0.65
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	146.04	148.54	146.50	116.27	119.47	118.36
Lowest share price (p)	138.58	134.92	122.60	110.35	108.54	99.60

**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.

Threadneedle European Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(1,427)	3,296
Derivative contracts	108	(10)
Forward currency contracts	(346)	568
Other gains/(losses)	58	(124)
Transaction costs	(2)	(1)
Net capital (losses)/gains	(1,609)	3,729

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	1,637	1,535
Bank interest	7	8
Total revenue	1,644	1,543

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(942)	(1,063)
Registration fees	(106)	(158)
	(1,048)	(1,221)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(12)	(13)
Safe custody fees	(13)	(13)
	(25)	(26)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(10)	(9)
Professional fees	–	(2)
	(17)	(17)
Total expenses*	(1,090)	(1,264)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(24)	(30)
Derivative expense	(464)	(868)
Total interest payable & similar charges	(488)	(898)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue/(expense) before taxation	66	(619)
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20%	(13)	124
Effects of:		
Excess expenses	13	(124)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £2,347,749 (2018: £2,361,077) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	522	216
Final	482	133
	1,004	349
Add: Revenue deducted on the cancellation of shares	69	117
Deduct: Revenue received on the creation of shares	(65)	(22)
Net distribution for the period	1,008	444
Net revenue/(expense) after taxation	66	(619)
Annual management charge to capital	942	1,063
Total distributions	1,008	444

Details of the distribution per share are set out in the table on pages 111 to 112.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	204	277
Sales awaiting settlement	1,279	–
Accrued revenue	638	336
Total debtors	2,121	613

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	964	1,659
Cash and bank balances	1,910	5,051
Total cash and bank balances	2,874	6,710

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(154)	(43)
Purchases awaiting settlement	(692)	(178)
Accrued expenses	(12)	(13)
Amounts payable to ACD	(98)	(92)
Total other creditors	(956)	(326)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle European Bond Fund currently has 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	1.00%
Class 2 shares	0.50%
Class Z shares	0.50%

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 113. The distribution per share class is given in the distribution table on pages 111 to 112. All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	22,657,687
Shares issued	2,153,457
Shares redeemed	(4,589,570)
Net conversions	(80,519)
Closing shares	<u>20,141,055</u>
Class 1 – Gross accumulation shares	
Opening shares	43,117,742
Shares issued	12,518,713
Shares redeemed	(8,814,986)
Net conversions	–
Closing shares	<u>46,821,469</u>
Class 2 – Gross accumulation shares	
Opening shares	196,630
Shares issued	12,744,130
Shares redeemed	(10,107,189)
Net conversions	–
Closing shares	<u>2,833,571</u>
Class Z – Income shares	
Opening shares	4,121,096
Shares issued	1,031,762
Shares redeemed	(1,262,401)
Net conversions	55,329
Closing shares	<u>3,945,786</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 7.56% and vice versa (2018: 7.80%).

Currency exposures

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

	Total £000
Currency 2019	
Euro	78,607
Swedish Krona	486
Currency 2018	
Euro	74,883
Swedish Krona	521

Currency sensitivity analysis

The only material currency exposure of the fund is to the Euro. A movement of 4.04% (2018: 3.11%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 3.33% (2018: 2.59%).

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
2019			
Counterparty			
HSBC	–	–	138
J.P. Morgan	–	–	826
2018			
Counterparty			
Barclays	–	1	1,660
BNP	–	–	202
HSBC	–	29	–
UBS	31	–	–

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

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

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	2,640	2.88	4,519	5.45
Aaa	222	0.24	–	–
AaaU	505	0.55	17,486	21.08
AA+	1,186	1.30	–	–
Aa1	516	0.56	524	0.63
AA	2,261	2.47	3,461	4.17
Aa2u	16,435	17.95	3,560	4.29
AA-	89	0.10	1,030	1.24
Aa3	195	0.21	201	0.24
A+	3,830	4.18	3,163	3.82
A	862	0.94	368	0.45
A2	136	0.15	–	–
A-	5,680	6.20	5,089	6.16
BBB+	4,570	4.99	5,774	6.95
Baa1	3,323	3.63	378	0.46
BBB	8,880	9.70	4,006	4.86
Baa2	683	0.75	744	0.89
Baa2u	–	–	10,894	13.14
BBB-	4,661	5.09	8,587	10.35
Baa3	357	0.39	417	0.50
Baa3u	14,866	16.24	–	–
BB+	865	0.94	1,575	1.90
BB	184	0.20	191	0.22
BB-	135	0.15	806	0.97
B+	–	–	313	0.38
Not Rated*	17,726	19.36	11,497	13.87
Collective investment schemes	1,635	1.79	–	–
Derivatives**	(879)	(0.96)	(1,675)	(2.02)
	<u>91,563</u>	<u>100.00</u>	<u>82,908</u>	<u>100.00</u>

*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.

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	3,995	69,423	6,640	80,058
Swedish Krona	486	–	–	486
UK Sterling	1,481	19,931	230	21,642
Currency 2018	£000	£000	£000	£000
Euro	3,648	70,193	2,976	76,817
Swedish Krona	521	–	–	521
UK Sterling	6,648	10,283	217	17,148

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	–	–	(1,451)	(1,451)
UK Sterling	–	–	(5,233)	(5,233)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(1,934)	(1,934)
UK Sterling	–	–	(2,681)	(2,681)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps and 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 credit default swaps and 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 7 March 2019, the fund had outstanding credit default swaps and forward foreign exchange contracts with an asset value of £Nil (2018: £61,000) and a liability value of £879,000 (2018: £1,736,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	43,791	–	27,619	–
Level 2	48,581	(879)	57,024	(1,736)
Level 3	70	–	1	–
	<u>92,442</u>	<u>(879)</u>	<u>84,644</u>	<u>(1,736)</u>

Included within Level 1, are debt securities of £43,791,000 (2018: £27,588,000). 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.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £172,021,450 (2018: £200,410,767) and £163,855,217 (2018: £257,628,866) respectively. Collective investment schemes purchases and sales amounted to £2,535,801 (2018: £Nil) and £871,980 (2018: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £12,694 (2018: £6,362) 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 £284 (2018: £848).

At the balance sheet date, the portfolio dealing spread was 0.23% (7 March 2018: 0.24%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Strategic Bond Fund

Investment Report

Investment Objective

To achieve total return principally by way of income. Income will be paid monthly.

Investment Policy

The ACD's investment policy is to primarily invest the assets of the Fund directly or indirectly in UK and European debt securities.

The ACD's strategic investment approach allocates the Fund's investments between corporate investment grade and non-investment grade, sovereign and supranational debt.

The ACD may invest up to one third of the assets of the Fund in money market instruments, cash or near cash and other securities (other than equities) including non-UK and non-European debt.

The ACD may invest in derivatives and forward transactions. The ACD may take long and short positions through derivatives.

Where securities are non-Sterling denominated it is intended that they will typically be hedged back into Sterling.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Strategic Bond Fund has fallen from 46.69p to 45.46p.

The total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +0.13%, which equates approximately to +1.69% gross of tax and charges*. This compares against a return of +1.77% for a composite index of 60% iBoxx Sterling Non Gilts Index and 40% Merrill Lynch European Currency High Yield Index 3% constrained B-BB(100% hedged to Sterling).

Market Overview and Portfolio Activity

The year under review was a volatile period for corporate bonds. Core bond yields generally fell overall, but credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity) widened globally, especially within the European investment-grade and high-yield markets.

Political noise was a constant feature of the period. For most of the year, investors preferred to focus on the still-robust macro and corporate backdrop, especially in the US, where tax cuts boosted an already-strong economy. From the autumn to the end of 2018, however, markets were increasingly rattled by a range of factors. As risk appetite evaporated, equities sold off, core bond yields fell, and credit spreads widened. The main factors unsettling investors included rising political uncertainty in Europe and the US, President Trump's tariff war against China and other US trading partners, and – related to the trade dispute – more evidence of economic deceleration in the eurozone and China.

Overarching all of these worries was the prospect of tighter monetary conditions. The Federal Reserve (Fed) raised rates by 25 basis points (bps) on four occasions over the year, most recently in December. At that final 2018 meeting, the Fed's guidance was still pointing to two more hikes in 2019. However, a subsequent dovish shift in commentary from policymakers at the central bank has since cast doubts on this projection. At the time of writing, markets are no longer expecting a US rate rise this year, the easing monetary backdrop has been accompanied by a rebound in risk assets, with equities rallying and credit spreads tightening in the year to date.

Europe remains far behind the US on the slow journey to policy normalisation, but it, too, has taken its first steps in that direction. After four years, the European Central Bank finally wound up its massive bond-buying programme in December 2018, as planned. Although policymakers were clear that any rate hikes were still some way off, the end of European quantitative easing came despite ongoing concerns over slowing eurozone growth, Britain's exit from the EU and rising populism in some member states. Largely in anticipation of this state of affairs, European investment-grade was the weakest credit market in 2018 on a risk-adjusted basis.

In the UK, a run of disappointing economic data dissuaded the Bank of England's Monetary Policy Committee (MPC) from raising rates in May. However, satisfied that harsh weather had been to blame for the poor data, the MPC voted unanimously for a hike in August. More recently, the committee has been unanimous in keeping rates on hold, and has reduced its UK growth projections, citing uncertainty surrounding Brexit. At time of writing it remains unclear if the UK

will secure a withdrawal agreement before it leaves the EU, but the exit date looks likely to be postponed until beyond the initially scheduled 29 March 2019 – subject to the approval of the remaining EU member states.

Against this background, the 10-year spreads in the UK investment-grade and European high-yield credit markets respectively widened by around 25 bps and 115 bps over the 12 months in review.

With regard to portfolio activity, we participated in new deals from a wide variety of issuers during the period. The largest of these additions included new bonds from Bacardi, Becton Dickinson, Anheuser-Busch InBev, Syngenta and Royal Bank of Scotland. We were also active in the secondary market, adding new exposure to InterGen and HBOS, for example, and increasing a range of existing holdings, including DS Smith, APT Pipelines, Synlab and Newriver Reit. On the other side, we reduced exposure to a number of issuers, such as Western Power Distribution and Grand City Properties, and exited others, including ChemChina, American International Group and Leonardo.

Investment-grade corporate and high-yield markets remain supported by the ongoing provision of accommodative – though reducing – monetary policy.

Fundamentals are solid, but the growth momentum has faded, and corporate earnings are more mixed. We are still anticipating reasonable GDP and earnings growth, but at a lower rate. There is a greater dispersion of earnings across industrial sectors, with cyclical underperforming more defensive sectors. We expect a continuation of the benign default environment.

From a valuation perspective, core bond yields are low, but despite the tightening seen so far this year, the valuation case can still be made for investment-grade – particularly in Europe, where spreads have lagged. In the European high-yield market, credit spreads finished the period at around 425 bps. This is back down to mid-November 2018 levels, but valuations are decent given current default expectations.

Overall, the fund remains positioned with a low level of interest-rate risk and a moderate quantum of credit-market risk.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(3,643)	(1,668)
Revenue	3	10,334	10,586
Expenses	4	(2,143)	(2,262)
Interest payable and similar charges	5	(2,396)	(1,772)
Net revenue before taxation		5,795	6,552
Taxation	6	–	–
Net revenue after taxation		5,795	6,552
Total return before distributions		2,152	4,884
Distributions	7	(7,658)	(8,532)
Change in net assets attributable to shareholders from investment activities		(5,506)	(3,648)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		236,999	236,257
Current assets:			
Debtors	8	4,569	3,443
Cash and bank balances	9	6,991	9,107
Total assets		248,559	248,807
Liabilities:			
Investment liabilities		(4,040)	(4,952)
Creditors:			
Bank overdrafts	9	(376)	–
Distribution payable		(433)	(381)
Other creditors	10	(4,293)	(1,090)
Total liabilities		(9,142)	(6,423)
Net assets attributable to shareholders		239,417	242,384

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	242,384	245,823
Amounts receivable on the issue of shares	33,932	48,521
Amounts payable on the cancellation of shares	(34,105)	(51,793)
	(173)	(3,272)
Dilution adjustment	34	65
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(5,506)	(3,648)
Retained distribution on accumulation shares	2,672	3,411
Unclaimed distributions	6	5
Closing net assets attributable to shareholders	239,417	242,384

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.1218	–	0.1218	0.1368
08/04/18 to 07/05/18	0.1445	–	0.1445	0.1392
08/05/18 to 07/06/18	0.1117	–	0.1117	0.1342
08/06/18 to 07/07/18	0.1167	–	0.1167	0.1433
08/07/18 to 07/08/18	0.1160	–	0.1160	0.1734
08/08/18 to 07/09/18	0.1125	–	0.1125	0.1374
08/09/18 to 07/10/18	0.1174	–	0.1174	0.1316
08/10/18 to 07/11/18	0.1182	–	0.1182	0.1359
08/11/18 to 07/12/18	0.1138	–	0.1138	0.1266
08/12/18 to 07/01/19	0.1226	–	0.1226	0.1226
08/01/19 to 07/02/19	0.0965	–	0.0965	0.1122
08/02/19 to 07/03/19	0.1131	–	0.1131	0.1172

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

Threadneedle Strategic Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 2				
08/03/18 to 07/04/18	0.0746	0.0472	0.1218	0.1368
08/04/18 to 07/05/18	0.0290	0.1155	0.1445	0.1392
08/05/18 to 07/06/18	0.0651	0.0466	0.1117	0.1342
08/06/18 to 07/07/18	0.0455	0.0712	0.1167	0.1433
08/07/18 to 07/08/18	0.0651	0.0509	0.1160	0.1734
08/08/18 to 07/09/18	0.0270	0.0855	0.1125	0.1374
08/09/18 to 07/10/18	0.0315	0.0859	0.1174	0.1316
08/10/18 to 07/11/18	0.0540	0.0642	0.1182	0.1359
08/11/18 to 07/12/18	0.0350	0.0788	0.1138	0.1266
08/12/18 to 07/01/19	0.0593	0.0633	0.1226	0.1226
08/01/19 to 07/02/19	0.0415	0.0550	0.0965	0.1122
08/02/19 to 07/03/19	0.0464	0.0667	0.1131	0.1172
Total distributions in the period			1.4048	1.6104

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.1220	–	0.1220	0.1370
08/04/18 to 07/05/18	0.1448	–	0.1448	0.1395
08/05/18 to 07/06/18	0.1119	–	0.1119	0.1344
08/06/18 to 07/07/18	0.1168	–	0.1168	0.1436
08/07/18 to 07/08/18	0.1163	–	0.1163	0.1737
08/08/18 to 07/09/18	0.1127	–	0.1127	0.1376
08/09/18 to 07/10/18	0.1176	–	0.1176	0.1318
08/10/18 to 07/11/18	0.1185	–	0.1185	0.1362
08/11/18 to 07/12/18	0.1139	–	0.1139	0.1234
08/12/18 to 07/01/19	0.1228	–	0.1228	0.1229
08/01/19 to 07/02/19	0.0967	–	0.0967	0.1124
08/02/19 to 07/03/19	0.1134	–	0.1134	0.1174
Total distributions in the period			1.4074	1.6099

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.1371	–	0.1371	0.1526
08/04/18 to 07/05/18	0.1616	–	0.1616	0.1553
08/05/18 to 07/06/18	0.1262	–	0.1262	0.1500
08/06/18 to 07/07/18	0.1314	–	0.1314	0.1598
08/07/18 to 07/08/18	0.1310	–	0.1310	0.1925
08/08/18 to 07/09/18	0.1272	–	0.1272	0.1536
08/09/18 to 07/10/18	0.1324	–	0.1324	0.1473
08/10/18 to 07/11/18	0.1335	–	0.1335	0.1522
08/11/18 to 07/12/18	0.1284	–	0.1284	0.1420
08/12/18 to 07/01/19	0.1383	–	0.1383	0.1378
08/01/19 to 07/02/19	0.1100	–	0.1100	0.1267
08/02/19 to 07/03/19	0.1277	–	0.1277	0.1316
Total distributions in the period			1.5848	1.8014

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.1448	–	0.1448	0.1612
08/04/18 to 07/05/18	0.1707	–	0.1707	0.1641
08/05/18 to 07/06/18	0.1333	–	0.1333	0.1584
08/06/18 to 07/07/18	0.1388	–	0.1388	0.1688
08/07/18 to 07/08/18	0.1384	–	0.1384	0.2034
08/08/18 to 07/09/18	0.1343	–	0.1343	0.1623
08/09/18 to 07/10/18	0.1399	–	0.1399	0.1556
08/10/18 to 07/11/18	0.1410	–	0.1410	0.1607
08/11/18 to 07/12/18	0.1357	–	0.1357	0.1501
08/12/18 to 07/01/19	0.1460	–	0.1460	0.1456
08/01/19 to 07/02/19	0.1161	–	0.1161	0.1339
08/02/19 to 07/03/19	0.1349	–	0.1349	0.1389
Total distributions in the period			1.6739	1.9030

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/04/18	0.3212	–	0.3212	0.3452
08/04/18 to 07/05/18	0.3795	–	0.3795	0.3522
08/05/18 to 07/06/18	0.2974	–	0.2974	0.3412
08/06/18 to 07/07/18	0.3103	–	0.3103	0.3644
08/07/18 to 07/08/18	0.3103	–	0.3103	0.4406
08/08/18 to 07/09/18	0.3019	–	0.3019	0.3530
08/09/18 to 07/10/18	0.3152	–	0.3152	0.3393
08/10/18 to 07/11/18	0.3186	–	0.3186	0.3516
08/11/18 to 07/12/18	0.3074	–	0.3074	0.3290
08/12/18 to 07/01/19	0.3318	–	0.3318	0.3204
08/01/19 to 07/02/19	0.2646	–	0.2646	0.2952
08/02/19 to 07/03/19	0.3080	–	0.3080	0.3073
Total distributions in the period			3.7662	4.1394

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.2675	–	0.2675	0.2979
08/04/18 to 07/05/18	0.3165	–	0.3165	0.3034
08/05/18 to 07/06/18	0.2458	–	0.2458	0.2927
08/06/18 to 07/07/18	0.2563	–	0.2563	0.3124
08/07/18 to 07/08/18	0.2555	–	0.2555	0.3776
08/08/18 to 07/09/18	0.2477	–	0.2477	0.3000
08/09/18 to 07/10/18	0.2585	–	0.2585	0.2876
08/10/18 to 07/11/18	0.2606	–	0.2606	0.2972
08/11/18 to 07/12/18	0.2507	–	0.2507	0.2771
08/12/18 to 07/01/19	0.2702	–	0.2702	0.2687
08/01/19 to 07/02/19	0.2137	–	0.2137	0.2464
08/02/19 to 07/03/19	0.2497	–	0.2497	0.2568
Total distributions in the period			3.0927	3.5178

Threadneedle Strategic Bond Fund

DISTRIBUTION TABLE

(continued)

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.2675	–	0.2675	0.2979
08/04/18 to 07/05/18	0.3165	–	0.3165	0.3034
08/05/18 to 07/06/18	0.2458	–	0.2458	0.2927
08/06/18 to 07/07/18	0.2563	–	0.2563	0.3124
08/07/18 to 07/08/18	0.2554	–	0.2554	0.3776
08/08/18 to 07/09/18	0.2478	–	0.2478	0.3000
08/09/18 to 07/10/18	0.2586	–	0.2586	0.2876
08/10/18 to 07/11/18	0.2605	–	0.2605	0.2972
08/11/18 to 07/12/18	0.2507	–	0.2507	0.2771
08/12/18 to 07/01/19	0.2703	–	0.2703	0.2687
08/01/19 to 07/02/19	0.2136	–	0.2136	0.2464
08/02/19 to 07/03/19	0.2497	–	0.2497	0.2569
Group 2				
08/03/18 to 07/04/18	0.0774	0.1901	0.2675	0.2979
08/04/18 to 07/05/18	0.2961	0.0204	0.3165	0.3034
08/05/18 to 07/06/18	0.1778	0.0680	0.2458	0.2927
08/06/18 to 07/07/18	0.1524	0.1039	0.2563	0.3124
08/07/18 to 07/08/18	0.0954	0.1600	0.2554	0.3776
08/08/18 to 07/09/18	0.1613	0.0865	0.2478	0.3000
08/09/18 to 07/10/18	0.0367	0.2219	0.2586	0.2876
08/10/18 to 07/11/18	0.0902	0.1703	0.2605	0.2972
08/11/18 to 07/12/18	0.0010	0.2497	0.2507	0.2771
08/12/18 to 07/01/19	0.2086	0.0617	0.2703	0.2687
08/01/19 to 07/02/19	0.1374	0.0762	0.2136	0.2464
08/02/19 to 07/03/19	0.2369	0.0128	0.2497	0.2569
Total distributions in the period			3.0927	3.5179

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/04/18	0.3436	–	0.3436	0.3698
08/04/18 to 07/05/18	0.4076	–	0.4076	0.3776
08/05/18 to 07/06/18	0.3176	–	0.3176	0.3654
08/06/18 to 07/07/18	0.3320	–	0.3320	0.3911
08/07/18 to 07/08/18	0.3316	–	0.3316	0.4742
08/08/18 to 07/09/18	0.3226	–	0.3226	0.3782
08/09/18 to 07/10/18	0.3374	–	0.3374	0.3634
08/10/18 to 07/11/18	0.3409	–	0.3409	0.3768
08/11/18 to 07/12/18	0.3288	–	0.3288	0.3523
08/12/18 to 07/01/19	0.3555	–	0.3555	0.3425
08/01/19 to 07/02/19	0.2818	–	0.2818	0.3150
08/02/19 to 07/03/19	0.3300	–	0.3300	0.3291
Group 2				
08/03/18 to 07/04/18	0.1751	0.1685	0.3436	0.3698
08/04/18 to 07/05/18	0.2904	0.1172	0.4076	0.3776
08/05/18 to 07/06/18	0.1999	0.1177	0.3176	0.3654
08/06/18 to 07/07/18	0.1717	0.1603	0.3320	0.3911
08/07/18 to 07/08/18	0.2651	0.0665	0.3316	0.4742
08/08/18 to 07/09/18	0.0491	0.2735	0.3226	0.3782
08/09/18 to 07/10/18	0.1416	0.1958	0.3374	0.3634
08/10/18 to 07/11/18	0.2290	0.1119	0.3409	0.3768
08/11/18 to 07/12/18	0.0791	0.2497	0.3288	0.3523
08/12/18 to 07/01/19	0.2015	0.1540	0.3555	0.3425
08/01/19 to 07/02/19	0.2743	0.0075	0.2818	0.3150
08/02/19 to 07/03/19	0.2996	0.0304	0.3300	0.3291
Total distributions in the period			4.0294	4.4354

Group 2: shares purchased during a distribution period.

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares ⁵		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	46.43	47.31	44.58	46.51	47.39	44.66
Return before operating charges (p)	0.82	1.41	5.28	0.84	1.41	5.29
Operating charges (p)	(0.65)	(0.68)	(0.66)	(0.65)	(0.68)	(0.66)
Return after operating charges (p)*	0.17	0.73	4.62	0.19	0.73	4.63
Distributions (p)	(1.40)	(1.61)	(1.89)	(1.41)	(1.61)	(1.90)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	45.20	46.43	47.31	45.29	46.51	47.39
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.37	1.54	10.36	0.41	1.54	10.37
Other information						
Closing net asset value (£000)	28,976	33,385	38,890	7,836	8,838	20,802
Closing number of shares	64,100,246	71,906,636	82,205,604	17,303,800	19,002,136	43,892,083
Operating charges (%)**	1.43	1.43	1.42	1.43	1.43	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	46.60	47.88	47.90	46.69	47.97	48.02
Lowest share price (p)	44.44	46.62	44.86	44.52	46.71	44.95
	Class 2 – Income shares			Class 2 – Gross income shares ⁵		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	50.36	51.06	47.88	53.20	53.94	50.58
Return before operating charges (p)	0.91	1.52	5.69	0.95	1.60	6.00
Operating charges (p)	(0.41)	(0.42)	(0.41)	(0.43)	(0.44)	(0.43)
Return after operating charges (p)*	0.50	1.10	5.28	0.52	1.16	5.57
Distributions (p)	(1.58)	(1.80)	(2.10)	(1.67)	(1.90)	(2.21)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	49.28	50.36	51.06	52.05	53.20	53.94
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.99	2.15	11.03	0.98	2.15	11.01
Other information						
Closing net asset value (£000)	6,892	7,114	7,361	14,939	4,259	3,187
Closing number of shares	13,984,353	14,125,014	14,416,041	28,700,737	8,007,233	5,908,908
Operating charges (%)**	0.82	0.82	0.81	0.82	0.82	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	50.56	51.75	51.58	53.40	54.67	54.52
Lowest share price (p)	48.41	50.58	48.18	51.13	53.42	50.90

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	117.95	115.46	103.86	100.58	101.82	95.33
Return before operating charges (p)	2.19	3.46	12.50	1.81	3.04	11.32
Operating charges (p)	(0.97)	(0.97)	(0.90)	(0.73)	(0.76)	(0.73)
Return after operating charges (p)*	1.22	2.49	11.60	1.08	2.28	10.59
Distributions (p)	(3.77)	(4.14)	(4.64)	(3.09)	(3.52)	(4.10)
Retained distributions on accumulation shares (p)	3.77	4.14	4.64	–	–	–
Closing net asset value per share (p)	119.17	117.95	115.46	98.57	100.58	101.82
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.03	2.16	11.17	1.07	2.24	11.11
Other information						
Closing net asset value (£000)	65,104	89,609	97,833	46,651	54,494	62,169
Closing number of shares	54,632,514	75,969,699	84,732,217	47,330,205	54,181,845	61,057,794
Operating charges (%)**	0.82	0.82	0.81	0.74	0.74	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	119.54	119.67	115.94	100.97	103.23	102.77
Lowest share price (p)	116.16	115.55	104.53	96.80	100.99	95.94
	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	100.58	101.82	95.33	129.19	126.37	113.58
Return before operating charges (p)	1.81	3.04	11.32	2.39	3.78	13.68
Operating charges (p)	(0.73)	(0.76)	(0.73)	(0.96)	(0.96)	(0.89)
Return after operating charges (p)*	1.08	2.28	10.59	1.43	2.82	12.79
Distributions (p)	(3.09)	(3.52)	(4.10)	(4.03)	(4.44)	(4.98)
Retained distributions on accumulation shares (p)	–	–	–	4.03	4.44	4.98
Closing net asset value per share (p)	98.57	100.58	101.82	130.62	129.19	126.37
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.07	2.24	11.11	1.11	2.23	11.26
Other information						
Closing net asset value (£000)	65,639	41,356	12,965	3,380	3,329	2,616
Closing number of shares	66,592,997	41,118,844	12,733,590	2,587,617	2,576,480	2,070,242
Operating charges (%)**	0.74	0.74	0.73	0.74	0.74	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	100.97	103.23	102.84	131.03	131.06	126.89
Lowest share price (p)	96.80	100.99	95.94	127.30	126.46	114.32

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

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

[§]Only available to eligible investors.

Threadneedle Strategic Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(4,548)	(1,901)
Derivative contracts	(85)	(1,419)
Forward currency contracts	1,738	2,220
Other losses	(746)	(567)
Transaction costs	(2)	(1)
Net capital losses	<u>(3,643)</u>	<u>(1,668)</u>

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	10,292	10,558
Interest on short term investments	7	2
Bank interest	35	26
Total revenue	<u>10,334</u>	<u>10,586</u>

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,863)	(1,980)
Registration fees	(212)	(213)
	<u>(2,075)</u>	<u>(2,193)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(29)	(30)
Safe custody fees	(22)	(21)
	<u>(51)</u>	<u>(51)</u>
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(10)	(11)
Professional fees	–	(2)
	<u>(17)</u>	<u>(18)</u>
Total expenses*	<u>(2,143)</u>	<u>(2,262)</u>

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(10)	(13)
Derivative expense	(2,386)	(1,759)
Total interest payable & similar charges	<u>(2,396)</u>	<u>(1,772)</u>

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	5,795	6,552
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,159)	(1,310)
Effects of:		
Excess expenses	1,000	1,310
Distributions treated as tax deductible	159	–
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £1,136,273 (2018: £2,136,273) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	7,035	7,888
Final	610	623
	<u>7,645</u>	<u>8,511</u>
Add: Revenue deducted on the cancellation of shares	44	76
Deduct: Revenue received on the creation of shares	(31)	(55)
Net distribution for the period	<u>7,658</u>	<u>8,532</u>
Net revenue after taxation	5,795	6,552
Annual management charge to capital	1,863	1,980
Total distributions	<u>7,658</u>	<u>8,532</u>

Details of the distribution per share are set out in the table on pages 117 to 119.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	44	132
Sales awaiting settlement	1,191	–
Accrued revenue	3,334	3,311
Total debtors	<u>4,569</u>	<u>3,443</u>

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	4,206	4,908
Cash and bank balances	2,785	4,199
	<u>6,991</u>	<u>9,107</u>
Cash overdrafts at broker	(376)	–
Total cash and bank balances	<u>6,615</u>	<u>9,107</u>

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(466)	(870)
Purchases awaiting settlement	(3,617)	–
Accrued expenses	(15)	(17)
Amounts payable to ACD	(195)	(203)
Total other creditors	<u>(4,293)</u>	<u>(1,090)</u>

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Strategic Bond 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	1.25%
Class 2 shares	0.75%
Class Z shares	0.60%

Registration fees

Class 1 shares	0.150%
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 120 to 121. The distribution per share class is given in the distribution table on pages 117 to 119.

All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	71,906,636
Shares issued	1,722,683
Shares redeemed	(9,199,857)
Net conversions	(329,216)
Closing shares	<u>64,100,246</u>
Class 1 – Gross income shares	
Opening shares	19,002,136
Shares issued	672,112
Shares redeemed	(2,346,795)
Net conversions	(23,653)
Closing shares	<u>17,303,800</u>
Class 2 – Income shares	
Opening shares	14,125,014
Shares issued	91,597
Shares redeemed	(169,438)
Net conversions	(62,820)
Closing shares	<u>13,984,353</u>
Class 2 – Gross income shares	
Opening shares	8,007,233
Shares issued	4,710,309
Shares redeemed	(9,082,548)
Net conversions	25,065,743
Closing shares	<u>28,700,737</u>
Class 2 – Gross accumulation shares	
Opening shares	75,969,699
Shares issued	2,719,031
Shares redeemed	(11,191,204)
Net conversions	(12,865,012)
Closing shares	<u>54,632,514</u>
Class Z – Income shares	
Opening shares	54,181,845
Shares issued	1,135,304
Shares redeemed	(8,130,985)
Net conversions	144,041
Closing shares	<u>47,330,205</u>
Class Z – Gross income shares	
Opening shares	41,118,844
Shares issued	25,971,931
Shares redeemed	(2,698,387)
Net conversions	2,200,609
Closing shares	<u>66,592,997</u>

Class Z – Gross accumulation shares

Opening shares	2,576,480
Shares issued	206,510
Shares redeemed	(200,839)
Net conversions	5,466
Closing shares	<u>2,587,617</u>

14 RISK MANAGEMENT

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

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 1.8% x benchmark 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 1.6% (2018: 2.70%). This means that there is estimated to be a 1% chance that the fund could lose more than 1.6% (2018: 2.70%) of its value in a month.

At 7 March, 2019 the VaR utilisation was 73% (2018: 76%) (actual VaR/VaR limit). During the year ended 7 March, 2019 the lowest VaR utilisation was 61% (2018: 69%), the highest VaR utilisation was 92% (2018: 96%) and the average utilisation was 78% (2018: 78%).

[†]The benchmark of fund is shown on page 309.

Currency exposures

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

	Total £000
Currency 2019	
Euro	335
Japanese Yen	(183)
US Dollar	114
Currency 2018	£000
Australian Dollar	8
Euro	524
Japanese Yen	(14)
Swiss Franc	3
US Dollar	30

Currency sensitivity

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

Credit/Counterparty exposure

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

2019 Counterparty	Forward Foreign		
	Futures and Options Exposure £000	Exchange Contracts Exposure £000	Collateral Pledged £000
Bank of Scotland	–	1,773	–
Barclays	–	–	900
Citigroup	–	–	1,660
Goldman Sachs	–	–	240
HSBC	–	10	–
J.P. Morgan	–	966	–
Lloyds	–	2	–
2018 Counterparty	Forward Foreign		
	Futures and Options Exposure £000	Exchange Contracts Exposure £000	Collateral Pledged £000
Barclays	–	–	1,890
Citigroup	–	–	120
Goldman Sachs	–	1	1,880
Lloyds	–	5	–
RBS	–	–	620
UBS	37	–	–

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

The fund held £2,120,000 (2018: £340,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AA+	350	0.15	380	0.16
AA	1,615	0.69	1,711	0.74
Aa2u	3,379	1.45	2,006	0.87
AA-	–	–	1,174	0.51
A+	3,545	1.52	2,243	0.97
A	790	0.34	3,235	1.40
A-	8,262	3.55	9,033	3.91
BBB+	29,554	12.69	37,608	16.26
Baa1	2,443	1.05	944	0.41
BBB	37,857	16.25	31,677	13.69
Baa2	7,082	3.04	9,838	4.25
BBB-	36,017	15.46	23,533	10.17
Baa3	4,901	2.10	2,783	1.20
BB+	19,878	8.53	23,906	10.34
Ba1	2,381	1.02	–	–
BB	14,932	6.41	12,659	5.47
Ba2	3,625	1.56	1,149	0.50
(P)Ba2	941	0.40	982	0.42
BB-	11,849	5.09	19,326	8.36
B+	10,062	4.32	9,125	3.94
B1	811	0.35	858	0.37
B	14,125	6.06	18,621	8.05
Ba3	734	0.32	1,636	0.71
B2	1,229	0.53	1,053	0.46
B-	4,848	2.08	5,457	2.36
B3	1,153	0.50	2,423	1.05
CCC+	2,054	0.88	2,157	0.93
Not Rated*	9,234	3.96	10,418	4.50
Derivatives**	(692)	(0.30)	(4,630)	(2.00)
	232,959	100.00	231,305	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate	Fixed rate	Financial	Total
	financial	financial	assets	
	assets	assets	not carrying	
	£000	£000	interest	£000
Currency 2019	£000	£000	£000	£000
Australian Dollar	228	–	–	228
Euro	14,474	64,357	3,722	82,553
UK Sterling	30,674	94,302	122,598	247,574
US Dollar	4,298	32,308	5,200	41,806
Currency 2018	£000	£000	£000	£000
Australian Dollar	25	963	8	996
Euro	13,262	54,334	1,510	69,106
Swiss Franc	3	–	–	3
UK Sterling	33,630	109,450	103,006	246,086
US Dollar	3,889	29,486	1,851	35,226

	Floating rate	Fixed rate	Financial	Total
	financial	financial	liabilities	
	liabilities	liabilities	not carrying	
	£000	£000	interest	£000
Currency 2019	£000	£000	£000	£000
Australian Dollar	–	–	(228)	(228)
Euro	(1)	–	(82,217)	(82,218)
Japanese Yen	(133)	–	(50)	(183)
UK Sterling	–	–	(8,423)	(8,423)
US Dollar	(242)	–	(41,450)	(41,692)
Currency 2018	£000	£000	£000	£000
Australian Dollar	–	–	(988)	(988)
Euro	–	–	(68,582)	(68,582)
Japanese Yen	–	–	(14)	(14)
UK Sterling	–	–	(4,253)	(4,253)
US Dollar	–	–	(35,196)	(35,196)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding credit default swaps, forward foreign exchange contracts, futures and options and interest rate swaps with an asset value of £3,348,000 (2018: £322,000) and a liability value of £4,040,000 (2018: £4,952,000).

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.

	2019		2018	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1	3,634	(696)	5,587	(50)
Level 2	232,748	(3,344)	230,391	(4,902)
Level 3	617	–	279	–
	236,999	(4,040)	236,257	(4,952)

Included within Level 1, are debt securities of £3,379,000 (2018: £5,500,000). 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 Strategic Bond Fund

Notes to the financial statements

(continued)

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £155,915,020 (2018: £137,548,326) and £152,652,559 (2018: £139,849,023) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £313,598 (2018: £3,146,863) 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 £21,360 (2018: £14,370).

At the balance sheet date, the portfolio dealing spread was 0.71% (7 March 2018: 0.66%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle American Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the stock of medium to large companies domiciled in North America or which have significant North American operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle American Fund has risen from 282.61p to 305.08p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +5.17% as compared to a median return of +6.77% over the same period. (For information the S&P 500 TR Index returned +8.44% over the same period).

Market Overview and Portfolio Activity

US equities were broadly flat (in USD terms) and up by mid-to-high single digit in sterling terms over the period under review. Optimism over strong economic data and corporate results in the US slightly outweighed trade-war concerns and worries over the pace of US Federal Reserve monetary tightening, political uncertainty and slowing global growth.

Following strong US second-quarter (Q2) GDP growth, at 4.2% (annualised), the Federal Reserve took a more hawkish turn, raising interest rates in June as expected but increasing its projections for the pace of future rate hikes. Continued strong US data in the third quarter helped push Treasury yields sharply higher, triggering an equity sell-off in the final quarter of 2018, as investors anticipated faster interest rate hikes by the Federal Reserve. Against this backdrop, Q4 2018 proved challenging for US equities, as despite another strong results season from US companies in aggregate, investors seemed concerned

that earnings may already have peaked. The Fed went on to raise rates as expected at its December meeting but reduced (to two) the number of hikes projected for 2019.

US equities staged a notable rally in the first two months of 2019. Comments from key Fed officials suggested that US interest rates might not rise at all in 2019 and minutes from the Fed's January policy meeting indicated that the central bank would likely stop reducing the size of its balance sheet before the end of this year. US economic data were more mixed towards the end of the review period, but a fifth consecutive quarter of double-digit growth in US company earnings provided support.

Trade-war fears waxed and waned. Stocks rallied after a tariff truce was agreed between the US and China at the G20 Summit in November/December, but optimism waned after concrete details failed to emerge. Markets were also unnerved by a government shutdown, triggered by deadlock in Congress over Trump's Mexican border wall. In early 2019, US stocks were boosted as President Trump touted "substantial progress" towards a trade deal with China, agreeing to postpone tariffs on Chinese imports that were due to come into force at the start of March, and announcing that he would invite his Chinese counterpart for a "signing summit" in Florida. However, markets were later unsettled as President Trump's nuclearisation talks with North Korea collapsed without agreement.

New positions over the period included Cisco Systems, Procter & Gamble (P&G), CME Group, Edison International, Republic Services, Northrop Grumman and American Tower Corporation, among others.

American Tower Corporation is a real estate investment trust focused on owning and developing wireless broadcast and communications towers. We believe American Tower has attractive qualities, including annual price increases for its tower business, high incremental margins, low capex, high barriers to entry that are likely to persist, and 'adjusted funds from operations' (or AFFO) per share that should compound over the intermediate term. We expect that 5G will be incremental for the towers while new business opportunities like the 'internet of things' (IoT), autonomous driving and edge computing represent positive optionality. Today, all four domestic carriers are spending on their networks as data usage continues to climb,

developments that should help sustain organic revenue growth. Specifically, American Tower is the blue-chip company in the industry, with a balanced capital allocation strategy, strong management team and international growth opportunities.

Republic Services is a high-quality defensive industrial name, which has solid recession-resistant credentials and benefits from low disruption risk and high barriers to entry. It has a high free cashflow conversion, with a 5% free cashflow yield, which is attractive for a defensive stock. In our view, it should also deliver growth through the cycle at a superior rate to the market.

The management of consumer goods company P&G is successfully executing a turnaround plan, which is leading to acceleration in the firm's revenue growth, margin expansion and earnings. P&G is a quality stock, with a high and rising return on invested capital, and activist shareholder involvement should lead to an increased focus on the company's competitive position. The stock is now trading in line with its peers, but we expect it to grow slightly faster. It also has an attractive dividend yield, which should grow in line with earnings.

Edison International is a public utility company operating in California, which looks set to earn above average rate-based growth of 7-8% and benefits from a positive regulatory regime in California. The company's stock sold off heavily in the wake of the troubles which afflicted sector peer Pacific Gas and Electric and so now offers an attractive entry point. Edison is now trading at slight discount to peers, having previously been at a premium.

Sales included Royal Caribbean Cruises, Goldman Sachs, Booz Allen Hamilton, Electronic Arts and Xcel Energy.

The market made a healthy recovery in January and February, retracing most of the correction from late 2018, owing to a more dovish Federal Reserve and optimism over constructive US-China trade talks. As a result, valuations in terms of forward earnings multiples are now in line with historic averages. This seems fair, as the fundamentals for US equities remain solid: the domestic economy is set to grow at, or slightly above, trend, and we expect corporate earnings to grow in line with historic averages, in the 5-8% range.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	177,517	137,132
Revenue	3	35,980	34,820
Expenses	4	(23,522)	(23,970)
Interest payable and similar charges	5	(7)	(9)
Net revenue before taxation		12,451	10,841
Taxation	6	(4,931)	(4,604)
Net revenue after taxation		7,520	6,237
Total return before distributions		185,037	143,369
Distributions	7	(8,973)	(7,733)
Change in net assets attributable to shareholders from investment activities		176,064	135,636

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		1,977,313	2,317,382
Current assets:			
Debtors	8	33,449	26,879
Cash and bank balances	9	9,509	38,146
Cash equivalents**		41	4,361
Total assets		2,020,312	2,386,768
Liabilities:			
Investment liabilities			(4)
Creditors:			
Distribution payable		(133)	(108)
Other creditors	10	(31,823)	(9,210)
Total liabilities		(31,956)	(9,322)
Net assets attributable to shareholders		1,988,356	2,377,446

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	2,377,446	2,166,311
Amounts receivable on the issue of shares	922,904	553,205
Amounts payable on the cancellation of shares	(997,712)	(485,922)
Amounts payable on inspecie transfers	(499,510)	–
	(574,318)	67,283
Dilution adjustment	25	134
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	176,064	135,636
Retained distribution on accumulation shares	9,139	8,082
Closing net assets attributable to shareholders	1,988,356	2,377,446

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Income shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

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

Threadneedle American Fund

DISTRIBUTION TABLE

(continued)

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 USD – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 EUR Hedged – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.0025	–	1.0025	0.8520
Group 2 08/03/18 to 07/03/19	0.5578	0.4447	1.0025	0.8520
Total distributions in the period			1.0025	0.8520

Class 2 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.4621	–	0.4621
Group 2 08/03/18 to 07/03/19	0.0751	0.3870	0.4621
Total distributions in the period			0.4621

Class 2 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.4621	–	0.4621
Group 2 08/03/18 to 07/03/19	–	0.4621	0.4621
Total distributions in the period			0.4621

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	4.7563	–	4.7563	4.2025
Group 2 08/03/18 to 07/03/19	1.7723	2.9840	4.7563	4.2025
Total distributions in the period			4.7563	4.2025

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.3202	–	1.3202	1.1563
Group 2 08/03/18 to 07/03/19	0.8446	0.4756	1.3202	1.1563
Total distributions in the period			1.3202	1.1563

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.3668	–	1.3668	1.1913
Group 2 08/03/18 to 07/03/19	0.7957	0.5711	1.3668	1.1913
Total distributions in the period			1.3668	1.1913

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.7605	–	0.7605
Group 2 08/03/18 to 07/03/19	–	0.7605	0.7605
Total distributions in the period			0.7605

Class Z EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	0.5047	–	0.5047	0.7965
Group 2 08/03/18 to 07/03/19	0.0098	0.4949	0.5047	0.7965
Total distributions in the period			0.5047	0.7965

Group 2: shares purchased during a distribution period.

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

Threadneedle American Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	285.17	270.62	195.74	304.69
Return before operating charges (p)	24.63	19.00	78.60	9.98
Operating charges (p)	(4.82)	(4.45)	(3.66)	(5.65)
Return after operating charges (p)*	19.81	14.55	74.94	4.33
Distributions (p)	–	–	(0.06)	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	304.98	285.17	270.62	309.02
*after direct transaction costs of (p)	0.14	0.21	0.37	0.17
Performance				
Return after charges (%)	6.95	5.38	38.29	1.42
Other information				
Closing net asset value (£000)	1,161	4,803	6,091	–
Closing number of shares	380,807	1,684,411	2,250,851	–
Operating charges (%)**	1.64	1.63	1.62	–
Direct transaction costs (%)***	0.05	0.08	0.16	–
Prices				
Highest share price (p)	331.24	295.25	271.22	331.24
Lowest share price (p)	264.90	254.18	192.15	297.04
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	285.25	270.69	195.75	304.78
Return before operating charges (p)	24.71	19.02	78.60	9.98
Operating charges (p)	(4.89)	(4.46)	(3.66)	(5.65)
Return after operating charges (p)*	19.82	14.56	74.94	4.33
Distributions (p)	–	–	(0.06)	–
Retained distributions on accumulation shares (p)	–	–	0.06	–
Closing net asset value per share (p)	305.07	285.25	270.69	309.11
*after direct transaction costs of (p)	0.14	0.21	0.37	0.17
Performance				
Return after charges (%)	6.95	5.38	38.28	1.42
Other information				
Closing net asset value (£000)	342,266	485,728	583,445	–
Closing number of shares	112,193,586	170,279,598	215,539,877	–
Operating charges (%)**	1.63	1.63	1.62	–
Direct transaction costs (%)***	0.05	0.08	0.16	–
Prices				
Highest share price (p)	331.33	295.32	271.23	331.33
Lowest share price (p)	264.98	254.24	192.15	297.13

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	09/11/2018 ¹			09/11/2018 ²	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	304.78			312.10	258.59	196.48
Return before operating charges (p)	9.98			(5.69)	58.21	65.76
Operating charges (p)	(5.65)			(3.20)	(4.70)	(3.65)
Return after operating charges (p)*	4.33			(8.89)	53.51	62.11
Distributions (p)	–			–	–	(0.07)
Retained distributions on accumulation shares (p)	–			–	–	0.07
Closing net asset value per share (p)	309.11			303.21	312.10	258.59
*after direct transaction costs of (p)	0.17			0.26	0.23	0.37
Performance						
Return after charges (%)	1.42			(2.85)	20.69	31.61
Other information						
Closing net asset value (£000)	–			–	4,750	3,157
Closing number of shares	–			–	1,522,027	1,220,851
Operating charges (%)**	–			–	1.63	1.62
Direct transaction costs (%)***	–			–	0.08	0.16
Prices						
Highest share price (p)	331.33			333.94	323.85	258.60
Lowest share price (p)	297.13			286.30	245.95	193.21
	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	321.97	303.79	218.43	344.55		
Return before operating charges (p)	27.95	21.45	88.01	9.87		
Operating charges (p)	(3.60)	(3.27)	(2.65)	(4.16)		
Return after operating charges (p)*	24.35	18.18	85.36	5.71		
Distributions (p)	(1.00)	(0.85)	(1.53)	(0.46)		
Retained distributions on accumulation shares (p)	1.00	0.85	1.53	0.46		
Closing net asset value per share (p)	346.32	321.97	303.79	350.26		
*after direct transaction costs of (p)	0.16	0.24	0.42	0.20		
Performance						
Return after charges (%)	7.56	5.98	39.08	1.66		
Other information						
Closing net asset value (£000)	943,486	1,235,583	1,000,698	–		
Closing number of shares	272,430,969	383,761,073	329,406,571	–		
Operating charges (%)**	1.06	1.06	1.05	–		
Direct transaction costs (%)***	0.05	0.08	0.16	–		
Prices						
Highest share price (p)	375.20	333.15	304.37	375.20		
Lowest share price (p)	299.22	285.52	214.42	336.63		

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	09/11/2018 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	344.55	345.57	322.85	229.83
Return before operating charges (p)	9.88	30.13	22.92	93.14
Operating charges (p)	(4.17)	(0.22)	(0.20)	(0.12)
Return after operating charges (p)*	5.71	29.91	22.72	93.02
Distributions (p)	(0.46)	(4.76)	(4.20)	(4.30)
Retained distributions on accumulation shares (p)	0.46	4.76	4.20	4.30
Closing net asset value per share (p)	350.26	375.48	345.57	322.85
*after direct transaction costs of (p)	0.20	0.18	0.26	0.51
Performance				
Return after charges (%)	1.66	8.66	7.04	40.47
Other information				
Closing net asset value (£000)	–	319,657	247,116	159,517
Closing number of shares	–	85,132,032	71,508,964	49,409,227
Operating charges (%)**	–	0.06	0.06	0.04
Direct transaction costs (%)***	–	0.05	0.08	0.16
Prices				
Highest share price (p)	375.20	405.06	357.25	323.42
Lowest share price (p)	336.63	321.44	303.80	225.62

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	240.05	227.09	164.04	248.51	233.96	167.84
Return before operating charges (p)	20.86	16.04	66.19	21.59	16.52	67.72
Operating charges (p)	(2.12)	(1.92)	(1.56)	(2.18)	(1.97)	(1.60)
Return after operating charges (p)*	18.74	14.12	64.63	19.41	14.55	66.12
Distributions (p)	(1.32)	(1.16)	(1.58)	(1.37)	(1.19)	(1.62)
Retained distributions on accumulation shares (p)	–	–	–	1.37	1.19	1.62
Closing net asset value per share (p)	257.47	240.05	227.09	267.92	248.51	233.96
*after direct transaction costs of (p)	0.12	0.18	0.31	0.13	0.19	0.32
Performance						
Return after charges (%)	7.81	6.22	39.40	7.81	6.22	39.39
Other information						
Closing net asset value (£000)	25,907	22,354	19,865	355,879	376,544	393,089
Closing number of shares	10,061,816	9,312,193	8,747,635	132,832,174	151,521,910	168,018,806
Operating charges (%)**	0.83	0.83	0.82	0.83	0.83	0.82
Direct transaction costs (%)***	0.05	0.08	0.16	0.05	0.08	0.16
Prices						
Highest share price (p)	280.10	249.54	229.09	289.98	257.09	234.39
Lowest share price (p)	223.13	213.49	161.12	231.00	219.95	164.76

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares	Class Z EUR Hedged – Accumulation shares		
	09/11/2018 ¹	09/11/2018 ²	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	266.11	176.13	144.71	109.07
Return before operating charges (p)	7.17	(3.14)	32.75	36.68
Operating charges (p)	(2.52)	(0.92)	(1.33)	(1.04)
Return after operating charges (p)*	4.65	(4.06)	31.42	35.64
Distributions (p)	(0.76)	(0.50)	(0.80)	(1.05)
Retained distributions on accumulation shares (p)	0.76	0.50	0.80	1.05
Closing net asset value per share (p)	270.76	172.07	176.13	144.71
*after direct transaction costs of (p)	0.15	0.14	0.13	0.21
Performance				
Return after charges (%)	1.75	(2.31)	21.71	32.68
Other information				
Closing net asset value (£000)	–	–	568	449
Closing number of shares	–	–	322,276	310,276
Operating charges (%)**	–	–	0.83	0.82
Direct transaction costs (%)***	–	–	0.08	0.16
Prices				
Highest share price (p)	289.98	189.22	182.48	144.72
Lowest share price (p)	260.21	161.67	137.77	107.26

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

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

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

Threadneedle American Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	178,176	138,706
Forward currency contracts	72	644
Other losses	(728)	(2,214)
Transaction costs	(3)	(4)
Net capital gains	<u>177,517</u>	<u>137,132</u>

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	35,628	34,573
Interest on short term investments	151	152
Bank interest	199	95
Subsidized expense rebate	2	–
Total revenue	<u>35,980</u>	<u>34,820</u>

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(21,889)	(22,346)
Registration fees	(1,278)	(1,275)
	<u>(23,167)</u>	<u>(23,621)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(280)	(272)
Safe custody fees	(59)	(59)
	<u>(339)</u>	<u>(331)</u>
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(9)	(10)
Professional fees	–	(2)
	<u>(16)</u>	<u>(18)</u>
Total expenses*	<u>(23,522)</u>	<u>(23,970)</u>

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(7)	(9)
Total interest payable & similar charges	<u>(7)</u>	<u>(9)</u>

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(4,931)	(4,604)
Total current tax (note 6b)	(4,931)	(4,604)
Total tax charge for the period	<u>(4,931)</u>	<u>(4,604)</u>
b) Factors affecting taxation charge for period		
Net revenue before taxation	<u>12,451</u>	<u>10,841</u>
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	<u>(2,490)</u>	<u>(2,168)</u>

Effects of:

Revenue not subject to taxation	7,065	6,841
Overseas taxes	(4,931)	(4,604)
Overseas tax expensed	8	19
Excess expenses	(4,582)	(4,690)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	(2)
Current tax charge for period (note 6a)	<u>(4,931)</u>	<u>(4,604)</u>

The fund has not recognised a deferred tax asset of £33,682,906 (2018: £29,100,817) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	542	–
Final	8,729	8,190
	<u>9,271</u>	<u>8,190</u>
Add: Revenue deducted on the cancellation of shares	1,082	675
Deduct: Revenue received on the creation of shares	(1,380)	(1,132)
Net distribution for the period	8,973	7,733
Net revenue after taxation	7,520	6,237
Equalisation on conversion	6	9
Shortfall transfer from capital to revenue	1,447	1,487
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	<u>8,973</u>	<u>7,733</u>

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 126 to 127.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	4,055	24,830
Sales awaiting settlement	27,667	–
Accrued revenue	1,725	2,049
Foreign withholding tax recoverable	2	–
Total debtors	<u>33,449</u>	<u>26,879</u>

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	–	14
Cash and bank balances	9,509	38,132
Total cash and bank balances	<u>9,509</u>	<u>38,146</u>

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(4,138)	(4,292)
Purchases awaiting settlement	(25,838)	(2,605)
Accrued expenses	(37)	(48)
Amounts payable to ACD	(1,810)	(2,265)
Total other creditors	<u>(31,823)</u>	<u>(9,210)</u>

11 DILUTION ADJUSTMENT

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

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

Annual management charge

Class 1 shares	1.50%
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	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 128 to 131.

The distribution per share class is given in the distribution table on pages 126 to 127.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	1,684,411
Shares issued	79,315
Shares redeemed	(131,403)
Net conversions	(1,251,516)
Closing shares	<u>380,807</u>
Class 1 EUR – Income shares*	
Opening shares	–
Shares issued	90,366
Shares redeemed	(234,192)
Net conversions	143,826
Closing shares	<u>–</u>
Class 1 – Accumulation shares	
Opening shares	170,279,598
Shares issued	21,322,855
Shares redeemed	(24,348,607)
Net conversions	(55,060,260)
Closing shares	<u>112,193,586</u>
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	826,317
Shares redeemed	(524,743)
Net conversions	(301,574)
Closing shares	<u>–</u>
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	1,277,020
Shares redeemed	(4,872,625)
Net conversions	3,595,605
Closing shares	<u>–</u>

	2019
Class 1 EUR Hedged – Accumulation shares	
Opening shares	1,522,027
Shares issued	904,098
Shares redeemed	(355,693)
Net conversions	(2,070,432)
Closing shares	<u>–</u>
Class 2 – Accumulation shares	
Opening shares	383,761,073
Shares issued	41,782,113
Shares redeemed	(63,374,758)
Net conversions	(89,737,459)
Closing shares	<u>272,430,969</u>
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	754,542
Shares redeemed	(618,726)
Net conversions	(135,816)
Closing shares	<u>–</u>
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	17,736,912
Shares redeemed	(27,267,694)
Net conversions	9,530,782
Closing shares	<u>–</u>
Class X – Accumulation shares	
Opening shares	71,508,964
Shares issued	23,416,165
Shares redeemed	(9,793,097)
Net conversions	–
Closing shares	<u>85,132,032</u>
Class Z – Income shares	
Opening shares	9,312,193
Shares issued	1,985,174
Shares redeemed	(1,360,929)
Net conversions	125,378
Closing shares	<u>10,061,816</u>
Class Z – Accumulation shares	
Opening shares	151,521,910
Shares issued	5,000,959
Shares redeemed	(13,171,886)
Net conversions	(10,518,809)
Closing shares	<u>132,832,174</u>
Class Z USD – Accumulation shares*	
Opening shares	–
Shares issued	11,972,039
Shares redeemed	(3,358,739)
Net conversions	(8,613,300)
Closing shares	<u>–</u>
Class Z EUR Hedged – Accumulation shares	
Opening shares	322,276
Shares issued	153,009
Shares redeemed	(3,000)
Net conversions	(472,285)
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 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.33% and vice versa (2018: 5.14%).

Threadneedle American Fund

Notes to the financial statements

(continued)

Currency exposures

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

	Total £000
Currency 2019	
Euro	4
US Dollar	1,990,322
Currency 2018	£000
Euro	5,282
US Dollar	2,352,602

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.18% (2018: 13.69%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.18% (2018: 13.54%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2018		
Counterparty		
Barclays	2	–
J.P. Morgan	36	14

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.

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Euro	4	–	–	4
UK Sterling	91	–	4,057	4,148
US Dollar	9,414	–	2,006,746	2,016,160
Currency 2018				
Euro	5	–	5,307	5,312
UK Sterling	26	–	26,219	26,245
US Dollar	38,115	–	2,323,754	2,361,869

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
UK Sterling	–	–	(6,118)	(6,118)
US Dollar	–	–	(25,838)	(25,838)
Currency 2018				
Euro	–	–	(30)	(30)
UK Sterling	–	–	(6,683)	(6,683)
US Dollar	–	–	(9,267)	(9,267)

Interest rate risk sensitivity

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

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,977,354	–	2,321,705	–
Level 2	–	–	38	(4)
	<u>1,977,354</u>	<u>–</u>	<u>2,321,743</u>	<u>(4)</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	1,181,724	474	0.04	–	–
Collective investment schemes	48,322	–	–	–	–
Total	<u>1,230,046</u>	<u>474</u>		<u>–</u>	
Gross purchases total:	<u>1,230,520</u>				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	1,203,312	521	0.03	19	0.00
Collective investment schemes	52,230	–	–	–	–
Inspecie transactions	498,001	–	–	–	–
Total	<u>1,753,543</u>	<u>521</u>		<u>19</u>	

Total sales net of transaction costs: 1,753,003

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.00%

7 March 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	1,589,989	833	0.05	–	–
Collective investment schemes	16,447	–	–	–	–
Total	<u>1,606,436</u>	<u>833</u>		<u>–</u>	
Gross purchases total:	<u>1,607,269</u>				

Threadneedle American Fund

Notes to the financial statements

(continued)

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	1,526,827	915	0.06	35	0.00
Collective investment schemes	11,472	–	–	–	–
Corporate actions	960	–	–	–	–
Total	1,539,259	915		35	

Total sales net of transaction costs: 1,538,309

Transaction costs as a percentage of average Net Assets

Commissions:	0.08%
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% (7 March 2018: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle American Select Fund

Investment Report

Investment Objective

The Fund aims to achieve above average capital growth over the long term. It currently looks to outperform the S&P 500 Index after charges, when measured over rolling 3-year periods.

Investment Policy

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in the United States of America (US), or which have significant US business operations.

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from within any industry or economic sector, with significant sector and share weightings taken at the discretion of the fund manager. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the S&P 500.

The S&P 500 Index is a US stock market index, the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. It provides a helpful benchmark against which Fund performance can be evaluated over time.

The Fund typically invests in fewer than 60 companies, including the shares of some companies not within the Index. On occasion, the Fund may invest in other securities (including fixed interest securities), when deemed appropriate.

The Fund may also hold money market instruments, both directly and indirectly (through other collective investment schemes), deposits, cash and near cash.

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

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle American Select Fund has risen from 294.36p to 317.62p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +5.20% as compared to a median return of +6.77% over the same period. (For information the S&P 500 TR Index returned +8.44% over the same period, and the NASDAQ Composite Index returned 8.47%).

Market Overview and Portfolio Activity

US equities were broadly flat (in USD terms) and up by mid-to-high single digit in sterling terms over the period under review. Optimism over strong economic data and corporate results in the US slightly outweighed trade-war concerns and worries over the pace of US Federal Reserve monetary tightening, political uncertainty and slowing global growth.

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

US equities staged a notable rally in the first two months of 2019. Comments from key Fed officials suggested that US interest rates might not rise at all in 2019 and minutes from the Fed's January policy meeting indicated that the central bank would likely stop reducing the size of its balance sheet before the end of this year. US economic data were more mixed towards the end of the review period, but a fifth consecutive quarter of double-digit growth in US company earnings provided support.

Trade-war fears waxed and waned. Stocks rallied after a tariff truce was agreed between the US and China at the G20 Summit in November/December, but optimism waned after concrete details failed to emerge. Markets were also unnerved by a government shutdown, triggered by

deadlock in Congress over Trump's Mexican border wall. In early 2019, US stocks were boosted as President Trump touted "substantial progress" towards a trade deal with China, agreeing to postpone tariffs on Chinese imports that were due to come into force at the start of March, and announcing that he would invite his Chinese counterpart for a "signing summit" in Florida. However, markets were later unsettled as President Trump's denuclearisation talks with North Korea collapsed without agreement.

Tech company NXP Semiconductors, fashion business Tapestry, financial Mastercard and consumer-products manufacturer Colgate-Palmolive were among positions initiated during the review period.

NXP is attractively positioned with a cheap valuation. The company is engaged in markets exposed to faster-growing secular trends, such as the internet of things in the auto and industrial sectors, which is driving positive business momentum. NXP has room to expand margins and is materially increasing capital returns to shareholders through share buybacks and dividends.

We purchased Tapestry's stock after a selloff in the wake of the earnings report released in February. We feel that concerns over the acquisition and integration of the Kate Spade business are overplayed, and that the shares offer an attractive entry point.

We sold the fund's holdings of Goldman Sachs Group, Lockheed Martin, Electronic Arts and Medtronic. Exposures to DowDuPont and UnitedHealth were increased.

The market made a healthy recovery in January and February, retracing most of the correction from late 2018, owing to a more dovish Fed and optimism over constructive US-China trade talks. As a result, valuations in terms of forward earnings multiples are now in line with historic averages. This seems fair, as the fundamentals for US equities remain solid: the domestic economy is set to grow at, or slightly above, trend, and we expect corporate earnings to grow in line with historic averages, in the 5-8% range.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	81,021	55,093
Revenue	3	11,967	15,632
Expenses	4	(13,276)	(14,526)
Interest payable and similar charges	5	(7)	(1)
Net (expense)/revenue before taxation		(1,316)	1,105
Taxation	6	(1,530)	(2,034)
Net expense after taxation		(2,846)	(929)
Total return before distributions		78,175	54,164
Distributions	7	(670)	(1,646)
Change in net assets attributable to shareholders from investment activities		77,505	52,518

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		776,290	1,143,303
Current assets:			
Debtors	8	918	1,584
Cash and bank balances	9	54,814	22,960
Total assets		832,022	1,167,847
Liabilities:			
Investment liabilities		(1)	(10)
Creditors:			
Distribution payable		(17)	(39)
Other creditors	10	(2,040)	(4,336)
Total liabilities		(2,058)	(4,385)
Net assets attributable to shareholders		829,964	1,163,462

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,163,462	1,254,034
Amounts receivable on the issue of shares	559,168	107,787
Amounts payable on the cancellation of shares	(697,135)	(252,473)
Amounts payable on inspecie transfers	(273,743)	–
	(411,710)	(144,686)
Dilution adjustment	71	63
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	77,505	52,518
Retained distribution on accumulation shares	636	1,533
Closing net assets attributable to shareholders	829,964	1,163,462

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Income shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 USD – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 EUR Hedged – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle American Select Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: 0.3341).

Class 2 USD – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 2 EUR Hedged – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: 0.2149).

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/03/19	1.4772	–	1.4772	1.6003
Group 2				
08/03/18 to 07/03/19	1.0767	0.4005	1.4772	1.6003
Total distributions in the period			1.4772	1.6003

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/03/19	0.3505	–	0.3505	0.7251
Group 2				
08/03/18 to 07/03/19	0.2804	0.0701	0.3505	0.7251
Total distributions in the period			0.3505	0.7251

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/03/19	0.3590	–	0.3590	0.7416
Group 2				
08/03/18 to 07/03/19	0.2583	0.1007	0.3590	0.7416
Total distributions in the period			0.3590	0.7416

Class Z EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1			
08/03/18 to 07/03/19	0.0755	–	0.0755
Group 2			
08/03/18 to 07/03/19	0.0032	0.0723	0.0755
Total distributions in the period			0.0755

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1			
08/03/18 to 07/03/19	0.0756	–	0.0756
Group 2			
08/03/18 to 07/03/19	–	0.0756	0.0756
Total distributions in the period			0.0756

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/03/19	0.2233	–	0.2233	0.4983
Group 2				
08/03/18 to 07/03/19	0.2233	–	0.2233	0.4983
Total distributions in the period			0.2233	0.4983

Class Z GBP Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/03/19	0.2034	–	0.2034	0.4329
Group 2				
08/03/18 to 07/03/19	0.1334	0.0700	0.2034	0.4329
Total distributions in the period			0.2034	0.4329

Group 2: shares purchased during a distribution period.

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

Threadneedle American Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	296.95	284.56	198.90	314.33
Return before operating charges (p)	25.47	17.03	89.45	6.78
Operating charges (p)	(5.00)	(4.64)	(3.79)	(5.80)
Return after operating charges (p)*	20.47	12.39	85.66	0.98
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	317.42	296.95	284.56	315.31
*after direct transaction costs of (p)	0.21	0.29	0.27	0.25
Performance				
Return after charges (%)	6.89	4.35	43.07	0.31
Other information				
Closing net asset value (£000)	755	2,691	2,611	–
Closing number of shares	237,827	906,216	917,705	–
Operating charges (%)**	1.64	1.63	1.62	–
Direct transaction costs (%)***	0.07	0.10	0.11	–
Prices				
Highest share price (p)	340.40	304.86	285.12	340.40
Lowest share price (p)	274.23	265.57	195.14	299.77
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	297.12	284.72	199.02	314.51
Return before operating charges (p)	25.50	17.04	89.50	6.79
Operating charges (p)	(5.02)	(4.64)	(3.80)	(5.81)
Return after operating charges (p)*	20.48	12.40	85.70	0.98
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	317.60	297.12	284.72	315.49
*after direct transaction costs of (p)	0.22	0.29	0.27	0.25
Performance				
Return after charges (%)	6.89	4.36	43.06	0.31
Other information				
Closing net asset value (£000)	288,681	515,779	612,497	–
Closing number of shares	90,893,642	173,594,227	215,122,590	–
Operating charges (%)**	1.63	1.63	1.62	–
Direct transaction costs (%)***	0.07	0.10	0.11	–
Prices				
Highest share price (p)	340.59	305.03	285.28	340.59
Lowest share price (p)	274.38	265.71	195.25	299.93

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	09/11/2018 ¹			09/11/2018 ²	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	314.51			268.91	224.99	165.30
Return before operating charges (p)	6.78			(10.09)	47.92	62.73
Operating charges (p)	(5.80)			(2.93)	(4.00)	(3.04)
Return after operating charges (p)*	0.98			(13.02)	43.92	59.69
Distributions (p)	–			–	–	–
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	315.49			255.89	268.91	224.99
*after direct transaction costs of (p)	0.25			0.13	0.25	0.22
Performance						
Return after charges (%)	0.31			(4.84)	19.52	36.11
Other information						
Closing net asset value (£000)	–			–	1,341	1,098
Closing number of shares	–			–	498,703	487,943
Operating charges (%)**	–			–	1.63	1.62
Direct transaction costs (%)***	–			–	0.10	0.11
Prices						
Highest share price (p)	340.59			284.22	276.72	225.01
Lowest share price (p)	299.93			243.49	212.66	162.45
	Class 2 – Accumulation shares			Class 2 USD – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	09/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	335.62	319.78	222.24	355.83		
Return before operating charges (p)	28.93	19.25	100.30	6.27		
Operating charges (p)	(3.72)	(3.41)	(2.76)	(4.34)		
Return after operating charges (p)*	25.21	15.84	97.54	1.93		
Distributions (p)	–	(0.33)	(1.00)	–		
Retained distributions on accumulation shares (p)	–	0.33	1.00	–		
Closing net asset value per share (p)	360.83	335.62	319.78	357.76		
*after direct transaction costs of (p)	0.25	0.32	0.30	0.28		
Performance						
Return after charges (%)	7.51	4.95	43.89	0.54		
Other information						
Closing net asset value (£000)	215,952	281,257	261,488	–		
Closing number of shares	59,848,373	83,802,021	81,771,761	–		
Operating charges (%)**	1.06	1.06	1.05	–		
Direct transaction costs (%)***	0.07	0.10	0.11	–		
Prices						
Highest share price (p)	385.83	344.36	320.38	385.83		
Lowest share price (p)	310.08	298.63	218.05	340.07		

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	09/11/2018 ²	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017 ³
Change in net assets per share						
Opening net asset value per share (p)	231.04	192.12	140.23	152.44	143.81	100.00
Return before operating charges (p)	(8.17)	41.14	53.57	13.21	8.72	43.86
Operating charges (p)	(1.68)	(2.22)	(1.68)	(0.10)	(0.09)	(0.05)
Return after operating charges (p)*	(9.85)	38.92	51.89	13.11	8.63	43.81
Distributions (p)	–	(0.21)	(0.63)	(1.48)	(1.60)	(1.60)
Retained distributions on accumulation shares (p)	–	0.21	0.63	1.48	1.60	1.60
Closing net asset value per share (p)	221.19	231.04	192.12	165.55	152.44	143.81
*after direct transaction costs of (p)	0.11	0.21	0.18	0.11	0.15	0.16
Performance						
Return after charges (%)	(4.26)	20.26	37.00	8.60	6.00	43.81
Other information						
Closing net asset value (£000)	–	255	357	24,771	20,889	18,506
Closing number of shares	–	110,361	185,799	14,962,715	13,703,331	12,867,844
Operating charges (%)**	–	1.06	1.05	0.06	0.06	0.04 ¹
Direct transaction costs (%)***	–	0.10	0.11	0.07	0.10	0.11
Prices						
Highest share price (p)	245.24	237.55	192.14	176.13	156.27	144.07
Lowest share price (p)	210.39	181.71	137.82	140.96	134.46	98.50
	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	230.08	219.41	152.91	236.03	224.39	155.60
Return before operating charges (p)	19.85	13.23	69.07	20.36	13.51	70.30
Operating charges (p)	(2.01)	(1.83)	(1.48)	(2.05)	(1.87)	(1.51)
Return after operating charges (p)*	17.84	11.40	67.59	18.31	11.64	68.79
Distributions (p)	(0.35)	(0.73)	(1.09)	(0.36)	(0.74)	(1.11)
Retained distributions on accumulation shares (p)	–	–	–	0.36	0.74	1.11
Closing net asset value per share (p)	247.57	230.08	219.41	254.34	236.03	224.39
*after direct transaction costs of (p)	0.17	0.22	0.21	0.17	0.23	0.21
Performance						
Return after charges (%)	7.75	5.20	44.20	7.76	5.19	44.21
Other information						
Closing net asset value (£000)	12,192	12,205	13,263	287,330	328,751	343,844
Closing number of shares	4,924,811	5,304,581	6,044,875	112,971,009	139,282,738	153,236,301
Operating charges (%)**	0.83	0.83	0.82	0.83	0.83	0.82
Direct transaction costs (%)***	0.07	0.10	0.11	0.07	0.10	0.11
Prices						
Highest share price (p)	264.79	236.76	220.92	271.65	242.13	224.81
Lowest share price (p)	212.61	204.96	150.02	218.11	209.61	152.66

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class Z EUR – Accumulation shares			Class Z USD – Accumulation shares	
	09/11/2018 ¹			09/11/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	250.40			250.40	
Return before operating charges (p)	4.80			3.31	
Operating charges (p)	(3.21)			(1.72)	
Return after operating charges (p)*	1.59			1.59	
Distributions (p)	(0.08)			(0.08)	
Retained distributions on accumulation shares (p)	0.08			0.08	
Closing net asset value per share (p)	251.99			251.99	
*after direct transaction costs of (p)	0.27			0.15	
Performance					
Return after charges (%)	0.63			0.63	
Other information					
Closing net asset value (£000)	–			–	
Closing number of shares	–			–	
Operating charges (%)**	–			–	
Direct transaction costs (%)***	–			–	
Prices					
Highest share price (p)	271.65			271.65	
Lowest share price (p)	239.52			239.52	
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	23/11/2017 ¹	07/03/2017
Change in net assets per share					
Opening net asset value per share (p)	156.88	141.82	101.75	178.36	129.99
Return before operating charges (p)	(2.96)	16.26	41.05	24.83	49.63
Operating charges (p)	(1.26)	(1.20)	(0.98)	(1.11)	(1.26)
Return after operating charges (p)*	(4.22)	15.06	40.07	23.72	48.37
Distributions (p)	(0.22)	(0.50)	(0.74)	–	(0.92)
Retained distributions on accumulation shares (p)	0.22	0.50	0.74	–	0.92
Closing net asset value per share (p)	152.66	156.88	141.82	202.08	178.36
*after direct transaction costs of (p)	0.11	0.15	0.14	0.19	0.18
Performance					
Return after charges (%)	(2.69)	10.62	39.38	13.30	37.21
Other information					
Closing net asset value (£000)	15	16	14	–	5
Closing number of shares	10,000	10,000	10,000	–	3,001
Operating charges (%)**	0.82	0.82	0.81	–	0.82
Direct transaction costs (%)***	0.07	0.10	0.11	–	0.11
Prices					
Highest share price (p)	171.37	161.98	142.45	203.30	178.37
Lowest share price (p)	135.60	134.62	99.70	168.74	127.75

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class Z GBP Hedged – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share			
Opening net asset value per share (p)	144.82	123.09	99.75
Return before operating charges (p)	1.60	22.82	24.30
Operating charges (p)	(1.19)	(1.09)	(0.96)
Return after operating charges (p)*	0.41	21.73	23.34
Distributions (p)	(0.20)	(0.43)	(0.67)
Retained distributions on accumulation shares (p)	0.20	0.43	0.67
Closing net asset value per share (p)	145.23	144.82	123.09
*after direct transaction costs of (p)	0.10	0.13	0.13
Performance			
Return after charges (%)	0.28	17.65	23.40
Other information			
Closing net asset value (£000)	268	278	351
Closing number of shares	184,308	192,079	285,143
Operating charges (%)**	0.83	0.83	0.83
Performance fee (%)	–	–	–
Direct transaction costs (%)***	0.07	0.10	0.11
Prices			
Highest share price (p)	153.72	151.19	124.29
Lowest share price (p)	122.40	119.91	98.33

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

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

³Commenced 16 March 2016.

⁴Closed 23 November 2017.

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

Threadneedle American Select Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	80,535	57,238
Forward currency contracts	(1,291)	667
Other gains/(losses)	1,778	(2,810)
Transaction costs	(1)	(2)
Net capital gains	81,021	55,093

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	11,272	15,265
Interest on short term investments	605	314
Bank interest	88	53
Subsidized expense rebate	2	–
Total revenue	11,967	15,632

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(12,276)	(13,423)
Registration fees	(820)	(908)
	(13,096)	(14,331)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(132)	(141)
Safe custody fees	(31)	(34)
	(163)	(175)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(10)	(12)
Professional fees	–	(2)
	(17)	(20)
Total expenses*	(13,276)	(14,526)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(7)	(1)
Total interest payable & similar charges	(7)	(1)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(1,530)	(2,034)
Total current tax (note 6b)	(1,530)	(2,034)
Total tax charge for the period	(1,530)	(2,034)
b) Factors affecting taxation charge for period		
Net (expense)/revenue before taxation	(1,316)	1,105
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	263	(221)

Effects of:

Revenue not subject to taxation	2,253	3,088
Overseas taxes	(1,530)	(2,034)
Overseas tax expensed	–	(2)
Excess expenses	(2,516)	(2,862)
Retail Distribution Review (RDR) conversion transfer from capital	–	(3)
Current tax charge for period (note 6a)	(1,530)	(2,034)

The fund has not recognised a deferred tax asset of £26,553,100 (2018: £24,036,955) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	9	–
Final	644	1,572
	653	1,572
Add: Revenue deducted on the cancellation of shares	(400)	140
Deduct: Revenue received on the creation of shares	417	(66)
Net distribution for the period	670	1,646
Net expense after taxation	(2,846)	(929)
Equalisation on conversion	1	17
Shortfall transfer from capital to revenue	3,515	2,558
Total distributions	670	1,646

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 136 to 137.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	83	270
Accrued revenue	831	1,314
Foreign withholding tax recoverable	4	–
Total debtors	918	1,584

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	15	–
Cash and bank balances	54,799	22,960
Total cash and bank balances	54,814	22,960

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(1,116)	(2,983)
Accrued expenses	(22)	(32)
Amounts payable to ACD	(902)	(1,321)
Total other creditors	(2,040)	(4,336)

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

Annual management charge

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

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 138 to 142.

The distribution per share class is given in the distribution table on pages 136 to 137.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	906,216
Shares issued	93,195
Shares redeemed	(104,156)
Net conversions	(657,428)
Closing shares	<u>237,827</u>
Class 1 EUR – Income shares*	
Opening shares	–
Shares issued	141,737
Shares redeemed	(115,524)
Net conversions	(26,213)
Closing shares	<u>–</u>
Class 1 – Accumulation shares	
Opening shares	173,594,227
Shares issued	16,391,476
Shares redeemed	(13,105,756)
Net conversions	(85,986,305)
Closing shares	<u>90,893,642</u>
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	1,607,199
Shares redeemed	(17,052,232)
Net conversions	15,445,033
Closing shares	<u>–</u>
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	380,595
Shares redeemed	(3,094,807)
Net conversions	2,714,212
Closing shares	<u>–</u>

	2019
Class 1 EUR Hedged – Accumulation shares	
Opening shares	498,703
Shares issued	459,234
Shares redeemed	(666,128)
Net conversions	(291,809)
Closing shares	<u>–</u>
Class 2 – Accumulation shares	
Opening shares	83,802,021
Shares issued	15,361,562
Shares redeemed	(18,223,520)
Net conversions	(21,091,690)
Closing shares	<u>59,848,373</u>
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	9,938,877
Shares redeemed	(22,415,694)
Net conversions	12,476,817
Closing shares	<u>–</u>
Class 2 EUR Hedged – Accumulation shares	
Opening shares	110,361
Shares issued	13,550,364
Shares redeemed	(12,990,453)
Net conversions	(670,272)
Closing shares	<u>–</u>
Class X – Accumulation shares	
Opening shares	13,703,331
Shares issued	2,872,739
Shares redeemed	(1,613,355)
Net conversions	–
Closing shares	<u>14,962,715</u>
Class Z – Income shares	
Opening shares	5,304,581
Shares issued	335,958
Shares redeemed	(846,683)
Net conversions	130,955
Closing shares	<u>4,924,811</u>
Class Z – Accumulation shares	
Opening shares	139,282,738
Shares issued	320,006
Shares redeemed	(14,975,700)
Net conversions	(11,656,035)
Closing shares	<u>112,971,009</u>
Class Z EUR – Accumulation shares*	
Opening shares	–
Shares issued	64,275
Shares redeemed	(528,862)
Net conversions	464,587
Closing shares	<u>–</u>
Class Z USD – Accumulation shares*	
Opening shares	–
Shares issued	8,906
Shares redeemed	(551,646)
Net conversions	542,740
Closing shares	<u>–</u>
Class Z CHF Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>

Threadneedle American Select Fund

Notes to the financial statements

(continued)

	2019
Class Z EUR Hedged – Accumulation shares	
Opening shares	–
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	–
Class Z GBP Hedged – Accumulation shares	
Opening shares	192,079
Shares issued	1,100
Shares redeemed	(8,871)
Net conversions	–
Closing shares	184,308

*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 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.55% and vice versa (2018: 5.36%).

Currency exposures

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

	Total
Currency 2019	£000
Euro	11
Swiss Franc	15
US Dollar	831,013
Currency 2018	£000
Euro	1,543
Swiss Franc	16
US Dollar	1,164,284

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.18% (2018: 13.69%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.19% (2018: 13.70%).

Credit/Counterparty exposure

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

2019	Forward Foreign Exchange	Collateral
	Contracts Exposure	Pledged
Counterparty	£000	£000
J.P. Morgan	3	15
2018	Forward Foreign Exchange	Collateral
Counterparty	Contracts Exposure	Pledged
	£000	£000
Citigroup	1	–
J.P. Morgan	7	–

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	11	–	–	11
Swiss Franc	–	–	15	15
UK Sterling	158	–	824	982
US Dollar	54,645	–	777,120	831,765
Currency 2018				
Euro	–	–	2,137	2,137
Swiss Franc	–	–	16	16
UK Sterling	116	–	1,877	1,993
US Dollar	22,844	–	1,145,186	1,168,030

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(2,057)	(2,057)
US Dollar	–	–	(752)	(752)
Currency 2018				
Euro	–	–	(594)	(594)
UK Sterling	–	–	(4,374)	(4,374)
US Dollar	–	–	(3,746)	(3,746)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £3,000 (2018: £18,000) and a liability value of £1,000 (2018: £10,000).

15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	776,287	–	1,143,285	–
Level 2	3	(1)	18	(10)
	776,290	(1)	1,143,303	(10)

Threadneedle American Select Fund

Notes to the financial statements

(continued)

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	553,596	287	0.05	–	–
Total	553,596	287		–	

Gross purchases total: 553,883

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	732,507	368	0.04	11	0.00
Inspecie transactions	269,248	–	–	–	–
Total	1,001,755	368		11	

Total sales net of transaction costs: 1,001,376

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.00%

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	688,255	483	0.07	–	–
Total	688,255	483		–	

Gross purchases total: 688,738

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	830,612	677	0.08	19	0.00
Corporate actions	498	–	–	–	–
Total	831,110	677		19	

Total sales net of transaction costs: 830,414

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
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% (7 March 2018: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle American Smaller Companies Fund (US)

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies that are domiciled in the US or have significant US operations.

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). For liquidity purposes it may invest in cash and near cash.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 304.43p to 322.10p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +6.40% as compared to a median return of +11.17% over the same period. (For information the Russell 2500 returned +10.18% over the same period).

Market Overview and Portfolio Activity

US equities were broadly flat (in USD terms) and up by mid-to-high single digit in sterling terms over the period under review. The small and mid-cap end of the spectrum was flat to slightly negative in USD terms. Optimism over strong economic data and corporate results in the US contended with trade-war concerns and worries over the pace of US Federal Reserve monetary tightening, political uncertainty and slowing global growth.

Following strong US second-quarter (Q2) GDP growth, at 4.2% (annualised), the Federal Reserve took a more hawkish turn, raising interest rates in June as expected but increasing its projections for

the pace of future rate hikes. Continued strong US data in the third quarter helped push Treasury yields sharply higher, triggering an equity sell-off in the final quarter of 2018, as investors anticipated faster interest-rate hikes by the Federal Reserve. Against this backdrop, Q4 2018 proved challenging for US equities, as despite another strong results season from US companies in aggregate, investors seemed concerned that earnings may already have peaked. The Fed went on to raise rates as expected at its December meeting but reduced (to two) the number of hikes projected for 2019.

US equities staged a notable rally in the first two months of 2019. Comments from key Fed officials suggested that US interest rates might not rise at all in 2019 and minutes from the Fed's January policy meeting indicated that the central bank would likely stop reducing the size of its balance sheet before the end of this year. US economic data were more mixed towards the end of the review period, but a fifth consecutive quarter of double-digit growth in US company earnings provided support.

Trade-war fears waxed and waned. Stocks rallied after a tariff truce was agreed between the US and China at the G20 Summit in November/December, but optimism waned after concrete details failed to emerge. Markets were also unnerved by a government shutdown, triggered by deadlock in Congress over Trump's Mexican border wall. In early 2019, US stocks were boosted as President Trump touted "substantial progress" towards a trade deal with China, agreeing to postpone tariffs on Chinese imports that were due to come into force at the start of March, and announcing that he would invite his Chinese counterpart for a "signing summit" in Florida. However, markets were later unsettled as President Trump's denuclearisation talks with North Korea collapsed without agreement.

Consumer credit-reporting company budget gym operator Planet Fitness, discount retailer Ollie's Bargain Outlet and utility Edison International were among positions established during the review term.

As a franchise gym model in the attractive health and wellness category, Planet Fitness can leverage its significant scale (more than 1,600 locations) with equipment manufacturers, marketing and technology, while consistently investing in its clubs to ensure the longevity of the model. There is potential upside through increases in membership fees and greater penetration in its home market, as well as the possibility of higher capital returns to stockholders through dividends or share repurchases.

Ollie's has a pricing model similar to those of discount retailers TJX, Ross Stores and Burlington Stores, but with more of a focus on household goods. As the company scales up to a long-term target of 950 outlets (from about 275 currently), it has a good growth outlook and an opportunity for margin expansion.

Edison, which operates in California, benefits from a positive regulatory regime and looks set to earn above-average rate-based growth of 7-8%. The stock offers an attractive entry point, following a selloff in the wake of the troubles experienced by sector peer Pacific Gas and Electric.

We sold the fund's holdings of Acadia Healthcare, BankUnited, Granite Construction, Core Laboratories and Electronics for Imaging.

The market made a healthy recovery in January and February, retracing most of the correction from late 2018, owing to a more dovish Fed and optimism over constructive US-China trade talks. As a result, valuations in terms of forward earnings multiples are now in line with historic averages. This seems fair, as the fundamentals for US equities remain solid: the domestic economy is set to grow at, or slightly above, trend, and we expect corporate earnings to grow in line with historic averages, in the 5-8% range.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	26,204	(27,285)
Revenue	3	7,062	9,225
Expenses	4	(6,672)	(8,966)
Interest payable and similar charges	5	(18)	–
Net revenue before taxation		372	259
Taxation	6	(952)	(1,250)
Net expense after taxation		(580)	(991)
Total return before distributions		25,624	(28,276)
Distributions	7	(424)	(547)
Change in net assets attributable to shareholders from investment activities		25,200	(28,823)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		369,782	684,024
Current assets:			
Debtors	8	981	6,009
Cash and bank balances		3,713	7,458
Cash equivalents**		385	3,624
Total assets		374,861	701,115
Liabilities:			
Creditors:			
Distribution payable		(24)	(24)
Other creditors	9	(2,372)	(7,284)
Total liabilities		(2,396)	(7,308)
Net assets attributable to shareholders		372,465	693,807

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	693,807	936,915
Amounts receivable on the issue of shares	390,097	106,738
Amounts payable on the cancellation of shares	(494,995)	(321,709)
Amounts payable on inspecie transfers	(242,053)	–
	(346,951)	(214,971)
Dilution adjustment	26	204
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	25,200	(28,823)
Retained distribution on accumulation shares	383	482
Closing net assets attributable to shareholders	372,465	693,807

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Income shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 USD – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle American Smaller Companies Fund (US)

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 2 USD – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.9167	–	2.9167	2.7402
Group 2 08/03/18 to 07/03/19	1.5467	1.3700	2.9167	2.7402
Total distributions in the period			2.9167	2.7402

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	0.2993	–	0.2993	0.2956
Group 2 08/03/18 to 07/03/19	0.2166	0.0827	0.2993	0.2956
Total distributions in the period			0.2993	0.2956

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	0.3917	–	0.3917	0.3882
Group 2 08/03/18 to 07/03/19	0.2899	0.1018	0.3917	0.3882
Total distributions in the period			0.3917	0.3882

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.1842	–	0.1842
Group 2 08/03/18 to 07/03/19	0.0998	0.0844	0.1842
Total distributions in the period			0.1842

Class Z EUR Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.1232	–	0.1232
Group 2 08/03/18 to 07/03/19	0.0032	0.1200	0.1232
Total distributions in the period			0.1232

Class Z CHF Hedged – Gross accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Group 2: shares purchased during a distribution period.

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

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2019	07/03/2018	07/03/2017	23/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	307.15	317.83	215.26	340.43
Return before operating charges (p)	19.95	(5.56)	106.98	(29.54)
Operating charges (p)	(5.19)	(5.12)	(4.41)	(2.09)
Return after operating charges (p)*	14.76	(10.68)	102.57	(31.63)
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	321.91	307.15	317.83	308.80
*after direct transaction costs of (p)	0.43	0.53	0.45	0.17
Performance				
Return after charges (%)	4.81	(3.36)	47.65	(9.29)
Other information				
Closing net asset value (£000)	1,628	15,936	20,563	–
Closing number of shares	505,796	5,188,424	6,469,878	–
Operating charges (%)**	1.65	1.67	1.67	–
Direct transaction costs (%)***	0.13	0.17	0.17	–
Prices				
Highest share price (p)	361.13	319.72	320.44	361.13
Lowest share price (p)	273.33	290.72	211.79	305.73
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	07/03/2019 ²
Change in net assets per share				
Opening net asset value per share (p)	307.28	317.96	215.35	340.58
Return before operating charges (p)	19.97	(5.55)	106.99	(14.66)
Operating charges (p)	(5.18)	(5.13)	(4.38)	(3.87)
Return after operating charges (p)*	14.79	(10.68)	102.61	(18.53)
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	322.07	307.28	317.96	322.05
*after direct transaction costs of (p)	0.43	0.53	0.44	0.45
Performance				
Return after charges (%)	4.81	(3.36)	47.65	(5.44)
Other information				
Closing net asset value (£000)	26,766	179,438	243,762	18,743
Closing number of shares	8,310,513	58,395,304	76,663,936	5,819,946
Operating charges (%)**	1.64	1.67	1.67	1.63 [†]
Direct transaction costs (%)***	0.13	0.17	0.17	0.13
Prices				
Highest share price (p)	361.28	319.86	320.58	361.28
Lowest share price (p)	273.44	290.84	211.87	273.44

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	23/11/2018 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	340.58	348.03	357.93	240.94
Return before operating charges (p)	(29.55)	22.69	(6.23)	120.12
Operating charges (p)	(2.10)	(3.87)	(3.67)	(3.13)
Return after operating charges (p)*	(31.65)	18.82	(9.90)	116.99
Distributions (p)	–	–	–	(0.07)
Retained distributions on accumulation shares (p)	–	–	–	0.07
Closing net asset value per share (p)	308.93	366.85	348.03	357.93
*after direct transaction costs of (p)	0.17	0.50	0.59	0.50
Performance				
Return after charges (%)	(9.29)	5.41	(2.77)	48.56
Other information				
Closing net asset value (£000)	–	160,580	227,095	329,206
Closing number of shares	–	43,772,116	65,252,001	91,974,566
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.13	0.17	0.17
Prices				
Highest share price (p)	361.28	410.35	361.95	360.84
Lowest share price (p)	305.86	311.13	328.46	237.06
	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	23/11/2018 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share				
Opening net asset value per share (p)	386.35	287.83	293.18	195.43
Return before operating charges (p)	(33.47)	18.77	(5.18)	97.87
Operating charges (p)	(1.55)	(0.18)	(0.17)	(0.12)
Return after operating charges (p)*	(35.02)	18.59	(5.35)	97.75
Distributions (p)	–	(2.92)	(2.74)	(2.46)
Retained distributions on accumulation shares (p)	–	2.92	2.74	2.46
Closing net asset value per share (p)	351.33	306.42	287.83	293.18
*after direct transaction costs of (p)	0.19	0.42	0.49	0.39
Performance				
Return after charges (%)	(9.06)	6.46	(1.82)	50.02
Other information				
Closing net asset value (£000)	–	11,033	9,278	9
Closing number of shares	–	3,600,793	3,223,328	3,000
Operating charges (%)**	–	0.06	0.06	0.05
Direct transaction costs (%)***	–	0.13	0.17	0.17
Prices				
Highest share price (p)	410.35	341.05	298.91	295.52
Lowest share price (p)	347.69	259.36	270.41	192.29

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	185.31	190.56	128.26	243.78	250.28	168.18
Return before operating charges (p)	12.10	(3.32)	64.01	15.89	(4.37)	83.94
Operating charges (p)	(1.72)	(1.63)	(1.40)	(2.25)	(2.13)	(1.84)
Return after operating charges (p)*	10.38	(4.95)	62.61	13.64	(6.50)	82.10
Distributions (p)	(0.30)	(0.30)	(0.31)	(0.39)	(0.39)	(0.41)
Retained distributions on accumulation shares (p)	–	–	–	0.39	0.39	0.41
Closing net asset value per share (p)	195.39	185.31	190.56	257.42	243.78	250.28
*after direct transaction costs of (p)	0.27	0.32	0.27	0.35	0.42	0.35
Performance						
Return after charges (%)	5.60	(2.60)	48.81	5.60	(2.60)	48.82
Other information						
Closing net asset value (£000)	15,805	14,835	13,834	137,910	247,225	329,541
Closing number of shares	8,088,859	8,005,588	7,259,494	53,573,430	101,413,510	131,668,272
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88	0.88
Direct transaction costs (%)***	0.13	0.17	0.17	0.13	0.17	0.17
Prices						
Highest share price (p)	218.69	192.98	192.42	287.69	253.47	252.31
Lowest share price (p)	165.90	175.03	126.34	218.24	229.89	165.47
	Class Z USD – Accumulation shares			Class Z EUR Hedged – Gross accumulation shares ³		
	23/11/2018 ¹			23/11/2018 ³		
Change in net assets per share						
Opening net asset value per share (p)	270.75			100.00		
Return before operating charges (p)	(23.44)			(8.39)		
Operating charges (p)	(0.90)			(0.39)		
Return after operating charges (p)*	(24.34)			(8.78)		
Distributions (p)	(0.18)			(0.12)		
Retained distributions on accumulation shares (p)	0.18			0.12		
Closing net asset value per share (p)	246.41			91.22		
*after direct transaction costs of (p)	0.13			0.06		
Performance						
Return after charges (%)	(8.99)			(8.78)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	287.69			109.64		
Lowest share price (p)	243.82			90.79		

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross accumulation shares ⁵ 05/11/2018 ⁴
Change in net assets per share	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	(5.25)
Operating charges (p)	(0.32)
Return after operating charges (p)*	(5.57)
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	94.43
*after direct transaction costs of (p)	0.05
Performance	
Return after charges (%)	(5.57)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	111.66
Lowest share price (p)	91.60

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

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

³Only available to eligible investors.

¹Commenced 15 June 2018 and closed 23 November 2018.

²Commenced 15 June 2018.

³Commenced 30 May 2018 and closed 23 November 2018.

⁴Commenced 30 May 2018 and closed 5 November 2018.

⁵The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019	2018
	£000	£000
Non-derivative securities	25,553	(25,221)
Forward currency contracts	(97)	189
Other gains/(losses)	754	(2,249)
Transaction costs	(6)	(4)
Net capital gains/(losses)	26,204	(27,285)

3 REVENUE

	2019	2018
	£000	£000
Overseas dividends	6,925	9,069
Interest on short term investments	42	96
Bank interest	92	60
Subsidized expense rebate	3	–
Total revenue	7,062	9,225

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(6,057)	(8,096)
Registration fees	(501)	(732)
	(6,558)	(8,828)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(72)	(92)
Safe custody fees	(26)	(29)
	(98)	(121)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(9)	(10)
Professional fees	–	(2)
	(16)	(17)
Total expenses*	(6,672)	(8,966)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Interest payable	(18)	–
Total interest payable & similar charges	(18)	–

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(952)	(1,250)
Total current tax (note 6b)	(952)	(1,250)
Total tax charge for the period	(952)	(1,250)
b) Factors affecting taxation charge for period		
Net revenue before taxation	372	259
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(74)	(52)

Effects of:

Revenue not subject to taxation	1,188	1,512
Overseas taxes	(952)	(1,250)
Overseas tax expensed	25	47
Excess expenses	(1,139)	(1,505)
Retail Distribution Review (RDR) conversion transfer from capital	–	(2)
Current tax charge for period (note 6a)	(952)	(1,250)

The fund has not recognised a deferred tax asset of £6,299,464 (2018: £10,144,847) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019	2018
	£000	£000
Interim	68	–
Final	339	506
	407	506
Add: Revenue deducted on the cancellation of shares	(237)	143
Deduct: Revenue received on the creation of shares	254	(102)
Net distribution for the period	424	547
Net expense after taxation	(580)	(991)
Equalisation on conversion	–	11
Shortfall transfer from capital to revenue	1,004	1,527
Total distributions	424	547

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 147 to 148.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	300	1,277
Sales awaiting settlement	–	4,335
Accrued revenue	678	389
Foreign withholding tax recoverable	3	8
Total debtors	981	6,009

9 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(1,990)	(717)
Purchases awaiting settlement	–	(5,817)
Accrued expenses	(16)	(22)
Amounts payable to ACD	(366)	(728)
Total other creditors	(2,372)	(7,284)

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 American Smaller Companies Fund (US)

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 149 to 152. The distribution per share class is given in the distribution table on pages 147 to 148.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	5,188,424
Shares issued	104,679
Shares redeemed	(399,745)
Net conversions	(4,387,562)
Closing shares	505,796
Class 1 EUR – Income shares*	
Opening shares	–
Shares issued	260,657
Shares redeemed	(783,531)
Net conversions	522,874
Closing shares	–
Class 1 – Accumulation shares	
Opening shares	58,395,304
Shares issued	1,263,902
Shares redeemed	(7,287,073)
Net conversions	(44,061,620)
Closing shares	8,310,513
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	693,592
Shares redeemed	(1,205,343)
Net conversions	6,331,697
Closing shares	5,819,946
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	3,915,710
Shares redeemed	(8,624,509)
Net conversions	4,708,799
Closing shares	–
Class 2 – Accumulation shares	
Opening shares	65,252,001
Shares issued	1,131,206
Shares redeemed	(7,057,027)
Net conversions	(15,554,064)
Closing shares	43,772,116
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	4,353,018
Shares redeemed	(9,391,426)
Net conversions	5,038,408
Closing shares	–

	2019
Class X – Accumulation shares	
Opening shares	3,223,328
Shares issued	549,502
Shares redeemed	(172,037)
Net conversions	–
Closing shares	3,600,793

	2019
Class Z – Income shares	
Opening shares	8,005,588
Shares issued	1,094,752
Shares redeemed	(1,033,541)
Net conversions	22,060
Closing shares	8,088,859

	2019
Class Z – Accumulation shares	
Opening shares	101,413,510
Shares issued	3,478,657
Shares redeemed	(19,169,981)
Net conversions	(32,148,756)
Closing shares	53,573,430

	2019
Class Z USD – Accumulation shares*	
Opening shares	–
Shares issued	8,488,346
Shares redeemed	(3,869,592)
Net conversions	(4,618,754)
Closing shares	–

	2019
Class Z EUR Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	51,021
Shares redeemed	(1,001)
Net conversions	(50,020)
Closing shares	–

	2019
Class Z CHF Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	1,000
Shares redeemed	(1,000)
Net conversions	–
Closing shares	–

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

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.91% and vice versa (2018: 4.77%).

Currency exposures

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

	Total
Currency 2019	£000
Euro	2
US Dollar	374,109
Currency 2018	£000
Euro	9
US Dollar	693,756

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.18% (2018: 13.69%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.20% (2018: 13.68%).

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	2	–	–	2
UK Sterling	42	–	708	750
US Dollar	3,669	–	370,844	374,513
Currency 2018				
Euro	9	–	–	9
UK Sterling	159	–	1,374	1,533
US Dollar	7,290	3,624	688,756	699,670
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(2,396)	(2,396)
US Dollar	–	–	(404)	(404)
Currency 2018				
UK Sterling	–	–	(1,491)	(1,491)
US Dollar	–	–	(5,914)	(5,914)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	370,167	–	687,648	–
	370,167	–	687,648	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	636,762	305	0.05	–	–
Collective investment schemes	7,920	–	–	–	–
Total	644,682	305			
Gross purchases total:	644,987				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	734,485	338	0.03	11	0.00
Collective investment schemes	11,244	–	–	–	–
Inspecie transactions	241,535	–	–	–	–
Corporate actions	381	–	–	–	–
Total	987,645	338		11	

Total sales net of transaction costs: 987,296

Transaction costs as a percentage of average Net Assets

Commissions: 0.13%
Taxes: 0.00%

7 March 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	937,594	570	0.06	–	–
Collective investment schemes	11,005	–	–	–	–
Total	948,599	570			
Gross purchases total:	949,169				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	1,145,401	711	0.06	26	0.00
Collective investment schemes	7,299	–	–	–	–
Total	1,152,700	711		26	

Total sales net of transaction costs: 1,151,963

Transaction costs as a percentage of average Net Assets

Commissions: 0.17%
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 0.04% (7 March 2018: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Dollar Bond Fund

Investment Report

Investment Objective

To achieve total return primarily by way of income with some capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in US Government Securities denominated in Dollar and Dollar denominated securities issued by Governments, Government Agencies, Corporations and Supranational Borrowers.

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 other fixed interest securities and money market securities). For liquidity purposes it may invest in cash and near cash.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Dollar Bond Fund has risen from 57.21p to 59.97p.

The sterling total return on the fund for the twelve months ending 28 February 2019, including gross reinvested income, is +6.32% gross of tax and charges**. (For information the 50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master Index gave a total return of +6.77% in sterling terms for the same period).

Market Overview and Portfolio Activity

The benchmark 10-year Treasury yield finished the period around 20 basis points (bps) lower than where it began. By contrast, the yield on the two-year Treasury note rose by a similar amount, with the yield curve flattening as the Federal Reserve (Fed) continued its programme of interest-rate rises. At the same time, credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same

maturity) widened as a number of developments dampened investors' appetite for risk.

Political noise was a constant feature of the period. For most of the year, though, investors preferred to focus on the still-robust macro and corporate backdrop, especially in the US. GDP in the US was reported to have grown by 2.9% in 2018, the fastest pace since 2015, with the already-strong economy given extra impetus by tax cuts that came into force at the start of the year. The labour market was also buoyant, with unemployment falling to near 50-year lows. On the corporate front, S&P 500 companies posted strong aggregate earnings growth throughout the review period.

From the autumn to the end of 2018, however, markets were increasingly rattled by a range of factors. As risk appetite evaporated, equities sold off, core bond yields fell, and credit spreads widened. The main factors driving the investor unease included rising political uncertainty in Europe and the US, President Trump's tariff war against China and other US trading partners, and – related to the trade dispute – more evidence of economic deceleration in the eurozone and China.

Overarching all of these worries was the prospect of tighter monetary conditions. The Fed raised rates by 25 bps on four occasions over the year, most recently in December. At that final 2018 meeting, the Fed's guidance was still pointing to two more hikes in 2019. However, a subsequent dovish shift in commentary from policymakers at the central bank later cast doubts on this projection. At the time of writing, markets are no longer expecting a US rate rise this year, partly due to this easing monetary backdrop, risk assets have also bounced back strongly in 2019, with equities rallying and credit spreads tightening in the year to date.

Through the period, the fund was invested with a duration (or interest-rate risk) that was marginally shorter than the

market index benchmark. This was unfavourable as Treasury yields fell in aggregate. With regard to individual issuers, we participated in new deals from a wide variety of companies during the period. The largest of these additions included new bonds from AT&T, Welltower, British American Tobacco, Bacardi, Ausgrid and Syngenta. We were also active in the secondary market, adding new exposure to Imperial Brands, Deutsche Telekom, Sydney Airport and Kroger, for example. On the other side, we reduced exposure to a number of issuers, such as AT&T, AB InBev, Verizon, Goodman, and Plains All American Pipeline. We exited others, including Reckitt Benckiser, Hongkong Electric, Swedish Export Credit Corp, ING Bank, and Grupo Bimbo.

The US government bond market remains challenged by robust economic performance at a time when real yields remain well below the long-term average. A lack of a clear pass-through (from this strength and falling unemployment rates) into inflation has been supportive for the market, however.

Corporate credit markets are supported by the ongoing provision of accommodative monetary policy. The corporate credit cycle is, however, mature and though earnings have been strong, the benefits are largely accruing to shareholders – particularly within investment grade. That said, demand for income will remain a powerful and positive force. Corporate valuations or spreads are close to their long-term average.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	3,838	(16,097)
Revenue	3	2,087	3,015
Expenses	4	(712)	(1,293)
Interest payable and similar charges	5	(160)	(284)
Net revenue before taxation		1,215	1,438
Taxation	6	–	–
Net revenue after taxation		1,215	1,438
Total return before distributions		5,053	(14,659)
Distributions	7	(1,821)	(2,527)
Change in net assets attributable to shareholders from investment activities		3,232	(17,186)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		42,672	110,449
Current assets:			
Debtors	8	319	1,173
Cash and bank balances	9	464	5,588
Total assets		43,455	117,210
Liabilities:			
Investment liabilities		(129)	(28)
Creditors:			
Distribution payable		(496)	(1,313)
Other creditors	10	(394)	(137)
Total liabilities		(1,019)	(1,478)
Net assets attributable to shareholders		42,436	115,732

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	115,732	84,437
Amounts receivable on the issue of shares	11,215	64,148
Amounts payable on the cancellation of shares	(88,047)	(15,958)
	(76,832)	48,190
Dilution adjustment	47	65
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,232	(17,186)
Retained distribution on accumulation shares	257	226
Closing net assets attributable to shareholders	42,436	115,732

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.8149	–	0.8149	0.6801
08/09/18 to 07/03/19	0.8723	–	0.8723	0.6943
Group 2				
08/03/18 to 07/09/18	0.3976	0.4173	0.8149	0.6801
08/09/18 to 07/03/19	0.5023	0.3700	0.8723	0.6943
Total distributions in the period	1.6872	1.3744		
Class 1 – Gross accumulation shares				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.7979	–	1.7979	1.4670
08/09/18 to 07/03/19	1.9524	–	1.9524	1.5141
Group 2				
08/03/18 to 07/09/18	0.4928	1.3051	1.7979	1.4670
08/09/18 to 07/03/19	1.1751	0.7773	1.9524	1.5141
Total distributions in the period	3.7503	2.9811		

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

Threadneedle Dollar Bond Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.4128	–	1.4128	
08/09/18 to 07/03/19	1.5398	–	1.5398	0.9963
Group 2				
08/03/18 to 07/09/18	1.4128	–	1.4128	
08/09/18 to 07/03/19	1.5398	–	1.5398	0.9963
Total distributions in the period			2.9526	0.9963

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.5532	–	1.5532	1.3149
08/09/18 to 07/03/19	1.6681	–	1.6681	1.3393
Group 2				
08/03/18 to 07/09/18	0.4247	1.1285	1.5532	1.3149
08/09/18 to 07/03/19	0.8749	0.7932	1.6681	1.3393
Total distributions in the period			3.2213	2.6542

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.8692	–	1.8692	1.5457
08/09/18 to 07/03/19	2.0348	–	2.0348	1.5920
Group 2				
08/03/18 to 07/09/18	0.9163	0.9529	1.8692	1.5457
08/09/18 to 07/03/19	1.4651	0.5697	2.0348	1.5920
Total distributions in the period			3.9040	3.1377

Group 2: shares purchased during a distribution period.

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

Threadneedle Dollar Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	56.45	65.29	55.74	124.62	140.84	117.79
Return before operating charges (p)	4.97	(6.74)	11.60	11.02	(14.63)	24.62
Operating charges (p)	(0.69)	(0.73)	(0.74)	(1.54)	(1.59)	(1.57)
Return after operating charges (p)*	4.28	(7.47)	10.86	9.48	(16.22)	23.05
Distributions (p)	(1.69)	(1.37)	(1.31)	(3.75)	(2.98)	(2.78)
Retained distributions on accumulation shares (p)	–	–	–	3.75	2.98	2.78
Closing net asset value per share (p)	59.04	56.45	65.29	134.10	124.62	140.84
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	7.58	(11.44)	19.48	7.61	(11.52)	19.57
Other information						
Closing net asset value (£000)	27,539	101,110	61,987	8,452	7,908	14,327
Closing number of shares	46,643,711	179,107,797	94,935,460	6,302,985	6,345,373	10,172,145
Operating charges (%)**	1.17	1.19	1.19	1.17	1.19	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	61.99	65.45	67.07	138.40	141.18	143.22
Lowest share price (p)	54.79	56.18	54.99	120.94	122.51	116.35
	Class X – Gross accumulation shares [§]		Class Z – Income shares			
	07/03/2019	07/03/2018 [†]	07/03/2019	07/03/2018	07/03/2017	
Change in net assets per share						
Opening net asset value per share (p)	93.83	100.00	107.53	123.75	105.11	
Return before operating charges (p)	8.32	(6.17)	9.50	(12.81)	21.92	
Operating charges (p)	(0.05)	–	(0.76)	(0.76)	(0.76)	
Return after operating charges (p)*	8.27	(6.17)	8.74	(13.57)	21.16	
Distributions (p)	(2.95)	(1.00)	(3.22)	(2.65)	(2.52)	
Retained distributions on accumulation shares (p)	2.95	1.00	–	–	–	
Closing net asset value per share (p)	102.10	93.83	113.05	107.53	123.75	
*after direct transaction costs of (p)	–	–	–	–	–	
Performance						
Return after charges (%)	8.81	(6.17)	8.13	(10.97)	20.13	
Other information						
Closing net asset value (£000)	3	3	6,044	5,562	7,098	
Closing number of shares	3,001	3,001	5,346,131	5,172,505	5,736,167	
Operating charges (%)**	0.05	0.02 [†]	0.67	0.65	0.65	
Direct transaction costs (%)***	–	–	–	–	–	
Prices						
Highest share price (p)	105.17	101.00	118.34	124.05	126.90	
Lowest share price (p)	91.18	92.15	104.42	106.97	103.86	

Threadneedle Dollar Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share			
Opening net asset value per share (p)	129.40	145.47	121.00
Return before operating charges (p)	11.45	(15.18)	25.37
Operating charges (p)	(0.91)	(0.89)	(0.90)
Return after operating charges (p)*	10.54	(16.07)	24.47
Distributions (p)	(3.90)	(3.14)	(2.92)
Retained distributions on accumulation shares (p)	3.90	3.14	2.92
Closing net asset value per share (p)	139.94	129.40	145.47
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	8.15	(11.05)	20.22
Other information			
Closing net asset value (£000)	398	1,149	1,025
Closing number of shares	284,362	887,801	704,940
Operating charges (%)**	0.67	0.65	0.65
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	144.31	145.82	147.64
Lowest share price (p)	125.65	127.15	119.72

**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 5 October 2017.

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

Threadneedle Dollar Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	3,841	(15,699)
Derivative contracts	(28)	682
Forward currency contracts	115	(6)
Other losses	(88)	(1,073)
Transaction costs	(2)	(1)
Net capital gains/(losses)	3,838	(16,097)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	2,051	2,937
Interest on short term investments	17	62
Bank interest	19	16
Total revenue	2,087	3,015

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(606)	(1,089)
Registration fees	(70)	(162)
	(676)	(1,251)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(8)	(13)
Safe custody fees	(10)	(12)
	(18)	(25)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(11)	(9)
Professional fees	–	(2)
	(18)	(17)
Total expenses*	(712)	(1,293)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(2)	(1)
Derivative expense	(158)	(283)
Total interest payable & similar charges	(160)	(284)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,215	1,438
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(243)	(288)
Effects of:		
Excess expenses	243	288
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £793,116 (2018: £1,036,156) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	845	1,433
Final	625	1,423
	1,470	2,856
Add: Revenue deducted on the cancellation of shares	436	79
Deduct: Revenue received on the creation of shares	(85)	(408)
Net distribution for the period	1,821	2,527
Net revenue after taxation	1,215	1,438
Annual management charge to capital	606	1,089
Total distributions	1,821	2,527

Details of the distribution per share are set out in the table on pages 156 and 157.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	21	332
Accrued revenue	298	841
Total debtors	319	1,173

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	236	191
Cash and bank balances	228	5,397
Total cash and bank balances	464	5,588

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(99)	(3)
Purchases awaiting settlement	(240)	–
Accrued expenses	(11)	(13)
Amounts payable to ACD	(44)	(121)
Total other creditors	(394)	(137)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.00%
Class X shares	N/A*
Class Z shares	0.50%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 158 to 159. The distribution per share class is given in the distribution table on pages 156 to 157. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	179,107,797
Shares issued	7,740,591
Shares redeemed	(140,204,677)
Net conversions	–
Closing shares	<u>46,643,711</u>
Class 1 – Gross accumulation shares	
Opening shares	6,345,373
Shares issued	1,787,864
Shares redeemed	(1,830,252)
Net conversions	–
Closing shares	<u>6,302,985</u>
Class X – Gross accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>
Class Z – Income shares	
Opening shares	5,172,505
Shares issued	3,572,307
Shares redeemed	(3,398,681)
Net conversions	–
Closing shares	<u>5,346,131</u>
Class Z – Gross accumulation shares	
Opening shares	887,801
Shares issued	207,720
Shares redeemed	(811,159)
Net conversions	–
Closing shares	<u>284,362</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 5.72% and vice versa (2018: 5.70%).

Currency exposures

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

Currency 2019	£000
US Dollar	42,915

Currency 2018	£000
US Dollar	116,804

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.18% (2018: 13.69%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.24% (2018: 13.81%).

Credit/Counterparty exposure

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

2019 Counterparty	Futures and Options Exposure	Collateral Pledged
	£000	£000
Barclays	–	160
UBS	40	–

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

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

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

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	613	1.44	1,140	1.03
Aaa	20,525	48.25	53,576	48.52
AA+	–	–	689	0.62
AA	99	0.23	–	–
AA–	954	2.24	2,795	2.53
A+	953	2.24	1,817	1.65
A1	119	0.28	–	–
A	1,632	3.84	2,956	2.68
A–	2,593	6.09	12,701	11.50
BBB+	5,771	13.56	16,351	14.81
BBB	5,381	12.65	12,403	11.23
Baa2	300	0.71	287	0.26
BBB–	2,825	6.64	4,088	3.70
BB+	181	0.43	584	0.53
BB	153	0.36	–	–
BB–	163	0.38	–	–
B+	–	–	237	0.22
B	164	0.39	825	0.75
D	206	0.48	–	–
Derivatives*	(89)	(0.21)	(28)	(0.03)
	<u>42,543</u>	<u>100.00</u>	<u>110,421</u>	<u>100.00</u>

*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.

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	166	–	15	181
US Dollar	2,181	40,749	364	43,294
Currency 2018	£000	£000	£000	£000
UK Sterling	46	–	332	378
US Dollar	10,587	105,404	841	116,832

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(660)	(660)
US Dollar	–	–	(379)	(379)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(1,450)	(1,450)
US Dollar	–	–	(28)	(28)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps, forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various credit default swaps, forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk. At 7 March 2019, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £40,000 (2018: £Nil) and a liability value of £129,000 (2018: £28,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	20,565	–	53,576	(28)
Level 2	22,107	(129)	56,873	–
	42,672	(129)	110,449	(28)

Included within Level 1, are debt securities of £20,525,000 (2018: £53,576,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £49,503,019 (2018: £123,169,431) and £121,097,369 (2018: £72,739,978) 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 £1,809 (2018: £2,541).

At the balance sheet date, the portfolio dealing spread was 0.18% (7 March 2018: 0.23%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Japan Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a concentrated portfolio, primarily in the equities of companies domiciled in Japan or with significant Japanese operations. The investment approach of the Fund 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 fixed interest securities, warrants and convertible bonds, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Japan Fund has fallen from 60.33p to 56.40p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -9.24% as compared to a median return of -8.24% over the same period. (For information the MSCI Japan Index returned -6.75% over the same period).

Market Overview and Portfolio Activity

The MSCI Japan index fell in the period under review. Being highly geared to global risk sentiment, the country's equities were pressured by concerns around trade relations and more subdued expectations

for global economic growth. Yen strength, induced by bouts of safe-haven demand, also acted as a headwind, given the export-oriented nature of Japan's equity market. The country's economic growth was negatively impacted by a series of natural disasters, as well as by weaker demand for Japanese exports.

More positively, investors were reassured when Prime Minister Abe was re-confirmed as the leader of the Liberal Democratic Party for a new three-year term. With this came the promise of the continuation of Abenomics; a set of reforms which has seen monetary and fiscal stimulus, as well as moves to get more women and elderly people into work. Tight labour market conditions persisted, and Japan's workers won their biggest pay rises in 20 years.

Within the fund, notable new positions over the period included Astellas Pharma, a specialist in therapeutic fields such as urology, immunology and oncology. We believe the company's new treatments boast significant potential and should help to offset the deceleration in growth of longer-standing products. Astellas recently announced a medium-term plan to recover from a patent cliff in 2020 and signalled its intention to continue buybacks a reflection of its commitment to shareholder returns.

We also established a holding in Kao, Japan's largest household goods company. Kao ranks in the top three companies by market share in every major toiletry and laundry category in Japan and generates a significant portion of its domestic sales in the categories where it is the top player. Management has been placing emphasis on overseas expansion. As wages in developing countries rise and consumption moves up the quality curve, we believe demand for Kao's high value-added products will grow. The company boasts a strong management team with a track record of consistent growth and cash generation.

Other purchases included human resource service provider Recruit Holdings. A share-price pullback presented an opportune moment to establish a position given the strength in the company's HR Technology segment and stable growth in its established businesses. Recruit aims to boost margins in its acquired businesses overseas and is targeting earnings growth in its dining and beauty businesses.

To help fund these purchases, we closed our position in petrochemical product manufacturer KH Neochem; we had concerns that the company's limited pricing power could hinder earnings growth as raw materials costs increased. We also sold out of plating chemicals manufacturer JCU, owing to worries that sales growth and margins could peak as the smartphone market matures. Elsewhere, we exited industrial parts maker and distributor Misumi amid slowing industry demand growth and a significant rise in costs at the company.

While Japan's recent GDP data has underwhelmed, with growth constrained by natural disasters, we remain upbeat on the economy's longer-term prospects. Ongoing trade tensions remain a downside economic risk, given the extent to which Japan's markets and economy are geared towards global growth. However, following recent corrections, we believe that the valuations of Japanese equities represent opportunity. Secular trends such as improving corporate governance and labour market reforms should continue to drive higher returns on capital and profits for Japanese companies. Within this context, we continue to search for competitively advantaged franchises which can sustainably generate value for shareholders.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(44,679)	48,101
Revenue	3	11,829	9,053
Expenses	4	(4,828)	(4,430)
Interest payable and similar charges	5	(71)	(16)
Net revenue before taxation		6,930	4,607
Taxation	6	(1,159)	(917)
Net revenue after taxation		5,771	3,690
Total return before distributions		(38,908)	51,791
Distributions	7	(5,948)	(3,894)
Change in net assets attributable to shareholders from investment activities		(44,856)	47,897

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		672,078	666,686
Current assets:			
Debtors	8	7,444	20,348
Cash and bank balances	9	27,291	14,356
Total assets		706,813	701,390
Liabilities:			
Investment liabilities		(3)	(4)
Creditors:			
Distribution payable		(31)	(17)
Other creditors	10	(5,281)	(7,618)
Total liabilities		(5,315)	(7,639)
Net assets attributable to shareholders		701,498	693,751

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	693,751	449,380
Amounts receivable on the issue of shares	133,319	234,621
Amounts payable on the cancellation of shares	(87,063)	(100,320)
Amounts receivable on inspecie transfers	—	57,103
	46,256	191,404
Dilution adjustment	27	86
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(44,856)	47,897
Retained distribution on accumulation shares	6,320	4,984
Closing net assets attributable to shareholders	701,498	693,751

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	0.2969	—	0.2969	0.2854
Group 2 08/03/18 to 07/03/19	—	0.2969	0.2969	0.2854
Total distributions in the period	0.2969	0.2969	0.2969	0.2854

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	2.2833	—	2.2833	2.2239
Group 2 08/03/18 to 07/03/19	0.2554	2.0279	2.2833	2.2239
Total distributions in the period	2.5387	2.0279	2.2833	2.2239

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle Japan Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.0657	–	2.0657	1.9842
Group 2 08/03/18 to 07/03/19	0.7035	1.3622	2.0657	1.9842
Total distributions in the period			2.0657	1.9842

Class X2 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.6375	–	3.6375	1.8037
Group 2 08/03/18 to 07/03/19	0.8250	2.8125	3.6375	1.8037
Total distributions in the period			3.6375	1.8037

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.2658	–	1.2658	1.2194
Group 2 08/03/18 to 07/03/19	–	1.2658	1.2658	1.2194
Total distributions in the period			1.2658	1.2194

Group 2: shares purchased during a distribution period.

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

Threadneedle Japan Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	60.29	55.99	42.74	68.23	62.98	47.78
Return before operating charges (p)	(2.97)	5.28	14.05	(3.36)	5.95	15.78
Operating charges (p)	(0.97)	(0.98)	(0.80)	(0.72)	(0.70)	(0.58)
Return after operating charges (p)*	(3.94)	4.30	13.25	(4.08)	5.25	15.20
Distributions (p)	–	–	–	(0.30)	(0.29)	(0.33)
Retained distributions on accumulation shares (p)	–	–	–	0.30	0.29	0.33
Closing net asset value per share (p)	56.35	60.29	55.99	64.15	68.23	62.98
*after direct transaction costs of (p)	0.06	0.08	0.07	0.07	0.09	0.08
Performance						
Return after charges (%)	(6.54)	7.68	31.00	(5.98)	8.34	31.81
Other information						
Closing net asset value (£000)	120,505	121,061	110,080	229,529	231,075	198,352
Closing number of shares	213,843,169	200,799,874	196,607,021	357,825,938	338,658,021	314,932,533
Operating charges (%)**	1.63	1.67	1.67	1.06	1.06	1.06
Direct transaction costs (%)***	0.10	0.14	0.15	0.10	0.14	0.15
Prices						
Highest share price (p)	65.69	65.14	56.04	74.59	73.66	63.04
Lowest share price (p)	53.12	52.59	41.10	60.40	59.20	46.00
	Class L – Accumulation shares		Class X – Income shares			
	16/11/2017 ¹		07/03/2019	07/03/2018	07/03/2017	
Change in net assets per share						
Opening net asset value per share (p)	222.96		159.31	147.62	112.43	
Return before operating charges (p)	34.16		(7.95)	14.00	37.35	
Operating charges (p)	(0.74)		(0.09)	(0.09)	(0.08)	
Return after operating charges (p)*	33.42		(8.04)	13.91	37.27	
Distributions (p)	–		(2.28)	(2.22)	(2.08)	
Retained distributions on accumulation shares (p)	–		–	–	–	
Closing net asset value per share (p)	256.38		148.99	159.31	147.62	
*after direct transaction costs of (p)	–		0.16	0.22	0.20	
Performance						
Return after charges (%)	14.99		(5.05)	9.42	33.15	
Other information						
Closing net asset value (£000)	–		2,054	1,221	905	
Closing number of shares	–		1,378,268	766,577	612,799	
Operating charges (%)**	–		0.06	0.06	0.06	
Direct transaction costs (%)***	–		0.10	0.14	0.15	
Prices						
Highest share price (p)	260.29		175.16	174.11	149.82	
Lowest share price (p)	220.30		142.15	138.91	108.41	

Threadneedle Japan Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018 ²
Change in net assets per share					
Opening net asset value per share (p)	144.13	131.71	98.93	253.78	226.05
Return before operating charges (p)	(7.19)	12.50	32.85	(12.66)	27.83
Operating charges (p)	(0.09)	(0.08)	(0.07)	(0.15)	(0.10)
Return after operating charges (p)*	(7.28)	12.42	32.78	(12.81)	27.73
Distributions (p)	(2.07)	(1.98)	(1.83)	(3.64)	(1.80)
Retained distributions on accumulation shares (p)	2.07	1.98	1.83	3.64	1.80
Closing net asset value per share (p)	136.85	144.13	131.71	240.97	253.78
*after direct transaction costs of (p)	0.15	0.20	0.18	0.26	0.29
Performance					
Return after charges (%)	(5.05)	9.43	33.13	(5.05)	12.27
Other information					
Closing net asset value (£000)	238,570	240,272	138,403	108,924	98,336
Closing number of shares	174,323,739	166,709,740	105,080,656	45,201,527	38,748,938
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06 ¹
Direct transaction costs (%)***	0.10	0.14	0.15	0.10	0.14
Prices					
Highest share price (p)	158.46	155.35	131.82	279.02	273.54
Lowest share price (p)	128.60	123.94	95.38	226.44	223.38
Class Z – Accumulation shares					
	07/03/2019	07/03/2018	07/03/2017		
Change in net assets per share					
Opening net asset value per share (p)	208.03	191.68	145.16		
Return before operating charges (p)	(10.30)	18.13	47.96		
Operating charges (p)	(1.82)	(1.78)	(1.44)		
Return after operating charges (p)*	(12.12)	16.35	46.52		
Distributions (p)	(1.27)	(1.22)	(1.30)		
Retained distributions on accumulation shares (p)	1.27	1.22	1.30		
Closing net asset value per share (p)	195.91	208.03	191.68		
*after direct transaction costs of (p)	0.22	0.29	0.24		
Performance					
Return after charges (%)	(5.83)	8.53	32.05		
Other information					
Closing net asset value (£000)	1,916	1,786	1,640		
Closing number of shares	978,092	858,327	855,446		
Operating charges (%)**	0.88	0.88	0.88		
Direct transaction costs (%)***	0.10	0.14	0.15		
Prices					
Highest share price (p)	227.65	224.50	191.85		
Lowest share price (p)	184.40	180.19	139.78		

**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.

¹Commenced 12 May 2017 and closed 16 November 2017.

²Commenced 12 May 2017.

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

Threadneedle Japan Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(43,737)	47,404
Forward currency contracts	(138)	258
Other (losses)/gains	(799)	442
Transaction costs	(5)	(3)
Net capital (losses)/gains	(44,679)	48,101

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	11,828	9,053
Bank interest	1	–
Total revenue	11,829	9,053

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(4,317)	(3,951)
Registration fees	(347)	(339)
	(4,664)	(4,290)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(86)	(72)
Safe custody fees	(60)	(52)
	(146)	(124)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(11)	(9)
Professional fees	–	(2)
	(18)	(16)
Total expenses*	(4,828)	(4,430)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(71)	(16)
Total interest payable & similar charges	(71)	(16)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(1,159)	(917)
Total current tax (note 6b)	(1,159)	(917)
Total tax charge for the period	(1,159)	(917)
b) Factors affecting taxation charge for period		
Net revenue before taxation	6,930	4,607
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,386)	(921)
Effects of:		
Revenue not subject to taxation	2,282	1,834
Overseas taxes	(1,159)	(917)
Overseas tax expensed	4	–
Excess expenses	(900)	(913)
Current tax charge for period (note 6a)	(1,159)	(917)

The fund has not recognised a deferred tax asset of £8,128,713 (2018: £7,229,200) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Final	6,351	5,001
	6,351	5,001
Add: Revenue deducted on the cancellation of shares	519	464
Deduct: Revenue received on the creation of shares	(922)	(1,571)
Net distribution for the period	5,948	3,894
Net revenue after taxation	5,771	3,690
Shortfall transfer from capital to revenue	177	204
Total distributions	5,948	3,894

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 163 to 164.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	1	7,112
Sales awaiting settlement	6,721	12,885
Accrued revenue	722	351
Total debtors	7,444	20,348

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	–	21
Cash and bank balances	27,291	14,335
Total cash and bank balances	27,291	14,356

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(3,829)	(427)
Purchases awaiting settlement	(988)	(6,742)
Accrued expenses	(24)	(27)
Amounts payable to ACD	(440)	(422)
Total other creditors	(5,281)	(7,618)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Japan Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Japan Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class X2 shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 165 to 166. The distribution per share class is given in the distribution table on pages 163 to 164.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	200,799,874
Shares issued	46,803,369
Shares redeemed	(33,760,074)
Net conversions	–
Closing shares	<u>213,843,169</u>
Class 2 – Accumulation shares	
Opening shares	338,658,021
Shares issued	67,433,323
Shares redeemed	(48,265,406)
Net conversions	–
Closing shares	<u>357,825,938</u>
Class X – Income shares	
Opening shares	766,577
Shares issued	835,651
Shares redeemed	(223,960)
Net conversions	–
Closing shares	<u>1,378,268</u>
Class X – Accumulation shares	
Opening shares	166,709,740
Shares issued	16,511,274
Shares redeemed	(8,897,275)
Net conversions	–
Closing shares	<u>174,323,739</u>
Class X2 – Accumulation shares	
Opening shares	38,748,938
Shares issued	13,701,913
Shares redeemed	(7,249,324)
Net conversions	–
Closing shares	<u>45,201,527</u>
Class Z – Accumulation shares	
Opening shares	858,327
Shares issued	1,069,908
Shares redeemed	(950,143)
Net conversions	–
Closing shares	<u>978,092</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.80% and vice versa (2018: 4.60%).

Currency exposures

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

	Total £000
Currency 2019	
Japanese Yen	703,195
Currency 2018	
Japanese Yen	690,883

Currency sensitivity analysis

The only material currency exposure of the fund is to the Japanese Yen. A movement of 0.19% (2018: 5.49%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.19% (2018: 5.47%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2018		
Counterparty		
Citigroup	14	22

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Japanese Yen	27,257	–	679,521	706,778
UK Sterling	34	–	2,593	2,627
Currency 2018				
Japanese Yen	14,313	–	683,312	697,625
UK Sterling	43	–	7,113	7,156
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
Japanese Yen	–	–	(3,583)	(3,583)
UK Sterling	–	–	(4,324)	(4,324)
Currency 2018				
Japanese Yen	–	–	(6,742)	(6,742)
UK Sterling	–	–	(4,288)	(4,288)

Threadneedle Japan Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including forward foreign exchange contracts 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 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2018: £14,000) and a liability value of £3,000 (2018: £4,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	672,078	–	666,672	–
Level 2	–	(3)	14	(4)
	<u>672,078</u>	<u>(3)</u>	<u>666,686</u>	<u>(4)</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	566,873	381	0.07	–	–	–
Total	566,873	381				

Gross purchases total: 567,254

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	518,478	367	0.07	–	–	–
Total	518,478	367				

Total sales net of transaction costs: 518,111

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
Taxes:	0.00%

7 March 2018

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	698,534	478	0.07	–	–	–
In specie transactions	56,577	–	–	–	–	–
Total	755,111	478				

Gross purchases total: 755,589

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	582,785	378	0.06	–	–	–
Total	582,785	378				

Total sales net of transaction costs: 582,407

Transaction costs as a percentage of average Net Assets

Commissions:	0.14%
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 0.14% (7 March 2018: 0.16%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Asia Fund

Investment Report Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equity of companies domiciled in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. It may further invest in other securities including fixed interest securities, other equities and money market securities. The Fund may invest up to 40% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Asia Fund has fallen from 224.08p to 216.85p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -5.95% as compared to a median return of -3.93% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned -3.47% over the same period).

Market Overview and Portfolio Activity

It was a volatile year for Asian equities, mainly due to the US-China trade war, whilst concerns surrounding the slowdown in China's economic growth and global liquidity tightening also weighed on sentiment.

Chinese equities fell, despite initially performing well in the run-up to the inclusion of China A-shares in relevant global and regional MSCI indices. However, investors' risk appetite was subsequently hurt by the increasing trade friction between the US and China. Towards the end of the year, sentiment was helped by the agreed 90-day tariff truce. The period witnessed further stimulus measures by the Chinese authorities,

both on the monetary side through further cuts in the reserve requirement ratio, and on the fiscal side through both corporate and personal tax cuts and selective infrastructure spending.

The Indian market was one of the strongest performers, helped by robust inflows from foreign investors. Sentiment was further supported by cuts in the goods and services tax for selected consumer items. However, there were concerns over credit and liquidity issues among non-banking financial companies. The decline in oil price and liquidity support from the central bank ensured equities performed resiliently towards the end of 2018. Taiwan fell back, as large-cap tech stocks within Apple's supply chain suffered due to weaker orders for the latest iPhone model. Korean equities fell back as the 2019 earnings outlook turned negative, given the adverse impact of the global growth slowdown on the export-oriented economy.

In terms of portfolio activity over the period, the fund took a more defensive stance amidst a challenging environment in 2018. Our exposure to Australia was increased, through new positions in share-registry operator Computershare and packaging company Amcor. Computershare has a leading position in the provision of share-registry and mortgage servicing platforms. We purchased Amcor, as the valuation became more attractive following the announcement of the Bemis acquisition, whilst reductions in the cost of raw materials and potential synergies from the takeover should also help to drive earnings growth. The fund's exposure to Indonesia was increased through adding to holdings in Telekomunikasi Indonesia and Bank Rakyat. The latter is growing rapidly on attractive margins, and we feel macro concerns have led the Indonesian rupiah to fall to attractive levels. Other major purchases included China Mobile, due to its solid balance sheet, potential for a positive catalyst from the allocation of 5G spectrum, and the stock's undemanding valuation; and China Resources Land, which is expected to benefit from the gradual loosening of property price controls by local governments amid the slowdown in economic growth. Despite these purchases, our overall

exposure to China was reduced amidst ongoing macro concerns. We exited Inner Mongolia Yili, which is facing margin pressure from increased investment in brand building; and Midea Group, as the company's earnings and stock market valuation looked vulnerable. The fund also sold out of Bank of China, Anta Sports and Kweichow Moutai. Over the period, the fund also reduced exposure to India, exiting positions in Larsen & Toubro and Adani Ports; and in Korea, through the sales of POSCO, Hana Financial and E-Mart.

The key driver over the next year is likely to be the outcome of the US-China trade war. This has clearly caused uncertainty and will likely continue to do so as global supply chains are changed. It would be worth noting that this could slow global growth and increase global cost inflation. The recent deferring of further tariffs increases the probability of a possible deal, but we expect both positive and negative surprises, given the intermingling of issues such as deficit reduction, market access, intellectual-property protection and industrial policy.

Concern over global liquidity is another risk over the horizon. However, the Federal Reserve's recent dovish turn and focus on the economic data points diminishes the prospects for continued tightening, and thus for continued US dollar strength; this should be positive for Asian markets.

In China, the focus on deleveraging has shifted with the government beginning to implement stimulus measures in an effort to stabilise the economy. In addition, we have noticed an increase in verbal support for the private sector and perhaps an improvement in the regulatory environment with recent approvals in the gaming sector.

The relative valuation case remains compelling, the best guide being the trailing price-to-book ratio which is nearly one standard deviation below the historical mean. This environment offers investors an attractive opportunity into solid businesses supported by structural growth trends. As such, in portfolios we have been focusing on companies with earnings resilience, at attractive prices.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(34,411)	89,039
Revenue	3	15,626	12,963
Expenses	4	(5,203)	(6,268)
Interest payable and similar charges	5	(18)	(9)
Net revenue before taxation		10,405	6,686
Taxation	6	(790)	(1,797)
Net revenue after taxation		9,615	4,889
Total return before distributions		(24,796)	93,928
Distributions	7	(9,241)	(5,702)
Change in net assets attributable to shareholders from investment activities		(34,037)	88,226

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		445,351	615,320
Current assets:			
Debtors	8	1,993	8,401
Cash and bank balances		4,271	7,211
Cash equivalents**		4	–
Total assets		451,619	630,932
Liabilities:			
Investment liabilities		–	(3)
Creditors:			
Other creditors	9	(2,883)	(5,934)
Total liabilities		(2,883)	(5,937)
Net assets attributable to shareholders		448,736	624,995

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	624,995	557,047
Amounts receivable on the issue of shares	409,920	168,159
Amounts payable on the cancellation of shares	(396,309)	(243,485)
Amounts receivable on inspecie transfers	–	48,677
Amounts payable on inspecie transfers	(164,032)	–
	(150,421)	(26,649)
Dilution adjustment	128	559
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(34,037)	88,226
Retained distribution on accumulation shares	8,071	5,812
Closing net assets attributable to shareholders	448,736	624,995

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.7393	–	1.7393	0.6450
Group 2 08/03/18 to 07/03/19	0.4572	1.2821	1.7393	0.6450
Total distributions in the period	1.7393	1.2821	1.7393	0.6450

Class 1 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	1.6005	–	1.6005
Group 2 08/03/18 to 07/03/19	–	1.6005	1.6005
Total distributions in the period	1.6005	1.6005	1.6005

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle Asia Fund

DISTRIBUTION TABLE

(continued)

Class 1 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	1.6005	–	1.6005
Group 2 08/03/18 to 07/03/19	–	1.6005	1.6005
Total distributions in the period			1.6005

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.3456	–	3.3456	2.1711
Group 2 08/03/18 to 07/03/19	0.6948	2.6508	3.3456	2.1711
Total distributions in the period			3.3456	2.1711

Class 2 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	3.0364	–	3.0364
Group 2 08/03/18 to 07/03/19	1.4531	1.5833	3.0364
Total distributions in the period			3.0364

Class 2 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	3.0368	–	3.0368
Group 2 08/03/18 to 07/03/19	–	3.0368	3.0368
Total distributions in the period			3.0368

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.8225	–	3.8225	2.9923
Group 2 08/03/18 to 07/03/19	1.7708	2.0517	3.8225	2.9923
Total distributions in the period			3.8225	2.9923

Class X2 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	14.6992	–	14.6992	9.7729
Group 2 08/03/18 to 07/03/19	2.4035	12.2957	14.6992	9.7729
Total distributions in the period			14.6992	9.7729

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.9455	–	2.9455	2.0207
Group 2 08/03/18 to 07/03/19	1.4262	1.5193	2.9455	2.0207
Total distributions in the period			2.9455	2.0207

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	2.6725	–	2.6725
Group 2 08/03/18 to 07/03/19	–	2.6725	2.6725
Total distributions in the period			2.6725

Group 2: shares purchased during a distribution period.

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

Threadneedle Asia Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	25/01/2019 ¹	
Change in net assets per share					
Opening net asset value per share (p)	223.94	192.05	141.62	233.55	
Return before operating charges (p)	(3.76)	35.56	53.30	(24.27)	
Operating charges (p)	(3.64)	(3.67)	(2.87)	(1.92)	
Return after operating charges (p)*	(7.40)	31.89	50.43	(26.19)	
Distributions (p)	(1.74)	(0.65)	(1.95)	(1.60)	
Retained distributions on accumulation shares (p)	1.74	0.65	1.95	1.60	
Closing net asset value per share (p)	216.54	223.94	192.05	207.36	
*after direct transaction costs of (p)	0.53	0.49	0.35	0.15	
Performance					
Return after charges (%)	(3.30)	16.61	35.61	(11.21)	
Other information					
Closing net asset value (£000)	65,180	148,098	147,496	–	
Closing number of shares	30,101,025	66,133,496	76,802,345	–	
Operating charges (%)**	1.66	1.72	1.72	–	
Direct transaction costs (%)***	0.24	0.23	0.21	–	
Prices					
Highest share price (p)	237.99	237.58	192.42	232.75	
Lowest share price (p)	194.10	186.44	136.47	194.10	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	25/01/2019 ¹		07/03/2019	07/03/2018	07/03/2017
Change in net assets per share					
Opening net asset value per share (p)	233.55		250.48	213.50	156.48
Return before operating charges (p)	(24.27)		(4.23)	39.62	59.09
Operating charges (p)	(1.92)		(2.65)	(2.64)	(2.07)
Return after operating charges (p)*	(26.19)		(6.88)	36.98	57.02
Distributions (p)	(1.60)		(3.35)	(2.17)	(3.30)
Retained distributions on accumulation shares (p)	1.60		3.35	2.17	3.30
Closing net asset value per share (p)	207.36		243.60	250.48	213.50
*after direct transaction costs of (p)	0.15		0.59	0.54	0.39
Performance					
Return after charges (%)	(11.21)		(2.75)	17.32	36.44
Other information					
Closing net asset value (£000)	–		133,075	289,302	331,772
Closing number of shares	–		54,629,187	115,499,365	155,396,261
Operating charges (%)**	–		1.08	1.11	1.12
Direct transaction costs (%)***	–		0.24	0.23	0.21
Prices					
Highest share price (p)	232.75		266.58	265.55	213.92
Lowest share price (p)	194.10		217.85	207.41	150.97

Threadneedle Asia Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares	
	25/01/2019 ¹			25/01/2019 ¹	
Change in net assets per share					
Opening net asset value per share (p)	261.64			261.64	
Return before operating charges (p)	(27.12)			(27.10)	
Operating charges (p)	(1.40)			(1.42)	
Return after operating charges (p)*	(28.52)			(28.52)	
Distributions (p)	(3.04)			(3.04)	
Retained distributions on accumulation shares (p)	3.04			3.04	
Closing net asset value per share (p)	233.12			233.12	
*after direct transaction costs of (p)	0.17			0.17	
Performance					
Return after charges (%)	(10.90)			(10.90)	
Other information					
Closing net asset value (£000)	–			–	
Closing number of shares	–			–	
Operating charges (%)**	–			–	
Direct transaction costs (%)***	–			–	
Prices					
Highest share price (p)	260.75			260.75	
Lowest share price (p)	217.85			217.85	
	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018 ²
Change in net assets per share					
Opening net asset value per share (p)	165.70	139.83	101.57	642.14	555.71
Return before operating charges (p)	(2.82)	26.03	38.39	(11.03)	86.89
Operating charges (p)	(0.13)	(0.16)	(0.13)	(0.50)	(0.46)
Return after operating charges (p)*	(2.95)	25.87	38.26	(11.53)	86.43
Distributions (p)	(3.82)	(2.99)	(3.26)	(14.70)	(9.77)
Retained distributions on accumulation shares (p)	3.82	2.99	3.26	14.70	9.77
Closing net asset value per share (p)	162.75	165.70	139.83	630.61	642.14
*after direct transaction costs of (p)	0.39	0.36	0.29	1.51	1.17
Performance					
Return after charges (%)	(1.78)	18.50	37.67	(1.80)	15.55
Other information					
Closing net asset value (£000)	122,597	66,298	53,687	110,093	87,516
Closing number of shares	75,329,668	40,011,829	38,393,835	17,458,287	13,628,740
Operating charges (%)**	0.08	0.10	0.10	0.08	0.11 [†]
Direct transaction costs (%)***	0.24	0.23	0.21	0.24	0.23
Prices					
Highest share price (p)	176.79	175.46	140.10	685.12	680.02
Lowest share price (p)	144.97	136.00	98.18	561.72	547.25

Threadneedle Asia Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	195.92	166.70	121.97	204.75
Return before operating charges (p)	(3.32)	30.96	46.09	(21.02)
Operating charges (p)	(1.73)	(1.74)	(1.36)	(1.11)
Return after operating charges (p)*	(5.05)	29.22	44.73	(22.13)
Distributions (p)	(2.95)	(2.02)	(2.83)	(2.67)
Retained distributions on accumulation shares (p)	2.95	2.02	2.83	2.67
Closing net asset value per share (p)	190.87	195.92	166.70	182.62
*after direct transaction costs of (p)	0.46	0.43	0.31	0.16
Performance				
Return after charges (%)	(2.58)	17.53	36.67	(10.81)
Other information				
Closing net asset value (£000)	17,791	33,781	24,088	–
Closing number of shares	9,321,029	17,241,993	14,450,322	–
Operating charges (%)**	0.90	0.93	0.94	–
Direct transaction costs (%)***	0.24	0.23	0.21	–
Prices				
Highest share price (p)	208.61	207.66	167.02	204.06
Lowest share price (p)	170.57	161.98	117.71	170.57

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

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

¹Commenced 15 June 2018 and closed 25 January 2019.

²Commenced 12 May 2017.

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

Threadneedle Asia Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019	2018
	£000	£000
Non-derivative securities	(34,811)	89,906
Forward currency contracts	41	252
Other gains/(losses)	362	(1,113)
Transaction costs	(3)	(6)
Net capital (losses)/gains	(34,411)	89,039

3 REVENUE

	2019	2018
	£000	£000
Overseas dividends	15,036	12,472
Franked dividend distributions	223	168
Interest on short term investments	80	8
Bank interest	69	41
Management fee rebate on collective investment scheme holdings	217	274
Subsidized expense rebate	1	–
Total revenue	15,626	12,963

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(4,652)	(5,484)
Registration fees	(326)	(393)
	(4,978)	(5,877)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(71)	(72)
Safe custody fees	(133)	(130)
Revenue collection expenses	–	(154)
	(204)	(356)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(9)
Non audit service fees payable to auditors	(5)	(17)
Professional fees	–	(2)
	(21)	(35)
Total expenses*	(5,203)	(6,268)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Interest payable	(18)	(9)
Total interest payable & similar charges	(18)	(9)

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(1,165)	(985)
Total current tax (note 6b)	(1,165)	(985)
Capital gains tax (note 6c)	375	(812)
Total tax charge for the period	(790)	(1,797)

b) Factors affecting taxation charge for period

	2019	2018
Net revenue before taxation	10,405	6,686
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,081)	(1,337)
Effects of:		
Revenue not subject to taxation	2,895	2,441
Overseas taxes	(1,165)	(985)
Overseas tax expensed	6	3
Excess expenses	(820)	(1,107)
Current tax charge for period (note 6a)	(1,165)	(985)

c) Capital gains tax

Capital gains tax charge in the statement of total return for the period (note 6a)	375	(812)
Provision at the end of the period	375	(812)

The fund has not recognised a deferred tax asset of £8,014,339 (2018: £7,212,776) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019	2018
	£000	£000
Final	8,071	5,812
Add: Revenue deducted on the cancellation of shares	4,467	1,212
Deduct: Revenue received on the creation of shares	(3,297)	(1,322)
Net distribution for the period	9,241	5,702
Net revenue after taxation	9,615	4,889
Capital gains tax	(375)	812
Equalisation on conversion	2	1
Undistributed revenue carried forward	(1)	–
Total distributions	9,241	5,702

Details of the distribution per share are set out in the table on pages 170 to 171.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	275	6,795
Accrued revenue	1,717	1,605
Foreign withholding tax recoverable	1	1
Total debtors	1,993	8,401

9 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(756)	(2,997)
Accrued expenses	(26)	(149)
Amounts payable to ACD	(261)	(551)
Corporation tax payable	(1,179)	(1,179)
Capital gains tax provision	(661)	(1,058)
Total other creditors	(2,883)	(5,934)

10 DILUTION ADJUSTMENT

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

Threadneedle Asia Fund

Notes to the financial statements

(continued)

11 RELATED PARTY TRANSACTIONS

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

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

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

A balance of £7,000 (2018: £29,000), 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. The fund has received £223,000 (2018: £168,000) franked dividend distributions and £217,000 (2018: £274,000) management fee rebate on collective investment scheme holdings.

In addition this investment has produced a non-derivative security loss of £14,913,000 (2018: £5,043,000).

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

12 SHAREHOLDER FUNDS

Threadneedle Asia Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class X2 shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 172 to 174.

The distribution per share class is given in the distribution table on pages 170 to 171.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	66,133,496
Shares issued	7,106,259
Shares redeemed	(9,037,794)
Net conversions	(34,100,936)
Closing shares	30,101,025
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	100,828
Shares redeemed	(260,902)
Net conversions	160,074
Closing shares	–
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	7,467,504
Shares redeemed	(12,484,508)
Net conversions	5,017,004
Closing shares	–

2019

Class 2 – Accumulation shares	
Opening shares	115,499,365
Shares issued	12,759,215
Shares redeemed	(20,637,689)
Net conversions	(52,991,704)
Closing shares	54,629,187
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	2,156
Shares redeemed	(7,151,751)
Net conversions	7,149,595
Closing shares	–
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	6,429,024
Shares redeemed	(7,651,322)
Net conversions	1,222,298
Closing shares	–
Class X – Accumulation shares	
Opening shares	40,011,829
Shares issued	38,956,737
Shares redeemed	(3,638,898)
Net conversions	–
Closing shares	75,329,668
Class X2 – Accumulation shares	
Opening shares	13,628,740
Shares issued	5,370,504
Shares redeemed	(1,540,957)
Net conversions	–
Closing shares	17,458,287
Class Z – Accumulation shares	
Opening shares	17,241,993
Shares issued	3,010,854
Shares redeemed	(3,971,607)
Net conversions	(6,960,211)
Closing shares	9,321,029
Class Z USD – Accumulation shares*	
Opening shares	–
Shares issued	279,062
Shares redeemed	(5,922,608)
Net conversions	5,643,546
Closing shares	–

*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 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.42% and vice versa (2018: 5.15%).

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.

Threadneedle Asia Fund

Notes to the financial statements

(continued)

	Total
	£000
Currency 2019	
Australian Dollar	70,637
China Renminbi	12,970
Hong Kong Dollar	146,351
Indian Rupee	33,039
Indonesian Rupiah	16,699
Malaysian Ringgit	1,448
Philippines Peso	15,959
Singapore Dollar	17,231
South Korean Won	43,094
Taiwan Dollar	45,465
Thai Baht	4,353
US Dollar	37,569
Currency 2018	
Australian Dollar	73,054
Hong Kong Dollar	187,253
Indian Rupee	51,463
Indonesian Rupiah	9,185
Pakistani Rupee	1,482
Philippines Peso	12,340
Singapore Dollar	33,944
South Korean Won	83,015
Taiwan Dollar	53,677
Thai Baht	6,829
US Dollar	80,246

Currency sensitivity analysis

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

	Currency movement	Fund movement
	%	%
Currency 2019		
Australian Dollar	5.07	0.80
Hong Kong Dollar	5.00	1.63
Taiwan Dollar	0.05	0.00
Currency 2018		
Australian Dollar	10.62	1.24
Hong Kong Dollar	14.72	4.41
South Korean Won	6.06	0.80
US Dollar	13.69	1.76

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
	£000
2018 Counterparty	
Barclays	2

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Australian Dollar	–	–	70,637	70,637
China Renminbi	–	–	12,970	12,970
Hong Kong Dollar	–	–	146,351	146,351
Indian Rupee	–	–	33,039	33,039
Indonesian Rupiah	–	–	16,699	16,699
Malaysian Ringgit	–	–	1,448	1,448
Philippines Peso	–	–	15,959	15,959
Singapore Dollar	–	–	17,231	17,231
South Korean Won	–	–	43,094	43,094
Taiwan Dollar	2,412	–	43,053	45,465
Thai Baht	–	–	4,353	4,353
UK Sterling	74	–	6,730	6,804
US Dollar	1,785	–	36,306	38,091
Currency 2018				
Australian Dollar	–	–	73,054	73,054
Hong Kong Dollar	–	–	187,253	187,253
Indian Rupee	–	–	51,463	51,463
Indonesian Rupiah	–	–	9,185	9,185
Pakistani Rupee	–	–	1,482	1,482
Philippines Peso	–	–	12,340	12,340
Singapore Dollar	–	–	33,944	33,944
South Korean Won	–	–	83,015	83,015
Taiwan Dollar	2,413	–	51,264	53,677
Thai Baht	–	–	6,829	6,829
UK Sterling	33	–	38,408	38,441
US Dollar	4,765	–	76,910	81,675
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(2,883)	(2,883)
US Dollar	–	–	(522)	(522)
Currency 2018				
UK Sterling	–	–	(5,934)	(5,934)
US Dollar	–	–	(1,429)	(1,429)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2018: £2,000) and a liability value of £Nil (2018: £3,000).

Threadneedle Asia Fund

Notes to the financial statements

(continued)

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	439,430	–	585,162	–
Level 2	5,925	–	30,158	(3)
	<u>445,355</u>	<u>–</u>	<u>615,320</u>	<u>(3)</u>

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	331,982	290	0.09	159	0.05
Collective investment schemes	12,399	–	–	–	–
Corporate actions	1,202	–	–	–	–
Total	345,583	290		159	

Gross purchases total: 346,032

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	331,080	212	0.05	468	0.10
Collective investment schemes	32,683	–	–	–	–
Inspecie transactions	117,581	–	–	–	–
Corporate actions	879	–	–	–	–
Total	482,223	212		468	

Total sales net of transaction costs: 481,543

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.13%

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	263,624	358	0.14	120	0.05
Collective investment schemes	5,593	–	–	–	–
In specie transactions	32,855	–	–	–	–
Corporate actions	319	–	–	–	–
Total	302,391	358		120	

Gross purchases total: 302,869

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	320,341	430	0.13	463	0.14
Collective investment schemes	7,164	3	0.04	–	–
Total	327,505	433		463	

Total sales net of transaction costs: 326,609

Transaction costs as a percentage of average Net Assets

Commissions:	0.13%
Taxes:	0.10%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.20% (7 March 2018: 0.17%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Latin America Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund mainly in equities of companies domiciled in Latin America or which have significant Latin American operations and it may further invest in fixed income securities such as sovereign and corporate Latin American debt, other equities and money market securities.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Latin America Fund has fallen from 258.66p to 243.56p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -3.23%. (For information the MSCI 10/40 Latin America Index returned -1.31% over the same period).

Market Overview and Portfolio Activity

Over the twelve months under review, the MSCI Latin America 10-40 index fell in sterling terms in a challenging year for emerging markets. It was a volatile period, with US dollar strength initially impacting sentiment, particularly towards those countries with current account deficits, whilst political uncertainty also weighed on investor confidence.

Brazil's market was initially affected by truckers' strikes in protest against higher fuel prices, with the government responding by introducing new fuel subsidies. Temporarily higher inflation and further pressure on fiscal accounts also dampened sentiment. Brazilian equities then rebounded, driven by positive sentiment from the presidential victory of market-friendly candidate Jair Bolsonaro in October. His subsequent announced intention to focus on fiscal reform (notably pension reform), bilateral trade agreements and private business initiatives helped boost investor confidence.

Mexican equities fell over the period, with uncertainties surrounding the ongoing North American Free Trade Agreement (NAFTA) negotiations weighing on markets. Trade concern then dissipated as NAFTA was finalised as the US-Mexico-Canada Agreement (USMCA), reaffirming Mexico's preferential access to the US market. However, investors became concerned following the election of President Andrés Manuel López Obrador and his unfavourable political stance; he has been perceived to be critic of neo-liberal ideas. There were concerns following his plans to cancel the construction of a new airport in Mexico City. Sentiment was also hurt by the proposal to eliminate a number of bank fees and commissions.

The Andean region also experienced setbacks. In Argentina, weakness in the peso prompted the central bank to hike rates sharply in early May, and the government to seek aid from the International Monetary Fund (IMF). Stocks in Chile, the world's biggest copper-producing country, underperformed amid concerns that a slowing global economy might curb demand for the metal. Colombian equities ended the period strongly on the back of a healthy macro outlook. Despite the Andean region experiencing a challenging year, the rise in oil price was positive for market sentiment in the region.

Over the period, the fund increased its exposure to Brazil on the back of continued economic recovery and positive sentiment following Bolsonaro's election. We initiated positions in Suzano Papel, reflecting constructive views on pulp prices and the synergising potential from the recent merger with Fibria, and Lojas Americanas, a department-store operator which is benefiting from growth opportunities via its e-commerce, digital payments and convenience stores initiatives. Elsewhere in Brazil, the fund purchased Localiza Rent-a-Car, where strong management will benefit the long-term growth profile of the company, and insurer Sul America, which is expected to benefit from the recovery in Brazil's job market. Additionally, the fund started a new position in Mexican conglomerate Alfa, due to strong cash flow generation through its chemical division and the attractive NAV discount. To fund these

purchases, the fund exited positions in Argentina's Grupo Supervielle and Loma Negra, as higher rates and lower growth in the country have changed the investment case of these names. The fund also sold Banco del Bajío, Falabella, Telefonica Brasil and Cemex.

Latin American countries face diverse outlooks, considering their different points in the political, monetary and GDP growth cycles, as well as their varying exposure to commodities.

In terms of trade tensions, Latin America remains relatively protected compared to other global regions. Some of its economies are relatively closed, and most exports are related to raw commodities, limiting exposure to tariffs.

The outlook for Brazil continues to improve under Bolsonaro, while the corporate sector has many high-quality companies with strong balance sheets and market positioning. This is leading to high structural profitability and attractive dividend yields. Several companies in Brazil are exposed to secular growth, where trends are driven by factors such as lower banking penetration, labour force formalisation and the digitalisation of the retail sector.

Mexico has recently suffered from political uncertainty, which has heightened investor concern. Regarding the future of US-Mexico trade relations, we hold a constructive outlook following the signing of USMCA.

Chile is experiencing positive momentum thanks in part to Sebastián Piñera's victory in the presidential election. Elsewhere in the Andean region, concerns regarding the rate of global growth and expectations for a rate-hiking cycle in the US continue to weigh on sentiment.

Argentina has been feeling the repercussions of fiscal and monetary imbalances, which have shaken investor confidence. In portfolios, we currently have limited exposure to domestic names given macro uncertainties, due to concerns with the country's deficit, inflation and currency devaluation.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(39,160)	17,623
Revenue	3	14,259	14,332
Expenses	4	(4,958)	(5,493)
Interest payable and similar charges	5	(9)	(1)
Net revenue before taxation		9,292	8,838
Taxation	6	(1,109)	(1,130)
Net revenue after taxation		8,183	7,708
Total return before distributions		(30,977)	25,331
Distributions	7	(8,183)	(7,708)
Change in net assets attributable to shareholders from investment activities		(39,160)	17,623

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		407,665	471,278
Current assets:			
Debtors	8	3,233	9,497
Cash and bank balances		15,442	8,886
Cash equivalents**		1,674	3,630
Total assets		428,014	493,291
Liabilities:			
Investment liabilities			(1)
Creditors:			
Other creditors	9	(15,507)	(6,358)
Total liabilities		(15,507)	(6,359)
Net assets attributable to shareholders		412,507	486,932

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	486,932	490,755
Amounts receivable on the issue of shares	183,494	123,483
Amounts payable on the cancellation of shares	(226,604)	(152,450)
	(43,110)	(28,967)
Dilution adjustment	73	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(39,160)	17,623
Retained distribution on accumulation shares	7,772	7,521
Closing net assets attributable to shareholders	412,507	486,932

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.2926	–	3.2926	2.6688
Group 2 08/03/18 to 07/03/19	2.2948	0.9978	3.2926	2.6688
Total distributions in the period	3.2926	3.2926	3.2926	2.6688

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	5.2955	–	5.2955	4.6751
Group 2 08/03/18 to 07/03/19	3.2347	2.0608	5.2955	4.6751
Total distributions in the period	5.2955	5.2955	5.2955	4.6751

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle Latin America Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	3.0872	–	3.0872	2.8057
Group 2 08/03/18 to 07/03/19	3.0872	–	3.0872	2.8057
Total distributions in the period			3.0872	2.8057

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.9760	–	1.9760	1.7642
Group 2 08/03/18 to 07/03/19	1.1263	0.8497	1.9760	1.7642
Total distributions in the period			1.9760	1.7642

Group 2: shares purchased during a distribution period.

Threadneedle Latin America Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	261.20	249.87	173.98	289.96	275.70	190.79
Return before operating charges (p)	(13.93)	15.53	79.44	(15.38)	17.24	87.43
Operating charges (p)	(4.02)	(4.20)	(3.55)	(2.87)	(2.98)	(2.52)
Return after operating charges (p)*	(17.95)	11.33	75.89	(18.25)	14.26	84.91
Distributions (p)	(3.29)	(2.67)	(1.67)	(5.30)	(4.68)	(3.26)
Retained distributions on accumulation shares (p)	3.29	2.67	1.67	5.30	4.68	3.26
Closing net asset value per share (p)	243.25	261.20	249.87	271.71	289.96	275.70
*after direct transaction costs of (p)	0.52	0.36	0.35	0.58	0.40	0.39
Performance						
Return after charges (%)	(6.87)	4.53	43.62	(6.29)	5.17	44.50
Other information						
Closing net asset value (£000)	56,823	70,691	77,591	314,532	363,530	362,641
Closing number of shares	23,360,248	27,064,208	31,053,160	115,759,137	125,373,778	131,534,254
Operating charges (%)**	1.69	1.70	1.69	1.08	1.09	1.08
Direct transaction costs (%)***	0.21	0.14	0.17	0.21	0.14	0.17
Prices						
Highest share price (p)	263.19	264.89	255.31	293.64	293.32	281.07
Lowest share price (p)	211.51	220.51	169.53	235.19	243.60	185.94
	Class X – Accumulation shares			Class Z – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	119.53	112.77	77.37	99.35	94.30	65.15
Return before operating charges (p)	(6.46)	6.85	35.48	(5.26)	5.90	29.87
Operating charges (p)	(0.09)	(0.09)	(0.08)	(0.82)	(0.85)	(0.72)
Return after operating charges (p)*	(6.55)	6.76	35.40	(6.08)	5.05	29.15
Distributions (p)	(3.09)	(2.81)	(2.12)	(1.98)	(1.76)	(1.25)
Retained distributions on accumulation shares (p)	3.09	2.81	2.12	1.98	1.76	1.25
Closing net asset value per share (p)	112.98	119.53	112.77	93.27	99.35	94.30
*after direct transaction costs of (p)	0.24	0.16	0.18	0.20	0.14	0.13
Performance						
Return after charges (%)	(5.48)	5.99	45.75	(6.12)	5.36	44.74
Other information						
Closing net asset value (£000)	223	261	259	40,929	52,450	50,264
Closing number of shares	197,394	218,070	229,795	43,884,360	52,791,368	53,301,002
Operating charges (%)**	0.08	0.08	0.07	0.90	0.91	0.90
Direct transaction costs (%)***	0.21	0.14	0.17	0.21	0.14	0.17
Prices						
Highest share price (p)	122.03	120.66	114.72	100.78	100.43	96.08
Lowest share price (p)	97.25	99.83	75.42	80.62	83.35	63.49

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

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

Threadneedle Latin America Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(39,276)	19,256
Forward currency contracts	(163)	81
Other gains/(losses)	292	(1,709)
Transaction costs	(13)	(5)
Net capital (losses)/gains	<u>(39,160)</u>	<u>17,623</u>

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	13,947	14,191
Interest on short term investments	113	78
Bank interest	199	63
Total revenue	<u>14,259</u>	<u>14,332</u>

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(4,520)	(4,995)
Registration fees	(258)	(288)
	<u>(4,778)</u>	<u>(5,283)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(52)	(57)
Safe custody fees	(111)	(137)
	<u>(163)</u>	<u>(194)</u>
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(10)	(8)
Professional fees	–	(2)
	<u>(17)</u>	<u>(16)</u>
Total expenses*	<u>(4,958)</u>	<u>(5,493)</u>

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(9)	(1)
Total interest payable & similar charges	<u>(9)</u>	<u>(1)</u>

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(1,109)	(1,130)
Total current tax (note 6b)	(1,109)	(1,130)
Total tax charge for the period	<u>(1,109)</u>	<u>(1,130)</u>
b) Factors affecting taxation charge for period		
Net revenue before taxation	9,292	8,838
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	<u>(1,858)</u>	<u>(1,768)</u>

Effects of:

Revenue not subject to taxation	1,815	1,611
Overseas taxes	(1,109)	(1,130)
Overseas tax expensed	167	191
Excess expenses	(124)	(34)
Current tax charge for period (note 6a)	<u>(1,109)</u>	<u>(1,130)</u>

The fund has not recognised a deferred tax asset of £11,832,820 (2018: £11,708,884) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Final	7,772	7,521
	<u>7,772</u>	<u>7,521</u>
Add: Revenue deducted on the cancellation of shares	1,583	807
Deduct: Revenue received on the creation of shares	(1,172)	(620)
Net distribution for the period	<u>8,183</u>	<u>7,708</u>

Details of the distribution per share are set out in the table on pages 179 to 180.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	1,229	758
Sales awaiting settlement	669	4,936
Accrued revenue	1,335	3,803
Total debtors	<u>3,233</u>	<u>9,497</u>

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(6,569)	(1,193)
Purchases awaiting settlement	(6,545)	(2,712)
Accrued expenses	(25)	(32)
Amounts payable to ACD	(458)	(511)
Corporation tax payable	(1,910)	(1,910)
Total other creditors	<u>(15,507)</u>	<u>(6,358)</u>

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

Threadneedle Latin America Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 181. The distribution per share class is given in the distribution table on pages 179 to 180. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	27,064,208
Shares issued	35,950,432
Shares redeemed	(39,525,763)
Net conversions	(128,629)
Closing shares	<u>23,360,248</u>
Class 2 – Accumulation shares	
Opening shares	125,373,778
Shares issued	32,558,266
Shares redeemed	(42,151,613)
Net conversions	(21,294)
Closing shares	<u>115,759,137</u>
Class X – Accumulation shares	
Opening shares	218,070
Shares issued	–
Shares redeemed	(20,676)
Net conversions	–
Closing shares	<u>197,394</u>
Class Z – Accumulation shares	
Opening shares	52,791,368
Shares issued	17,066,510
Shares redeemed	(26,373,490)
Net conversions	399,972
Closing shares	<u>43,884,360</u>

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.77% and vice versa (2018: 4.56%).

Currency exposures

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

	Total £000
Currency 2019	
Brazilian Real	231,855
Canadian Dollar	3,109
Chilean Peso	5,839
Mexican Peso	45,099
US Dollar	133,058

Currency 2018	£000
Brazilian Real	181,671
Canadian Dollar	2,194
Chilean Peso	15,638
Mexican Peso	51,098
US Dollar	238,104

Currency sensitivity analysis

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

	Currency movement %	Fund movement %
Currency 2019		
Brazilian Real	12.93	7.27
Mexican Peso	2.60	0.28
US Dollar	5.18	1.67

	Currency movement %	Fund movement %
Currency 2018		
Brazilian Real	17.19	6.41
Mexican Peso	9.71	1.02
US Dollar	13.69	6.69

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000
2018	
Counterparty	
Barclays	4

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Brazilian Real	1,957	–	234,724	236,681
Canadian Dollar	–	–	3,109	3,109
Chilean Peso	–	–	5,839	5,839
Mexican Peso	–	–	46,818	46,818
UK Sterling	152	–	2,357	2,509
US Dollar	13,333	–	120,852	134,185
Currency 2018				
Brazilian Real	2,267	–	180,636	182,903
Canadian Dollar	–	–	2,194	2,194
Chilean Peso	–	–	15,638	15,638
Mexican Peso	–	–	52,578	52,578
UK Sterling	305	–	1,568	1,873
US Dollar	6,314	–	232,597	238,911

Threadneedle Latin America Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Brazilian Real	–	–	(4,826)	(4,826)
Mexican Peso	–	–	(1,719)	(1,719)
UK Sterling	–	–	(8,962)	(8,962)
US Dollar	–	–	(1,127)	(1,127)
Currency 2018	£000	£000	£000	£000
Brazilian Real	–	–	(1,232)	(1,232)
Mexican Peso	–	–	(1,480)	(1,480)
UK Sterling	–	–	(3,646)	(3,646)
US Dollar	–	–	(807)	(807)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2018: £4,000) and a liability value of £Nil (2018: £1,000).

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	409,339	–	474,904	–
Level 2	–	–	4	(1)
	409,339	–	474,908	(1)

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	395,421	357	0.09	81	0.02
Collective investment schemes	24,348	–	–	–	–
Corporate actions	298	–	–	–	–
Total	420,067	357		81	

Gross purchases total:

420,505

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	420,854	438	0.10	67	0.02
Collective investment schemes	26,383	–	–	–	–
Total	447,237	438		67	

Total sales net of transaction costs:

446,732

Transaction costs as a percentage of average Net Assets

Commissions:	0.18%
Taxes:	0.03%

7 March 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	191,787	288	0.15	29	0.02
Collective investment schemes	7,477	–	–	–	–
Corporate actions	102	–	–	–	–
Total	199,366	288		29	

Gross purchases total:

199,683

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	207,627	344	0.17	34	0.02
Collective investment schemes	3,559	–	–	–	–
Corporate actions	535	–	–	–	–
Total	211,721	344		34	

Total sales net of transaction costs:

211,343

Transaction costs as a percentage of average Net Assets

Commissions:	0.13%
Taxes:	0.01%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.21% (7 March 2018: 0.15%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Emerging Market Bond Fund

Investment Report

Investment Objective

To achieve a total return primarily by way of income with some capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in high yielding public sector sovereign and corporate bonds issued by emerging market borrowers. Emerging Market countries are those characterised as developing or emerging by either the World Bank, the United Nations or the JPMorgan Global Diversified Emerging Market Bond Index.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other fixed interest securities, including bonds issued by countries making up the G7, deposits, cash and near cash. In addition, the ACD may use derivatives (including currency, interest rate and credit default swaps) and forward transactions for purposes that are limited to Efficient Portfolio Management techniques.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 61.07p to 60.04p.

The sterling total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +3.46%. The fund return equates approximately to +4.75% gross of tax and charges**. (For information the JP Morgan Emerging Market Bonds Global Index gave a total return of +6.10% for the same period).

Market Overview and Portfolio Activity

Emerging-market (EM) bonds had a challenging year, owing to concerns about President Trump's tariff war against China and other key American trading partners, and over much of 2018, worries about tightening monetary policy, particularly in the US, and the not-unrelated strength in the US dollar. Geopolitical developments were also unfavourable: Saudi Arabia's relations with the West worsened following the killing of a Saudi journalist in Turkey, while tensions also rose between Russia and the West. Sentiment towards EMs improved in 2019 however, owing to

dovish signals from the Federal Reserve and signs of apparent progress in trade negotiations between the US and China.

Countries with high current-account deficits, such as Argentina and Turkey, were particularly hard hit by fears of less 'easy money'. Country-specific issues compounded the negative sentiment and contributed to steep falls in both countries' currencies in August. This, in turn, spawned fears of wider contagion, and thereby impacted the wider EM space.

In Turkey, the government largely continued to eschew orthodox economic policies, and there were also concerns about the central bank's lack of independence. Meanwhile, Turkey's arrest of an American pastor led to a deterioration in its relations with the US. The US responded by imposing sanctions and hiking tariffs on Turkish metal imports in August. This led to the aforementioned slump in the currency. Later, the central bank's move to tighten policy and the gradual phasing out of political tensions began to restore investor confidence, though concerns about the country's poor economic fundamentals remained.

Meanwhile, Argentina sought an aid package from the International Monetary Fund (IMF) in the spring following a sharp fall in the peso. This briefly buoyed sentiment but a widening corruption probe in August caused a fresh slump in the peso. The currency later stabilised as the government unveiled austerity measures, and as the IMF agreed to expand its bailout loan. Nevertheless, investors remained wary about poor growth, hyperinflation and the country's monetary policy framework, and, towards the end of the period, the outcome of October's elections.

Elsewhere in Latin America, the Brazilian market and the real were periodically buffeted by concerns that an anti-establishment candidate could be elected president in October. In the event, the victory of far-right candidate Jair Bolsonaro triggered a rally in bond-markets, due to his business-friendly views. Investors were particularly hopeful that he would manage to implement the long-delayed reforms to the country's pension system. Mexico was initially hurt by concerns around the North American Free Trade Agreement and the populist campaign of presidential candidate Andres Manuel Lopez Obrador. The former waned towards the end of 2018, as following contentious negotiations, the US finally agreed on a revised trade agreement with Canada and Mexico. Following Obrador's election, bonds initially rallied after he assumed a more market-friendly stance. However, he subsequently unsettled markets by scrapping plans to build a new airport in Mexico

City, and investors also fretted that other policy decisions could be based on popular opinion. On a positive note, the new government unveiled a fiscally prudent budget for 2019.

Venezuela remained mired in an economic crisis; the country's problems include an authoritarian government, international sanctions and hyperinflation. However, in early 2019, investors flocked into defaulted bonds on the hope of regime change.

Russian bonds were impacted by volatile oil prices and the country's deteriorating relations with the West, which led the US to impose more sanctions on the country.

Within its corporate bond portfolio, the fund established positions in China Southern Power Grid, Lenovo Group, Vale and PT Saka Energi Indonesia. We sold the holdings of Indo Energy Finance, Ecopetrol, Mexico City Airport Trust and Transnet.

Activity in the government debt allocation included initiating exposures to Saudi Arabia, Qatar, Bahrain and Angola, as well as expanding positions in Brazil, Paraguay and Nigeria. Turkey, South Africa, Egypt, Argentina, Mexico, Russia and the Dominican Republic were among positions that were reduced. We exited Kenya and Jamaica. Elsewhere, the holdings of the Argentine provinces of Buenos Aires and Cordoba were reduced.

EM valuations continue to look attractive; however, we would expect more differentiation in country stories to play out over the year. Despite the volatile global macro backdrop, we expect EM growth to continue.

Despite the volatile global macro environment, a backdrop of solid growth and an easing of concerns around China would provide strong support for EM assets, and technicals are also likely to help the asset class, with less issuance likely in 2019. We expect to see spread-narrowing across the market as the lower-spread Gulf Cooperation Council (GCC) countries are included.

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

Geopolitics will still be key to EM performance in 2019, in particular US relations with Turkey, Venezuela and Russia, and developments in the GCC countries, as evidenced by Saudi Arabia and the Khashoggi case in 2018. Idiosyncratic country stories will also be a key driver, not least in markets such as Brazil, Mexico, Argentina, Turkey, and South Africa.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(8,082)	(31,287)
Revenue	3	14,365	14,512
Expenses	4	(2,486)	(2,915)
Interest payable and similar charges	5	(5)	(5)
Net revenue before taxation		11,874	11,592
Taxation	6	–	–
Net revenue after taxation		11,874	11,592
Total return before distributions		3,792	(19,695)
Distributions	7	(14,043)	(14,135)
Change in net assets attributable to shareholders from investment activities		(10,251)	(33,830)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		166,948	221,757
Current assets:			
Debtors	8	3,415	2,804
Cash and bank balances	9	9,092	9,852
Cash equivalents***		6,124	–
Total assets		185,579	234,413
Liabilities:			
Investment liabilities		(63)	(41)
Creditors:			
Distribution payable		(4,325)	(4,452)
Other creditors	10	(2,675)	(803)
Total liabilities		(7,063)	(5,296)
Net assets attributable to shareholders		178,516	229,117

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	229,117	250,271
Amounts receivable on the issue of shares	18,157	63,338
Amounts payable on the cancellation of shares	(62,795)	(55,069)
	(44,638)	8,269
Dilution adjustment	72	56
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(10,251)	(33,830)
Retained distribution on accumulation shares	4,216	4,350
Unclaimed distributions	–	1
Closing net assets attributable to shareholders	178,516	229,117

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.9335	–	1.9335	2.0354
08/09/18 to 07/03/19	2.0599	–	2.0599	1.6623
Group 2				
08/03/18 to 07/09/18	0.8820	1.0515	1.9335	2.0354
08/09/18 to 07/03/19	1.2577	0.8022	2.0599	1.6623
Total distributions in the period			3.9334	3.6977

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

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

Threadneedle Emerging Market Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	3.2866	–	3.2866	3.4598
08/09/18 to 07/03/19	3.5015	–	3.5015	2.8256
Group 2				
08/03/18 to 07/09/18	2.1392	1.1474	3.2866	3.4598
08/09/18 to 07/03/19	2.0410	1.4605	3.5015	2.8256
Total distributions in the period			6.7881	6.2854

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	8.2846	–	8.2846	8.2285
08/09/18 to 07/03/19	9.1225	–	9.1225	6.9287
Group 2				
08/03/18 to 07/09/18	5.3337	2.9509	8.2846	8.2285
08/09/18 to 07/03/19	4.8177	4.3048	9.1225	6.9287
Total distributions in the period			17.4071	15.1572

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	3.5045	–	3.5045	3.6985
08/09/18 to 07/03/19	3.7383	–	3.7383	3.0314
Group 2				
08/03/18 to 07/09/18	2.4139	1.0906	3.5045	3.6985
08/09/18 to 07/03/19	2.5637	1.1746	3.7383	3.0314
Total distributions in the period			7.2428	6.7299

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	8.4980	–	8.4980	8.4527
08/09/18 to 07/03/19	9.3726	–	9.3726	7.1470
Group 2				
08/03/18 to 07/09/18	4.9241	3.5739	8.4980	8.4527
08/09/18 to 07/03/19	2.0017	7.3709	9.3726	7.1470
Total distributions in the period			17.8706	15.5997

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	3.7630	–	3.7630	3.9311
08/09/18 to 07/03/19	4.0344	–	4.0344	3.2372
Group 2				
08/03/18 to 07/09/18	3.7630	–	3.7630	3.9311
08/09/18 to 07/03/19	1.8962	2.1382	4.0344	3.2372
Total distributions in the period			7.7974	7.1683

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	3.7359	–	3.7359	3.6791
08/09/18 to 07/03/19	4.1410	–	4.1410	3.1252
Group 2				
08/03/18 to 07/09/18	1.8365	1.8994	3.7359	3.6791
08/09/18 to 07/03/19	4.1410	–	4.1410	3.1252
Total distributions in the period			7.8769	6.8043

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	3.2641	–	3.2641	3.4284
08/09/18 to 07/03/19	3.4925	–	3.4925	2.8106
Group 2				
08/03/18 to 07/09/18	2.0131	1.2510	3.2641	3.4284
08/09/18 to 07/03/19	1.8736	1.6189	3.4925	2.8106
Total distributions in the period			6.7566	6.2390

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	3.0571	–	3.0571	3.2110
08/09/18 to 07/03/19	3.2710	–	3.2710	2.6323
Group 2				
08/03/18 to 07/09/18	1.4369	1.6202	3.0571	3.2110
08/09/18 to 07/03/19	1.3209	1.9501	3.2710	2.6323
Total distributions in the period			6.3281	5.8433

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	4.6089	–	4.6089	4.5662
08/09/18 to 07/03/19	5.0967	–	5.0967	3.8601
Group 2				
08/03/18 to 07/09/18	2.0666	2.5423	4.6089	4.5662
08/09/18 to 07/03/19	2.1084	2.9883	5.0967	3.8601
Total distributions in the period			9.7056	8.4263

Group 2: shares purchased during a distribution period.

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	59.25	68.47	55.75	100.72	116.39	94.76
Return before operating charges (p)	1.70	(4.42)	17.83	2.90	(7.52)	30.33
Operating charges (p)	(0.95)	(1.10)	(1.08)	(1.62)	(1.86)	(1.85)
Return after operating charges (p)*	0.75	(5.52)	16.75	1.28	(9.38)	28.48
Distributions (p)	(3.99)	(3.70)	(4.03)	(6.79)	(6.29)	(6.85)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	56.01	59.25	68.47	95.21	100.72	116.39
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.27	(8.06)	30.04	1.27	(8.06)	30.05
Other information						
Closing net asset value (£000)	6,452	7,369	10,078	66,994	79,146	86,252
Closing number of shares	11,519,472	12,436,437	14,718,193	70,365,338	78,578,002	74,107,207
Operating charges (%)**	1.61	1.68	1.69	1.61	1.68	1.69
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	61.74	68.93	71.08	104.95	117.18	121.03
Lowest share price (p)	57.07	59.50	55.54	97.01	101.14	94.41
	Class 1 – Gross accumulation shares [§]			Class 2 – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	253.91	276.83	212.38	106.02	121.90	98.74
Return before operating charges (p)	7.42	(18.43)	68.66	3.06	(7.91)	31.72
Operating charges (p)	(4.15)	(4.49)	(4.21)	(1.16)	(1.24)	(1.28)
Return after operating charges (p)*	3.27	(22.92)	64.45	1.90	(9.15)	30.44
Distributions (p)	(17.41)	(15.16)	(15.59)	(7.24)	(6.73)	(7.28)
Retained distributions on accumulation shares (p)	17.41	15.16	15.59	–	–	–
Closing net asset value per share (p)	257.18	253.91	276.83	100.68	106.02	121.90
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.29	(8.28)	30.35	1.79	(7.51)	30.83
Other information						
Closing net asset value (£000)	30,844	33,097	37,465	1,477	1,508	1,821
Closing number of shares	11,993,171	13,034,914	13,533,658	1,466,898	1,422,592	1,493,778
Operating charges (%)**	1.61	1.68	1.69	1.09	1.07	1.08
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	272.53	278.68	279.15	110.72	122.73	126.31
Lowest share price (p)	246.41	248.01	211.57	102.40	106.49	98.37

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	257.11	278.62	212.44	113.56	129.24	103.63
Return before operating charges (p)	7.53	(18.62)	68.84	3.28	(8.42)	33.40
Operating charges (p)	(2.85)	(2.89)	(2.66)	(0.11)	(0.09)	(0.10)
Return after operating charges (p)*	4.68	(21.51)	66.18	3.17	(8.51)	33.30
Distributions (p)	(17.87)	(15.60)	(15.94)	(7.80)	(7.17)	(7.69)
Retained distributions on accumulation shares (p)	17.87	15.60	15.94	–	–	–
Closing net asset value per share (p)	261.79	257.11	278.62	108.93	113.56	129.24
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.82	(7.72)	31.15	2.79	(6.58)	32.13
Other information						
Closing net asset value (£000)	9,451	7,922	9,253	462	135	585
Closing number of shares	3,610,315	3,081,086	3,321,131	424,476	118,448	452,184
Operating charges (%)**	1.09	1.07	1.08	0.10	0.07	0.08
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	277.33	280.49	280.31	119.61	130.12	133.73
Lowest share price (p)	249.59	251.06	211.62	110.30	113.99	103.25
	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	112.75	120.96	91.30	99.82	114.30	92.21
Return before operating charges (p)	3.30	(8.13)	29.75	2.87	(7.43)	29.64
Operating charges (p)	(0.10)	(0.08)	(0.09)	(0.76)	(0.81)	(0.80)
Return after operating charges (p)*	3.20	(8.21)	29.66	2.11	(8.24)	28.84
Distributions (p)	(7.88)	(6.80)	(6.91)	(6.76)	(6.24)	(6.75)
Retained distributions on accumulation shares (p)	7.88	6.80	6.91	–	–	–
Closing net asset value per share (p)	115.95	112.75	120.96	95.17	99.82	114.30
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.84	(6.79)	32.49	2.11	(7.21)	31.28
Other information						
Closing net asset value (£000)	11,115	20,732	23,999	40,558	68,420	69,334
Closing number of shares	9,585,709	18,387,977	19,839,699	42,615,065	68,545,013	60,659,338
Operating charges (%)**	0.09	0.07	0.08	0.76	0.74	0.75
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	122.76	121.78	121.33	104.50	115.08	118.26
Lowest share price (p)	109.50	110.04	90.95	96.63	100.20	91.87

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	93.49	107.05	86.36	140.95	152.25	115.71
Return before operating charges (p)	2.69	(6.96)	27.77	4.12	(10.21)	37.56
Operating charges (p)	(0.71)	(0.76)	(0.76)	(1.09)	(1.09)	(1.02)
Return after operating charges (p)*	1.98	(7.72)	27.01	3.03	(11.30)	36.54
Distributions (p)	(6.33)	(5.84)	(6.32)	(9.71)	(8.43)	(8.59)
Retained distributions on accumulation shares (p)	–	–	–	9.71	8.43	8.59
Closing net asset value per share (p)	89.14	93.49	107.05	143.98	140.95	152.25
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.12	(7.21)	31.28	2.15	(7.42)	31.58
Other information						
Closing net asset value (£000)	1,743	1,848	1,992	9,420	8,940	9,492
Closing number of shares	1,955,506	1,976,918	1,860,555	6,542,098	6,342,926	6,234,382
Operating charges (%)**	0.76	0.74	0.75	0.76	0.74	0.75
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	97.88	107.78	110.95	152.50	153.27	153.00
Lowest share price (p)	90.50	93.84	86.04	136.85	137.61	115.27

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

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

[§]Only available to eligible investors.

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(10,169)	(28,635)
Derivative contracts	–	(15)
Forward currency contracts	1,950	(1,284)
Other gains/(losses)	139	(1,352)
Transaction costs	(2)	(1)
Net capital losses	(8,082)	(31,287)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	14,177	14,392
Interest on short term investments	96	85
Bank interest	92	35
Total revenue	14,365	14,512

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,169)	(2,543)
Registration fees	(210)	(292)
	(2,379)	(2,835)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(25)	(30)
Safe custody fees	(35)	(25)
Revenue collection expenses	(24)	–
	(84)	(55)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(15)	(16)
Non audit service fees payable to auditors	(1)	(1)
Professional fees	–	(2)
	(23)	(25)
Total expenses*	(2,486)	(2,915)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(5)	(5)
Total interest payable & similar charges	(5)	(5)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	11,874	11,592
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,375)	(2,318)
Effects of:		
Excess expenses	1,000	2,318
Distributions treated as tax deductible	1,375	–
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £2,093,719 (2018: £3,093,719) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	6,649	7,691
Final	6,488	6,395
	13,137	14,086
Add: Revenue deducted on the cancellation of shares	1,208	828
Deduct: Revenue received on the creation of shares	(302)	(779)
Net distribution for the period	14,043	14,135
Net revenue after taxation	11,874	11,592
Annual management charge to capital	2,169	2,543
Total distributions	14,043	14,135

Details of the distribution per share are set out in the table on pages 185 to 186.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	288	172
Sales awaiting settlement	815	–
Accrued revenue	2,312	2,632
Total debtors	3,415	2,804

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	110	–
Cash and bank balances	8,982	9,852
Total cash and bank balances	9,092	9,852

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(284)	(532)
Purchases awaiting settlement	(2,154)	–
Accrued expenses	(22)	(23)
Amounts payable to ACD	(215)	(248)
Total other creditors	(2,675)	(803)

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 Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.45%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 187 to 189.

The distribution per share class is given in the distribution table on pages 185 to 186. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	12,436,437
Shares issued	1,169,820
Shares redeemed	(1,882,169)
Net conversions	(204,616)
Closing shares	<u>11,519,472</u>
Class 1 – Gross income shares	
Opening shares	78,578,002
Shares issued	1,167,143
Shares redeemed	(9,357,729)
Net conversions	(22,078)
Closing shares	<u>70,365,338</u>
Class 1 – Gross accumulation shares	
Opening shares	13,034,914
Shares issued	886,223
Shares redeemed	(1,900,457)
Net conversions	(27,509)
Closing shares	<u>11,993,171</u>
Class 2 – Income shares	
Opening shares	1,422,592
Shares issued	76,411
Shares redeemed	(32,105)
Net conversions	–
Closing shares	<u>1,466,898</u>
Class 2 – Gross accumulation shares	
Opening shares	3,081,086
Shares issued	2,379,898
Shares redeemed	(1,850,669)
Net conversions	–
Closing shares	<u>3,610,315</u>
Class X – Gross income shares	
Opening shares	118,448
Shares issued	306,028
Shares redeemed	–
Net conversions	–
Closing shares	<u>424,476</u>
Class X – Gross accumulation shares	
Opening shares	18,387,977
Shares issued	943,241
Shares redeemed	(9,745,509)
Net conversions	–
Closing shares	<u>9,585,709</u>

2019

Class Z – Income shares

Opening shares	68,545,013
Shares issued	5,501,249
Shares redeemed	(31,541,523)
Net conversions	110,326
Closing shares	<u>42,615,065</u>

Class Z – Gross income shares

Opening shares	1,976,918
Shares issued	301,628
Shares redeemed	(445,343)
Net conversions	122,303
Closing shares	<u>1,955,506</u>

Class Z – Gross accumulation shares

Opening shares	6,342,926
Shares issued	529,174
Shares redeemed	(321,257)
Net conversions	(8,745)
Closing shares	<u>6,542,098</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 6.20% and vice versa (2018: 6.80%).

Currency exposures

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

	Total
Currency 2019	£000
Argentina Peso	1,246
Brazilian Real	(5,910)
Dominican Republic Peso	5,931
Egyptian Pound	3,909
Nigeria Naira	2,846
Peruvian New Sol	2,322
South Africa Rand	114
US Dollar	172,631
Currency 2018	£000
Brazilian Real	3,961
Dominican Republic Peso	4,625
Egyptian Pound	6,010
Mexican Peso	22
Nigeria Naira	2,067
Peruvian New Sol	3,675
Russian Ruble	6,767
South Africa Rand	2,877
US Dollar	203,789

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.08% (2018: 13.69%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.01% (2018: 12.17%).

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2019 Counterparty	Forward		Collateral Pledged
	Foreign Exchange Contracts Exposure	£000	
Barclays	–	110	
Goldman Sachs	45	–	
HSBC	403	–	
2018 Counterparty	Forward		Collateral Pledged
	Foreign Exchange Contracts Exposure	£000	
Citigroup	1	–	
Goldman Sachs	42	–	

The fund held £376,000 (2018: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AA	1,110	0.64	–	–
AA–	1,484	0.86	–	–
Aa3	2,154	1.24	–	–
A+	7,193	4.16	4,471	2.02
A1	2,288	1.32	–	–
A–	2,313	1.34	10,928	4.93
A3	–	–	1,252	0.56
BBB+	7,229	4.18	17,942	8.09
BBB	–	–	6,722	3.03
Baa2	3,656	2.11	3,983	1.80
BBB–	17,738	10.25	16,908	7.62
Baa3	2,443	1.41	2,380	1.07
BB+	6,271	3.62	8,960	4.04
Ba1	4,493	2.60	–	–
BB	8,069	4.66	13,851	6.25
Ba2	729	0.42	12,453	5.62
BB–	18,253	10.55	33,276	15.01
B+	7,547	4.36	29,379	13.25
B	24,048	13.90	12,166	5.49
Ba3	16,342	9.45	7,163	3.23
B–	6,977	4.03	14,080	6.35
B3	1,880	1.09	3,971	1.79
CCC+	1,883	1.09	1,924	0.87
D	3,571	2.06	5,141	2.32
Not Rated*	18,769	10.85	14,723	6.64
Liquidity Funds	6,124	3.55	–	–
Derivatives**	445	0.26	43	0.02
	<u>173,009</u>	<u>100.00</u>	<u>221,716</u>	<u>100.00</u>

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

Currency 2019	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Argentina Peso	–	1,246	–	1,246
Brazilian Real	–	59	–	59
Dominican Republic Peso	–	5,837	94	5,931
Egyptian Pound	1	3,908	–	3,909
Nigeria Naira	–	2,846	–	2,846
Peruvian New Sol	–	2,313	9	2,322
South Africa Rand	–	–	4,170	4,170
UK Sterling	199	–	302	501
US Dollar	11,087	154,160	13,781	179,028
Currency 2018	£000	£000	£000	£000
Brazilian Real	1	3,960	–	3,961
Dominican Republic Peso	–	4,550	75	4,625
Egyptian Pound	–	6,010	–	6,010
Mexican Peso	–	4,386	79	4,465
Nigeria Naira	–	2,067	–	2,067
Peruvian New Sol	–	3,661	14	3,675
Russian Ruble	–	6,722	45	6,767
South Africa Rand	–	8,960	924	9,884
UK Sterling	1	–	579	580
US Dollar	13,363	177,844	13,847	205,054
Currency 2019	£000	£000	£000	£000
Brazilian Real	–	–	(5,969)	(5,969)
South Africa Rand	–	–	(4,056)	(4,056)
UK Sterling	–	–	(5,074)	(5,074)
US Dollar	–	–	(6,397)	(6,397)
Currency 2018	£000	£000	£000	£000
Mexican Peso	–	–	(4,443)	(4,443)
South Africa Rand	–	–	(7,007)	(7,007)
UK Sterling	–	–	(5,256)	(5,256)
US Dollar	–	–	(1,265)	(1,265)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £508,000 (2018: £84,000) and a liability value of £63,000 (2018: £41,000).

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	6,124	–	–	–
Level 2	166,948	(63)	221,757	(41)
	<u>173,072</u>	<u>(63)</u>	<u>221,757</u>	<u>(41)</u>

Included within Level 1, are debt securities of £6,124,000 (2018: Nil). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £169,800,139 (2018: £154,104,579) and £216,155,342 (2018: £143,901,514) respectively. Collective investment schemes purchases and sales amounted to £6,319,795 (2018: £Nil) and £Nil (2018: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £133,671 (2018: £186,568) respectively. The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.44% (7 March 2018: 0.53%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle High Yield Bond Fund

Investment Report

Investment Objective

To achieve a higher level of income. Income will be paid monthly.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund principally in higher risk UK and international fixed interest securities. It may also invest in equities.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle High Yield Bond Fund has fallen from 42.90p to 41.83p.

The total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +1.79%, which equates approximately +3.34% gross of tax and charges**. (For information the ICE BofAML European Currency High Yield Constrained x Sub Fin (€ Hedged) Index gave a total return of +2.10% for the same period).

Market Overview and Portfolio Activity

The period was dominated by various global political pressures. A trade war broke out between the US and China. Import tariffs were introduced, contributing to a slowing of the Chinese economy and the dampening of global economic sentiment. December saw the longest shutdown of the US federal government in history, due to the lack of agreement on the 2019 budget. In Europe, Brexit negotiations progressed but the outcome remained uncertain. The UK parliament inflicted a series of blows on the government, starting with a rejection of the withdrawal agreement drafted by Theresa May and Brussels. Italy was also in focus: first, due to

the post-election leadership struggles, and later because of the controversial budget proposals which conflicted with EU rules; the country's bonds sold off sharply in response to both issues.

Monetary policy normalisation was another important theme. Thanks to strong GDP data and expectations of rising inflation, the Federal Reserve (Fed) hiked US interest rates four times during 2018. Late in the reporting period, as more mixed economic data started to emerge, the Fed did a sharp turnaround and assumed a more dovish stance; this reduced market expectations of further rate hikes. Following the Fed's lead, 10-year US Treasury yields peaked in November 2018 at 3.2%, but then rallied sharply to below 2.70% by March 2019 amid the deterioration in global economic sentiment. The European Central Bank (ECB) announced the end of its quantitative easing programme and confirmed that it had no plans for rate hikes in 2019. At the start of the review period, both economic and sentiment data proved robust, but after a series of weak releases over the last few months, the ECB has cut its growth forecast for the eurozone by one third. The Bank of England has followed suit, cutting its 2019 growth forecast for the British economy, citing political uncertainty as the main reason.

Equity markets continued to climb in the first half of the reporting period but subsequently came under downward pressure. December was a particularly difficult month amid fears over slowing global growth and rising US interest rates; risk assets fell, with many indices reporting their worst month for several years. The sharp sell-off in the fourth quarter quickly reversed, and by the end of the reporting period most indices had returned to September's levels. Throughout the period, Brazil was a clear outlier, rallying strongly following the election victory of market-friendly candidate Jair Bolsonaro, who began his presidency by proposing Brazilian pension plan reforms.

In commodities, the volatility in the oil market was the primary focus. After achieving a high of around \$85/barrel, geopolitical pressures on global supply and rising inventory numbers caused the oil price to crash into the low \$50s at the end of 2018. Since then, the price has risen steadily on OPEC's supply cuts.

Overall, it was a mixed year for the European high yield market, which returned 1.24%. From March 2018, yield spreads moved steadily higher, and increased sharply in the fourth quarter following the sell-off in other risk assets in November and December. As the market losses started to reverse in the new year, spreads began to tighten again, reaching their pre-sell-off levels. Over the reporting period, spreads closed over 116 basis points (bps) wider at 427 bps.

In the primary market, we participated in over 40 new issues. The largest of these included Netflix, Financial & Risk US Holdings and Nexi. In the secondary market, our largest purchases over the period included Telecom Italia, Teva and Iron Mountain; we also covered a portion of the underweight position in Casino. Against this, we reduced the exposure to Gaz Capital and CSC holdings, among others, and exited various positions including Voyage Care and Maxeda.

Fundamentals remain supportive, but growth momentum has weakened, and corporate earnings are more mixed. We are still expecting GDP and earnings growth, but at a lower rate. There is greater dispersion of earnings across industrial sectors, with cyclical underperforming defensives. We still expect a benign default environment.

Technical are reasonably supportive, with small inflows and lower primary issuance. With central banks pulling back on liquidity, there are challenges to manage in an environment of quantitative tightening. Central bank policy action should continue to have a strong impact on technical positioning in the high yield and wider markets. Spreads have tightened to the levels of mid-November 2018 but valuations are decent given current default expectations.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(9,812)	2,112
Revenue	3	32,999	40,328
Expenses	4	(5,898)	(7,071)
Interest payable and similar charges	5	(26)	(30)
Net revenue before taxation		27,075	33,227
Taxation	6	–	–
Net revenue after taxation		27,075	33,227
Total return before distributions		17,263	35,339
Distributions	7	(32,198)	(39,355)
Change in net assets attributable to shareholders from investment activities		(14,935)	(4,016)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		686,141	712,480
Current assets:			
Debtors	8	13,605	11,567
Cash and bank balances	9	7,675	46,027
Cash equivalents***		47,975	–
Total assets		755,396	770,074
Liabilities:			
Investment liabilities		(66)	(8,662)
Creditors:			
Bank overdrafts	9	(143)	–
Distribution payable		(1,632)	(1,762)
Other creditors	10	(9,618)	(1,050)
Total liabilities		(11,459)	(11,474)
Net assets attributable to shareholders		743,937	758,600

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	758,600	934,450
Amounts receivable on the issue of shares	135,500	197,307
Amounts payable on the cancellation of shares	(147,522)	(383,210)
	(12,022)	(185,903)
Dilution adjustment	66	251
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(14,935)	(4,016)
Retained distribution on accumulation shares	12,215	13,807
Unclaimed distributions	13	11
Closing net assets attributable to shareholders	743,937	758,600

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/04/18	0.1436	–	0.1436	0.1700
08/04/18 to 07/05/18	0.1660	–	0.1660	0.1732
08/05/18 to 07/06/18	0.1506	–	0.1506	0.1775
08/06/18 to 07/07/18	0.1518	–	0.1518	0.1721
08/07/18 to 07/08/18	0.1533	–	0.1533	0.2018
08/08/18 to 07/09/18	0.1492	–	0.1492	0.1738
08/09/18 to 07/10/18	0.1443	–	0.1443	0.1494
08/10/18 to 07/11/18	0.1532	–	0.1532	0.1694
08/11/18 to 07/12/18	0.1556	–	0.1556	0.1575
08/12/18 to 07/01/19	0.1542	–	0.1542	0.1546
08/01/19 to 07/02/19	0.1373	–	0.1373	0.1507
08/02/19 to 07/03/19	0.1535	–	0.1535	0.1550

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

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

Threadneedle High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 2				
08/03/18 to 07/04/18	0.1992	0.2809	0.4801	0.5436
08/04/18 to 07/05/18	0.2941	0.2631	0.5572	0.5561
08/05/18 to 07/06/18	0.2820	0.2254	0.5074	0.5722
08/06/18 to 07/07/18	0.2160	0.2977	0.5137	0.5579
08/07/18 to 07/08/18	0.2141	0.3069	0.5210	0.6563
08/08/18 to 07/09/18	0.2450	0.2639	0.5089	0.5686
08/09/18 to 07/10/18	0.3148	0.1796	0.4944	0.4925
08/10/18 to 07/11/18	0.2041	0.3228	0.5269	0.5596
08/11/18 to 07/12/18	0.2833	0.2741	0.5374	0.5224
08/12/18 to 07/01/19	0.2824	0.2725	0.5349	0.5154
08/01/19 to 07/02/19	0.2449	0.2335	0.4784	0.5033
08/02/19 to 07/03/19	0.2384	0.2985	0.5369	0.5162
Total distributions in the period			6.1972	6.5641

Group 2: shares purchased during a distribution period.

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	42.59	43.03	40.74	42.63	43.07	40.77
Return before operating charges (p)	1.31	2.19	5.14	1.31	2.19	5.15
Operating charges (p)	(0.56)	(0.62)	(0.60)	(0.56)	(0.62)	(0.60)
Return after operating charges (p)*	0.75	1.57	4.54	0.75	1.57	4.55
Distributions (p)	(1.81)	(2.01)	(2.25)	(1.81)	(2.01)	(2.25)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	41.53	42.59	43.03	41.57	42.63	43.07
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.76	3.65	11.14	1.76	3.65	11.16
Other information						
Closing net asset value (£000)	74,794	87,344	98,876	31,262	41,092	80,287
Closing number of shares	180,080,571	205,095,991	229,782,665	75,196,806	96,396,972	186,402,890
Operating charges (%)**	1.33	1.42	1.42	1.33	1.42	1.42
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	42.85	43.90	43.34	42.89	43.95	43.41
Lowest share price (p)	40.37	42.70	40.99	40.41	42.74	41.03
	Class 1 USD Hedged – Gross income shares [§]			Class 1 – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	70.35	79.90	64.74	112.67	108.70	97.60
Return before operating charges (p)	7.34	(5.01)	20.05	3.59	5.52	12.58
Operating charges (p)	(0.98)	(1.07)	(1.04)	(1.51)	(1.55)	(1.48)
Return after operating charges (p)*	6.36	(6.08)	19.01	2.08	3.97	11.10
Distributions (p)	(3.17)	(3.47)	(3.85)	(4.90)	(5.18)	(5.54)
Retained distributions on accumulation shares (p)**	–	–	–	4.90	5.18	5.54
Closing net asset value per share (p)	73.54	70.35	79.90	114.75	112.67	108.70
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	9.04	(7.61)	29.36	1.85	3.65	11.37
Other information						
Closing net asset value (£000)	5,312	3,927	11,524	776	37	11
Closing number of shares	7,223,373	5,582,725	14,422,966	675,945	32,987	10,133
Operating charges (%)**	1.33	1.42	1.42	1.34	1.38	1.40
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	76.62	80.40	80.58	115.30	114.19	109.13
Lowest share price (p)	68.51	69.60	63.76	110.32	108.45	98.20

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross income shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	61.54	61.86	58.27	52.96	53.25	50.16
Return before operating charges (p)	1.91	3.15	7.38	1.65	2.70	6.35
Operating charges (p)	(0.49)	(0.51)	(0.49)	(0.42)	(0.44)	(0.42)
Return after operating charges (p)*	1.42	2.64	6.89	1.23	2.26	5.93
Distributions (p)	(2.67)	(2.96)	(3.30)	(2.30)	(2.55)	(2.84)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	60.29	61.54	61.86	51.89	52.96	53.25
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.31	4.27	11.82	2.32	4.24	11.82
Other information						
Closing net asset value (£000)	9,527	17,050	45,702	2,122	3,741	10,445
Closing number of shares	15,801,121	27,706,416	73,881,942	4,089,792	7,063,089	19,616,410
Operating charges (%)***	0.81	0.81	0.81	0.81	0.81	0.81
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	61.95	63.34	62.30	53.32	54.52	53.67
Lowest share price (p)	58.55	61.68	58.63	50.40	53.09	50.47
	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	178.37	171.04	152.62	100.19	99.98	93.47
Return before operating charges (p)	5.70	8.76	19.76	3.14	5.07	11.89
Operating charges (p)	(1.46)	(1.43)	(1.34)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	4.24	7.33	18.42	3.08	5.01	11.83
Distributions (p)	(7.90)	(8.36)	(8.87)	(4.37)	(4.80)	(5.32)
Retained distributions on accumulation shares (p)**	7.90	8.36	8.87	–	–	–
Closing net asset value per share (p)	182.61	178.37	171.04	98.90	100.19	99.98
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.38	4.29	12.07	3.07	5.01	12.66
Other information						
Closing net asset value (£000)	184,313	195,709	257,428	8,042	2,130	2,247
Closing number of shares	100,931,916	109,722,377	150,511,031	8,131,106	2,125,776	2,247,258
Operating charges (%)***	0.81	0.81	0.81	0.06	0.06	0.06
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	183.49	180.66	171.71	100.95	102.89	100.77
Lowest share price (p)	175.41	170.70	153.59	95.93	99.80	94.06

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017 ¹	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	116.14	110.53	100.00	102.66	103.06	96.93
Return before operating charges (p)	3.73	5.68	10.58	3.18	5.22	12.29
Operating charges (p)	(0.07)	(0.07)	(0.05)	(0.74)	(0.76)	(0.74)
Return after operating charges (p)*	3.66	5.61	10.53	2.44	4.46	11.55
Distributions (p)	(5.17)	(5.42)	(5.57)	(4.38)	(4.86)	(5.42)
Retained distributions on accumulation shares (p)**	5.17	5.42	5.57	–	–	–
Closing net asset value per share (p)	119.80	116.14	110.53	100.72	102.66	103.06
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.15	5.08	10.53	2.38	4.33	11.92
Other information						
Closing net asset value (£000)	76,912	49,498	50,716	272,757	285,789	306,168
Closing number of shares	64,200,212	42,618,521	45,883,921	270,795,387	278,392,263	297,084,126
Operating charges (%)**	0.06	0.06	0.05 ¹	0.73	0.73	0.73
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	120.37	117.54	110.96	103.36	105.62	103.79
Lowest share price (p)	114.93	110.33	99.98	97.79	102.86	97.53
	Class Z – Accumulation shares			Class Z – Gross income shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	115.38	110.55	99.63	99.99	100.38	94.41
Return before operating charges (p)	3.68	5.67	12.84	3.11	5.08	11.97
Operating charges (p)	(0.85)	(0.84)	(0.78)	(0.72)	(0.74)	(0.72)
Return after operating charges (p)*	2.83	4.83	12.06	2.39	4.34	11.25
Distributions (p)	(5.02)	(5.32)	(5.68)	(4.27)	(4.73)	(5.28)
Retained distributions on accumulation shares (p)**	5.02	5.32	4.54	–	–	–
Closing net asset value per share (p)	118.21	115.38	110.55	98.11	99.99	100.38
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.45	4.37	12.10	2.39	4.32	11.92
Other information						
Closing net asset value (£000)	21,275	13,756	10,257	37,501	42,593	31,093
Closing number of shares	17,998,360	11,922,607	9,278,316	38,225,545	42,597,550	30,974,909
Operating charges (%)**	0.73	0.73	0.73	0.73	0.73	0.73
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	118.77	116.85	110.99	100.67	102.87	101.17
Lowest share price (p)	113.53	110.33	100.25	95.25	100.19	95.00

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share			
Opening net asset value per share (p)	142.32	136.37	121.59
Return before operating charges (p)	4.55	6.98	15.74
Operating charges (p)	(1.05)	(1.03)	(0.96)
Return after operating charges (p)*	3.50	5.95	14.78
Distributions (p)	(6.20)	(6.56)	(6.97)
Retained distributions on accumulation shares (p)**	6.20	6.56	6.97
Closing net asset value per share (p)	145.82	142.32	136.37
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	2.46	4.36	12.16
Other information			
Closing net asset value (£000)	19,344	15,934	29,696
Closing number of shares	13,266,056	11,195,946	21,775,631
Operating charges (%)***	0.73	0.73	0.73
Direct transaction costs (%)****	–	–	–
Prices			
Highest share price (p)	146.51	144.14	136.91
Lowest share price (p)	140.05	136.11	122.36

**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 16 March 2016.

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	2019	2018
	£000	£000
Non-derivative securities	(32,513)	9,826
Derivative contracts	(693)	1,009
Forward currency contracts	29,896	(3,183)
Other losses	(6,500)	(5,538)
Transaction costs	(2)	(2)
Net capital (losses)/gains	(9,812)	2,112

3 REVENUE

	2019	2018
	£000	£000
Interest on debt securities	32,401	39,718
Interest on short term investments	134	21
Derivative revenue	344	537
Bank interest	120	52
Total revenue	32,999	40,328

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(5,123)	(6,129)
Registration fees	(616)	(764)
	(5,739)	(6,893)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(89)	(101)
Safe custody fees	(48)	(53)
	(137)	(154)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(15)	(17)
Professional fees	–	(2)
	(22)	(24)
Total expenses*	(5,898)	(7,071)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Interest payable	(26)	(30)
Total interest payable & similar charges	(26)	(30)

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	27,075	33,227
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,415)	(6,646)
Effects of:		
Distributions treated as tax deductible	5,415	6,646
Current tax charge for period (note 6a)	–	–
Interest distributions were made in respect of all distributions during the prior period.		

7 DISTRIBUTIONS

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

	2019	2018
	£000	£000
Interim	29,410	36,192
Final	2,761	2,777
	32,171	38,969
Add: Revenue deducted on the cancellation of shares	310	847
Deduct: Revenue received on the creation of shares	(283)	(461)
Net distribution for the period	32,198	39,355
Net revenue after taxation	27,075	33,227
Annual management charge to capital	5,123	6,129
Equalisation on conversion	–	(1)
Total distributions	32,198	39,355

Details of the distribution per share are set out in the table on pages 194 to 197.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	3,457	834
Sales awaiting settlement	294	–
Accrued revenue	9,854	10,733
Total debtors	13,605	11,567

9 CASH AND BANK BALANCES

	2019	2018
	£000	£000
Amounts held at futures clearing houses and brokers	143	5,747
Cash and bank balances	7,532	40,280
	7,675	46,027
Cash overdrafts at broker	(143)	–
Total cash and bank balances	7,532	46,027

10 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(1,568)	(449)
Purchases awaiting settlement	(7,495)	–
Accrued expenses	(30)	(34)
Amounts payable to ACD	(525)	(567)
Total other creditors	(9,618)	(1,050)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.20%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 198 to 201. The distribution per share class is given in the distribution table on pages 194 to 197. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	205,095,991
Shares issued	8,336,563
Shares redeemed	(25,111,293)
Net conversions	(8,240,690)
Closing shares	<u>180,080,571</u>
Class 1 – Gross income shares	
Opening shares	96,396,972
Shares issued	2,739,064
Shares redeemed	(23,579,890)
Net conversions	(359,340)
Closing shares	<u>75,196,806</u>
Class 1 USD Hedged – Gross income shares	
Opening shares	5,582,725
Shares issued	1,640,648
Shares redeemed	–
Net conversions	–
Closing shares	<u>7,223,373</u>
Class 1 – Gross accumulation shares	
Opening shares	32,987
Shares issued	676,131
Shares redeemed	(33,173)
Net conversions	–
Closing shares	<u>675,945</u>
Class 2 – Income shares	
Opening shares	27,706,416
Shares issued	2,406,196
Shares redeemed	(4,555,691)
Net conversions	(9,755,800)
Closing shares	<u>15,801,121</u>
Class 2 – Gross income shares	
Opening shares	7,063,089
Shares issued	330,958
Shares redeemed	(1,144,865)
Net conversions	(2,159,390)
Closing shares	<u>4,089,792</u>
Class 2 – Gross accumulation shares	
Opening shares	109,722,377
Shares issued	23,126,479
Shares redeemed	(31,916,940)
Net conversions	–
Closing shares	<u>100,931,916</u>

	2019
Class X – Gross income shares	
Opening shares	2,125,776
Shares issued	6,005,330
Shares redeemed	–
Net conversions	–
Closing shares	<u>8,131,106</u>
Class X – Gross accumulation shares	
Opening shares	42,618,521
Shares issued	29,842,632
Shares redeemed	(8,260,941)
Net conversions	–
Closing shares	<u>64,200,212</u>
Class Z – Income shares	
Opening shares	278,392,263
Shares issued	26,535,270
Shares redeemed	(35,153,617)
Net conversions	1,021,471
Closing shares	<u>270,795,387</u>
Class Z – Accumulation shares	
Opening shares	11,922,607
Shares issued	9,288,842
Shares redeemed	(3,245,456)
Net conversions	32,367
Closing shares	<u>17,998,360</u>
Class Z – Gross income shares	
Opening shares	42,597,550
Shares issued	3,299,272
Shares redeemed	(14,392,973)
Net conversions	6,721,696
Closing shares	<u>38,225,545</u>
Class Z – Gross accumulation shares	
Opening shares	11,195,946
Shares issued	2,434,259
Shares redeemed	(2,466,543)
Net conversions	2,102,394
Closing shares	<u>13,266,056</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 2.93% and vice versa (2018: 3.20%).

Currency exposures

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

	Total £000
Currency 2019	
Euro	(1,068)
US Dollar	6,250
Currency 2018	£000
Euro	3,083
Swiss Franc	5
US Dollar	4,141

Currency sensitivity

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2019	Counterparty	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	Barclays	–	4,655	–
	Citigroup	986	–	–
	Goldman Sachs	–	4,618	–
	HSBC	–	43	–
	J.P. Morgan	246	392	–
	Lloyds	–	4,769	–
2018	Counterparty	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	Barclays	–	–	2,150
	BNP Paribas	68	–	–
	Citigroup	–	107	–
	Goldman Sachs	117	–	–
	J.P. Morgan	–	26	–
	Lloyds	–	–	2,480
	RBS	–	–	1,680

The fund held £15,970,000 (2018: £1,770,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2019		2018	
	Value	% of Investment	Value	% of Investment
	£000		£000	
BBB+	1,291	0.19	4,560	0.65
BBB	5,833	0.85	12,866	1.83
Baa2	4,074	0.59	4,176	0.59
BBB-	33,697	4.91	27,248	3.87
BB+	194,122	28.30	215,404	30.61
Ba1	2,609	0.38	–	–
BB	121,592	17.72	94,514	13.43
Ba2	8,380	1.22	9,252	1.32
(P)Ba2	4,528	0.66	4,721	0.67
BB-	89,476	13.04	106,638	15.15
B+	43,152	6.29	44,509	6.32
B1	4,718	0.69	6,757	0.96
B	80,387	11.72	103,724	14.74
B2	5,629	0.82	3,479	0.49
B-	45,420	6.62	43,377	6.16
B3	4,959	0.72	5,720	0.81
CCC+	10,758	1.57	13,070	1.86
Caa1	–	–	1,714	0.24
CCC	1,571	0.23	628	0.09
Not Rated*	8,171	1.19	9,731	1.38
Derivatives**	15,708	2.29	(8,270)	(1.17)
	686,075	100.00	703,818	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

Currency 2019	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Euro	79,850	455,347	7,964	543,161
UK Sterling	41,831	129,333	576,847	748,011
US Dollar	1,544	18,111	6,589	26,244
Currency 2018	£000	£000	£000	£000
Euro	73,963	425,897	21,573	521,433
Swiss Franc	5	–	–	5
UK Sterling	80,827	131,173	567,452	779,452
US Dollar	6,544	39,706	11,387	57,637
Currency 2019	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Euro	–	–	(544,229)	(544,229)
UK Sterling	(143)	–	(9,113)	(9,256)
US Dollar	–	–	(19,994)	(19,994)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(518,350)	(518,350)
UK Sterling	–	–	(28,081)	(28,081)
US Dollar	–	–	(53,496)	(53,496)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps and 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 credit default swaps and 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 7 March 2019, the fund had outstanding credit default swaps and forward foreign exchange contracts with an asset value of £15,774,000 (2018: £392,000) and a liability value of £66,000 (2018: £8,662,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	47,975	–	–	(25)
Level 2	682,628	(66)	710,328	(8,637)
Level 3	3,513	–	2,152	–
	<u>734,116</u>	<u>(66)</u>	<u>712,480</u>	<u>(8,662)</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £237,379,927 (2018: £256,123,407) and £245,955,668 (2018: £415,922,019) respectively. Collective investment schemes purchases and sales amounted to £52,649,265 (2018: £Nil) and £4,014,194 (2018: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £456,573 (2018: £7,695,482) 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 £657 (2018: £682).

At the balance sheet date, the portfolio dealing spread was 0.82% (7 March 2018: 0.76%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Select Fund

Investment Report

Investment Objective

To achieve above average capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Global Select Fund has risen from 213.58p to 223.02p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +1.85% as compared to a median return of +1.91% over the same period. (For information the MSCI AC World Free Index returned +3.28% over the same period).

Market Overview and Portfolio Activity

Markets were swayed at various stages over the year as developments around trade, monetary tightening and the pace of economic growth saw persistent volatility in equity markets. However, support provided by healthy corporate fundamentals, robust economic data and late dovish Federal Reserve commentary ultimately won out, with the MSCI ACWI producing a 1.9% total return in local terms.

North American equities outperformed, driven by strong labour market readings, resilient consumer spending and fiscal tailwinds. Far Eastern stocks also outpaced the benchmark. Australian indices hit decade highs

during June, propelled by banking stocks, while improved prospects for trading relations saw Hong Kong fare well late on. Despite Brexit-related concerns, UK equities outperformed as sterling's decline aided exporters and overseas earners. The announcement of additional spending in the chancellor's budget provided an additional boost.

The performance of European stocks was more subdued as the region contended with slowing growth and political uncertainty. In particular, the formation of a Eurosceptic government in Italy raised concerns. The news of their subsequent budget deficit agreement with the EU was therefore well received. Highly geared to global risk sentiment, Japanese equities lagged as uncertainty around trade and growth lingered. Yen strength, induced by bouts of safe-haven demand, proved an added headwind to the country's export-centric economy. Defensive sources of growth generally outperformed their economically sensitive peers over the period. This was most notable towards the end of the period, against a backdrop of declining bond yields.

New positions over the period included Microsoft. In our view, cloud computing is 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 are sustainable competitive advantages. We also initiated a holding in technology firm Tencent, which has been demonstrating strength across its new initiatives. With a dominant position in China's online consumer market, Tencent should be able to benefit from earnings drivers such as game-industry consolidation, advertising monetisation and fintech growth.

Away from the technology space, we purchased sportswear manufacturer Adidas, which continues to gain market share in a relatively concentrated industry. Company management has demonstrated its ability to address operational concerns and drive sales improvements across multiple regions, whilst investing for future growth. We also bought medical

technology company Becton Dickinson. The company's category leadership across most of its product lines means high market share and a sustainable growth outlook for revenues and earnings. Its scale ensures pricing stability, and that it can retain a cost advantage relative to competitors. The recent acquisition of Bard should also continue yielding synergies in the future.

To help fund these purchases, we sold Bank of America. Our position was founded on factors such as monetary tightening, fiscal stimulus, the company's capital return story and its operational efficiency. We believe these effects have now largely materialised and are better reflected in the company's share price. We also closed our position in global investment bank Goldman Sachs. The shares had held up well amid market turbulence in October, but we felt that news flow around the 1Malaysia Development Berhad (1MDB) case could adversely affect performance. Elsewhere, we sold Sekisui Chemical, believing that its capital return improvements may now have reached a peak; we also sold Nike following a rise in the stock's valuation and the departure of senior executives.

Recent market strength has provided evidence of the value to be found in sustainably growing, secular winners following 2018's resets in valuations. With scope for further re-rating and expectations for volatility to remain somewhat elevated, we believe this backdrop is ideal for investors capable of identifying long-term winners, trading at below their intrinsic value. While factors such as technological regulation and trade remain in focus, we believe that structural trends promoting a world which is 'lower for longer' remain in place. These include demographics, debt and technological disruption, and should ensure that companies sustaining above-average growth remain attractive. Within this context, we retain our focus on companies with durable competitive advantages, as we believe these promote high returns on capital, for longer than the market assumes, and sustainable earnings growth. In our view, companies exhibiting these qualities are best placed to outperform over the long term, generating compelling, through-the-cycle returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

Notes	2019 £000	2018 £000
Income		
Net capital gains	2 35,559	123,362
Revenue	3 18,137	18,387
Expenses	4 (12,448)	(13,053)
Interest payable and similar charges	5 (9)	(2)
Net revenue before taxation	6 5,680	5,332
Taxation	6 (1,504)	(1,845)
Net revenue after taxation	4,176	3,487
Total return before distributions	39,735	126,849
Distributions	7 (5,521)	(5,278)
Change in net assets attributable to shareholders from investment activities	34,214	121,571

BALANCE SHEET

as at 7 March 2019

Notes	2019 £000	2018 £000
Assets:		
Fixed assets:		
Investments	855,427	1,195,076
Current assets:		
Debtors	8 2,843	4,529
Cash and bank balances	15,244	19,310
Cash equivalents**	9,144	41
Total assets	882,658	1,218,956
Liabilities:		
Investment liabilities	(1)	(1)
Creditors:		
Distribution payable	(8)	(6)
Other creditors	9 (10,271)	(14,590)
Total liabilities	(10,280)	(14,597)
Net assets attributable to shareholders	872,378	1,204,359

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,204,359	1,144,298
Amounts receivable on the issue of shares	649,467	204,240
Amounts payable on the cancellation of shares	(727,121)	(270,863)
Amounts payable on in specie transfers	(293,406)	–
	(371,060)	(66,623)
Dilution adjustment	90	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	34,214	121,571
Retained distribution on accumulation shares	4,775	5,113
Closing net assets attributable to shareholders	872,378	1,204,359

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 1 USD – Accumulation shares*

There is no distribution for the accounting period 8 March 2018 to 7 March 2019, as expenses exceed revenue.

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.1836	–	1.1836	0.9687
Group 2 08/03/18 to 07/03/19	0.6536	0.5300	1.1836	0.9687
Total distributions in the period			1.1836	0.9687

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

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

Threadneedle Global Select Fund

DISTRIBUTION TABLE

(continued)

Class 2 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.7304	–	0.7304
Group 2 08/03/18 to 07/03/19	–	0.7304	0.7304
Total distributions in the period			0.7304

Class 2 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.7304	–	0.7304
Group 2 08/03/18 to 07/03/19	–	0.7304	0.7304
Total distributions in the period			0.7304

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	2.2947	–	2.2947	2.0354
Group 2 08/03/18 to 07/03/19	1.1571	1.1376	2.2947	2.0354
Total distributions in the period			2.2947	2.0354

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 08/03/18 to 07/03/19	1.0475	–	1.0475	0.8539
Group 2 08/03/18 to 07/03/19	0.5547	0.4928	1.0475	0.8539
Total distributions in the period			1.0475	0.8539

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 08/03/18 to 07/03/19	1.3239	–	1.3239	1.0740
Group 2 08/03/18 to 07/03/19	0.6712	0.6527	1.3239	1.0740
Total distributions in the period			1.3239	1.0740

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 08/03/18 to 07/03/19	0.9448	–	0.9448
Group 2 08/03/18 to 07/03/19	–	0.9448	0.9448
Total distributions in the period			0.9448

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Select Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	07/03/2019	07/03/2018	07/03/2017	25/01/2019 ¹	
Change in net assets per share					
Opening net asset value per share (p)	214.97	194.22	148.08	228.14	
Return before operating charges (p)	11.63	24.18	48.98	(12.22)	
Operating charges (p)	(3.60)	(3.43)	(2.84)	(1.94)	
Return after operating charges (p)*	8.03	20.75	46.14	(14.16)	
Distributions (p)	–	–	–	–	
Retained distributions on accumulation shares (p)	–	–	–	–	
Closing net asset value per share (p)	223.00	214.97	194.22	213.98	
*after direct transaction costs of (p)	0.16	0.17	0.21	0.19	
Performance					
Return after charges (%)	3.74	10.68	31.16	(6.21)	
Other information					
Closing net asset value (£000)	394,056	560,883	591,007	–	
Closing number of shares	176,705,657	260,918,033	304,300,372	–	
Operating charges (%)**	1.63	1.67	1.67	–	
Direct transaction costs (%)***	0.07	0.09	0.12	–	
Prices					
Highest share price (p)	238.91	225.26	194.26	238.91	
Lowest share price (p)	198.87	186.69	146.09	198.87	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	25/01/2019 ¹		07/03/2019	07/03/2018	07/03/2017
Change in net assets per share					
Opening net asset value per share (p)	228.14		308.39	276.95	209.89
Return before operating charges (p)	(12.15)		16.71	34.57	69.59
Operating charges (p)	(2.01)		(3.36)	(3.13)	(2.53)
Return after operating charges (p)*	(14.16)		13.35	31.44	67.06
Distributions (p)	–		(1.18)	(0.97)	(1.10)
Retained distributions on accumulation shares (p)	–		1.18	0.97	1.10
Closing net asset value per share (p)	213.98		321.74	308.39	276.95
*after direct transaction costs of (p)	0.29		0.23	0.25	0.29
Performance					
Return after charges (%)	(6.21)		4.33	11.35	31.95
Other information					
Closing net asset value (£000)	–		32,258	137,407	110,659
Closing number of shares	–		10,026,116	44,556,195	39,955,964
Operating charges (%)**	–		1.07	1.06	1.06
Direct transaction costs (%)***	–		0.07	0.09	0.12
Prices					
Highest share price (p)	238.91		343.60	322.97	277.03
Lowest share price (p)	198.87		286.62	266.42	207.07

Threadneedle Global Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	25/01/2019 ¹			25/01/2019 ¹		
Change in net assets per share						
Opening net asset value per share (p)	327.82			327.82		
Return before operating charges (p)	(17.35)			(17.43)		
Operating charges (p)	(1.92)			(1.84)		
Return after operating charges (p)*	(19.27)			(19.27)		
Distributions (p)	(0.73)			(0.73)		
Retained distributions on accumulation shares (p)	0.73			0.73		
Closing net asset value per share (p)	308.55			308.55		
*after direct transaction costs of (p)	0.28			0.21		
Performance						
Return after charges (%)	(5.88)			(5.88)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	343.60			343.60		
Lowest share price (p)	286.62			286.62		
	Class X – Accumulation shares			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	161.42	143.52	107.66	175.83	158.39	120.47
Return before operating charges (p)	8.79	17.99	35.93	9.53	19.78	40.02
Operating charges (p)	(0.10)	(0.09)	(0.07)	(1.54)	(1.49)	(1.22)
Return after operating charges (p)*	8.69	17.90	35.86	7.99	18.29	38.80
Distributions (p)	(2.29)	(2.04)	(1.84)	(1.05)	(0.85)	(0.88)
Retained distributions on accumulation shares (p)	2.29	2.04	1.84	–	–	–
Closing net asset value per share (p)	170.11	161.42	143.52	182.77	175.83	158.39
*after direct transaction costs of (p)	0.12	0.13	0.17	0.13	0.14	0.17
Performance						
Return after charges (%)	5.38	12.47	33.31	4.54	11.55	32.21
Other information						
Closing net asset value (£000)	272,362	288,261	275,415	1,421	1,320	974
Closing number of shares	160,111,848	178,581,526	191,896,369	777,506	751,020	615,028
Operating charges (%)**	0.06	0.06	0.05	0.85	0.88	0.88
Direct transaction costs (%)***	0.07	0.09	0.12	0.07	0.09	0.12
Prices						
Highest share price (p)	180.63	168.85	143.56	196.07	184.99	159.30
Lowest share price (p)	151.24	138.23	106.22	163.68	152.39	118.89

Threadneedle Global Select Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2019	07/03/2018	07/03/2017	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	222.25	199.23	150.71	236.38
Return before operating charges (p)	12.05	24.89	50.03	(12.52)
Operating charges (p)	(1.95)	(1.87)	(1.51)	(1.09)
Return after operating charges (p)*	10.10	23.02	48.52	(13.61)
Distributions (p)	(1.32)	(1.07)	(1.10)	(0.94)
Retained distributions on accumulation shares (p)	1.32	1.07	1.10	0.94
Closing net asset value per share (p)	232.35	222.25	199.23	222.77
*after direct transaction costs of (p)	0.17	0.18	0.21	0.21
Performance				
Return after charges (%)	4.54	11.55	32.19	(5.76)
Other information				
Closing net asset value (£000)	172,281	216,488	166,243	–
Closing number of shares	74,146,666	97,407,726	83,441,919	–
Operating charges (%)**	0.85	0.88	0.88	–
Direct transaction costs (%)***	0.07	0.09	0.12	–
Prices				
Highest share price (p)	247.84	232.69	199.28	247.84
Lowest share price (p)	206.90	191.69	148.69	206.90

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

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

¹Commenced 15 June 2018 and closed 25 January 2019.

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

Threadneedle Global Select Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	33,637	125,756
Forward currency contracts	(255)	215
Other gains/(losses)	2,178	(2,607)
Transaction costs	(1)	(2)
Net capital gains	35,559	123,362

3 REVENUE

	2019 £000	2018 £000
UK dividends	3,747	2,454
Overseas dividends	14,034	15,678
Interest on short term investments	144	160
Bank interest	211	95
Subsidized expense rebate	1	–
Total revenue	18,137	18,387

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(11,295)	(11,619)
Registration fees	(926)	(1,209)
	(12,221)	(12,828)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(143)	(143)
Safe custody fees	(66)	(65)
Revenue collection expenses	–	2
	(209)	(206)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(10)	(9)
Non audit service fees payable to auditors	(1)	(2)
Professional fees	–	(2)
	(18)	(19)
Total expenses*	(12,448)	(13,053)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(9)	(2)
Total interest payable & similar charges	(9)	(2)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(1,504)	(1,845)
Total current tax (note 6b)	(1,504)	(1,845)
Total tax charge for the period	(1,504)	(1,845)
b) Factors affecting taxation charge for period		
Net revenue before taxation	5,680	5,332
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,136)	(1,066)

Effects of:

Revenue not subject to taxation	3,502	3,546
Overseas taxes	(1,504)	(1,845)
Overseas tax expensed	9	13
Excess expenses	(2,366)	(2,465)
Retail Distribution Review (RDR) conversion transfer from capital	(9)	(28)
Current tax charge for period (note 6a)	(1,504)	(1,845)

The fund has not recognised a deferred tax asset of £14,644,915 (2018: £12,279,070) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Final	4,782	5,119
	4,782	5,119
Add: Revenue deducted on the cancellation of shares	1,792	492
Deduct: Revenue received on the creation of shares	(1,053)	(333)
Net distribution for the period	5,521	5,278
Net revenue after taxation	4,176	3,487
Equalisation on conversion	43	139
Shortfall transfer from capital to revenue	1,302	1,652
Total distributions	5,521	5,278

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 206 to 207.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	294	1,657
Accrued revenue	1,946	2,300
Foreign withholding tax recoverable	603	572
Total debtors	2,843	4,529

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(9,458)	(13,367)
Accrued expenses	(24)	(35)
Amounts payable to ACD	(789)	(1,188)
Total other creditors	(10,271)	(14,590)

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 Global Select Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.080%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 208 to 210. The distribution per share class is given in the distribution table on pages 206 to 207. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	260,918,033
Shares issued	47,668,222
Shares redeemed	(40,281,477)
Net conversions	(91,599,121)
Closing shares	<u>176,705,657</u>
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	2,217,899
Shares redeemed	(2,404,856)
Net conversions	186,957
Closing shares	<u>–</u>
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	27,503,603
Shares redeemed	(43,166,639)
Net conversions	15,663,036
Closing shares	<u>–</u>
Class 2 – Accumulation shares	
Opening shares	44,556,195
Shares issued	14,988,277
Shares redeemed	(6,101,728)
Net conversions	(43,416,628)
Closing shares	<u>10,026,116</u>
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	6,779,239
Shares redeemed	(13,878,386)
Net conversions	7,099,147
Closing shares	<u>–</u>
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	3,270,102
Shares redeemed	(2,201,169)
Net conversions	(1,068,933)
Closing shares	<u>–</u>
Class X – Accumulation shares	
Opening shares	178,581,526
Shares issued	5,832,171
Shares redeemed	(30,647,075)
Net conversions	6,345,226
Closing shares	<u>160,111,848</u>

Class Z – Income shares

Opening shares	751,020
Shares issued	63,956
Shares redeemed	(61,472)
Net conversions	24,002
Closing shares	<u>777,506</u>

Class Z – Accumulation shares

Opening shares	97,407,726
Shares issued	3,003,707
Shares redeemed	(11,506,845)
Net conversions	(14,757,922)
Closing shares	<u>74,146,666</u>

Class Z USD – Accumulation shares*

Opening shares	–
Shares issued	2,485,997
Shares redeemed	(5,084,694)
Net conversions	2,598,697
Closing shares	<u>–</u>

*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 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.41% and vice versa (2018: 5.16%).

Currency exposures

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

Currency 2019

	Total £000
Canadian Dollar	104
Danish Krone	8,625
Euro	100,042
Hong Kong Dollar	60,346
Indian Rupee	16,584
Indonesian Rupiah	19,259
Japanese Yen	16,541
Singapore Dollar	1
Swiss Franc	93
Taiwan Dollar	73
US Dollar	610,007

Currency 2018

	£000
Canadian Dollar	121
Danish Krone	11,385
Euro	98,998
Hong Kong Dollar	40,596
Indian Rupee	20,406
Indonesian Rupiah	26,696
Japanese Yen	71,524
Singapore Dollar	1
Swiss Franc	16,735
Taiwan Dollar	73
Thai Baht	8,824
US Dollar	845,767

Currency sensitivity analysis

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

	Currency movement	Fund movement
	%	%
Currency 2019		
Euro	4.04	0.46
US Dollar	5.18	3.62

Threadneedle Global Select Fund

Notes to the financial statements

(continued)

Currency 2018	Currency movement	Fund movement
	%	%
US Dollar	13.69	9.61

Credit/Counterparty exposure

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

2019	Forward Foreign Exchange Contracts Exposure	£000
Counterparty		
Bank of Scotland		1

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

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

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

Currency 2019	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	–	–	104	104
Danish Krone	1	–	8,624	8,625
Euro	–	–	100,042	100,042
Hong Kong Dollar	2	–	60,344	60,346
Indian Rupee	–	–	16,584	16,584
Indonesian Rupiah	–	–	19,259	19,259
Japanese Yen	–	–	16,541	16,541
Singapore Dollar	1	–	–	1
Swiss Franc	3	–	90	93
Taiwan Dollar	73	–	–	73
UK Sterling	149	–	50,833	50,982
US Dollar	15,015	–	600,136	615,151

Currency 2018	£000	£000	£000	£000
Canadian Dollar	1	–	120	121
Danish Krone	–	–	11,385	11,385
Euro	179	–	98,819	98,998
Hong Kong Dollar	–	–	40,596	40,596
Indian Rupee	–	–	20,406	20,406
Indonesian Rupiah	–	–	26,696	26,696
Japanese Yen	–	–	71,524	71,524
Singapore Dollar	1	–	–	1
Swiss Franc	1	–	16,734	16,735
Taiwan Dollar	73	–	–	73
Thai Baht	–	–	8,824	8,824
UK Sterling	282	–	77,547	77,829
US Dollar	18,773	–	827,251	846,024

Currency 2019	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
UK Sterling	–	–	(10,279)	(10,279)
US Dollar	–	–	(5,144)	(5,144)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(14,596)	(14,596)
US Dollar	–	–	(257)	(257)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £1,000 (2018: £Nil) and a liability value of £1,000 (2018: £1,000).

14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc. **Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes. **Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1*	864,570	–	1,195,117	–
Level 2	1	(1)	–	(1)
	864,571	(1)	1,195,117	(1)

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2019	Value	Commissions	Taxes
	£000	£000	%
Purchases			
Equities	368,739	206	0.06
Collective investment schemes	74,872	–	–
Total	443,611	206	222
Gross purchases total:	444,039		
Sales			
Equities	455,949	255	0.03
Collective investment schemes	65,714	–	–
Inspecie transactions	285,862	–	–
Corporate actions	865	–	–
Total	808,390	255	20
Total sales net of transaction costs:	808,115		
Transaction costs as a percentage of average Net Assets			
Commissions:	0.05%		
Taxes:	0.02%		

Threadneedle Global Select Fund

Notes to the financial statements

(continued)

7 March 2018

	Value	Commissions		Taxes	
Purchases	£000	£000	%	£000	%
Equities	399,952	277	0.07	358	0.09
Collective investment schemes	26,122	–	–	–	–
Total	426,074	277		358	

Gross purchases total: **426,709**

	Value	Commissions		Taxes	
Sales	£000	£000	%	£000	%
Equities	461,681	293	0.06	76	0.02
Collective investment schemes	25,259	–	–	–	–
Corporate actions	697	–	–	–	–
Total	487,637	293		76	

Total sales net of transaction costs: **487,268**

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
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 0.03% (7 March 2018: 0.04%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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 ("SWT") 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 7 March 2019 within foreign withholding tax recoverable we continue to accrue for the refunds which amount to £95,917 which represents 0.01% of the overall NAV.

Given the uncertainty that remained in relation to the payment of these accrued SWT reclaim amounts, and the length of time that had passed with no material change in STA's position, the decision was taken to write off the SWT accruals within the Fund as of 22 March 2019 and cease all future SWT accruals for SWT reclaims. For the avoidance of doubt, we will continue to pursue all outstanding and future SWT claims. Any SWT reclaims that are paid by the STA will be treated as windfall gains to the Funds.

Threadneedle Global Bond Fund

Investment Report

Investment Objective

To achieve a total return comprising primarily income with some capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of fixed income securities worldwide.

Performance of Class 1 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle Global Bond Fund has risen from 62.00p to 62.06p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is +2.06% as compared to a median return of +1.14% over the same period. The fund return equates approximately to +3.25% gross of tax and charges**. (For information the JPM GBI Global (Traded) Index (prior to 31/07/2012 JPM Global ex Japan) gave a total return of +2.71% for the same period).

Market Overview and Portfolio Activity

Over the review period, yields on core government bonds generally fell, but those on emerging market bonds and peripheral eurozone government bonds rose, as risk assets fell out of favour. The main factors unsettling investors included rising populism in Europe, heightened geopolitical tensions between the West and Russia, jitters over President Trump's administration, America's tariff war against China and other key trading partners, and, related to the latter, evidence of economic deceleration in China.

There was also the prospect of tighter monetary conditions. Thanks to strong US GDP data and expectations of rising inflation, the Federal Reserve (Fed) hiked US interest rates four times during 2018. At its final meeting last year, the Fed's guidance was still pointing to two

more hikes in 2019. However, a subsequent dovish shift in commentary from policymakers at the central bank has since cast doubts on this projection, and led to a simultaneous rally in core bonds and riskier debt in the year to date. Bonds issued by the eurozone's periphery and emerging markets were also supported by hopes of a breakthrough in the US-China trade talks.

Europe and Japan remain far behind the US in normalising policy. While the European Central Bank (ECB) took its first steps last year, finally terminating its massive bond-buying programme, it recently announced more stimulus measures via cheap loans for banks, as growth in the region stalled in 2018.

The Bank of England raised rates once over the review period, in August, as improving economic data convinced policymakers that the slowdown in early 2018 had been weather-induced. Thereafter, the growth momentum faded amid jitters around Brexit. This dampened expectations of further rate hikes, and the Bank of England recently reduced its UK growth projections, citing Brexit-related uncertainty. Despite this, gilt yields rose towards the end of the review period amid optimism that the UK's exit from the EU might be delayed.

In the eurozone's periphery, yields rose and spreads over comparable German bunds widened, chiefly because of fears over the formation of a eurosceptic government in Italy and, later, the populists' insistence on a free-spending budget against the EU's wishes. While Italy and the EU ultimately agreed on a revised budget deficit, investors remained anxious about the European political landscape, after violent protests in France in late 2018 resulted in the government backtracking on its earlier plans to hike fuel taxes. Later, the protestors met with Italy's deputy prime minister, which soured Franco-Italian relations.

Concerns about the Fed's interest-rate hikes and the not-unrelated rise in the US dollar impacted emerging-market bonds and exacerbated country-specific problems in several cases, notably in Argentina and Turkey, both of which are plagued with large current account deficits.

Turkey's issues caused further pain for eurozone peripheral debt, amid worries about eurozone banks' exposure to the country's troubled lenders.

Except in Japan, where the fund was underweight low-volatility government bonds, the portfolio spent most of the period with an overweight in duration, particularly in the US. During the year, we initiated a position in Canadian government bonds, and topped up holdings in Spain and France. We trimmed holdings in sovereign debt issued by Germany, the UK, the US, Japan and Australia and closed our positions in South Africa and the Netherlands.

Within agency debt, new positions were initiated in Resolution Funding, the Federal Home Loan Bank and PSP Capital. We sold out of Canada Housing Trust and the Japan Bank for International Cooperation.

The latter part of 2018 saw a sharp reduction in estimates for growth globally and in the US, as the stimulatory effects of US tax reform waned and headwinds from tighter financial conditions became stronger. Meanwhile, the US-China trade dispute keeps prospects for global trade volumes uncertain.

The Fed has strongly signalled that it is comfortable maintaining policy rates around current levels while it assesses the near-term outlook for the economy. This should ensure estimates of the high-point in the rate cycle are contained, which should, in turn, maintain support for Treasuries.

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

While the eurozone's economic performance was poor in 2018, there are early signs of some modest stabilisation and the ECB retains confidence in its inflation narrative. That said, rate hikes appear to be some way off. Despite recent events in Italy, we think the risk of a break-up of the eurozone is low.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	4,106	(29,599)
Revenue	3	9,780	7,829
Expenses	4	(5,087)	(5,383)
Interest payable and similar charges	5	(51)	(37)
Net revenue before taxation		4,642	2,409
Taxation	6	–	–
Net revenue after taxation		4,642	2,409
Total return before distributions		8,748	(27,190)
Distributions	7	(9,240)	(7,152)
Change in net assets attributable to shareholders from investment activities		(492)	(34,342)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		373,121	404,855
Current assets:			
Debtors	8	7,618	2,194
Cash and bank balances	9	8,852	13,031
Cash equivalents***		749	–
Total assets		390,340	420,080
Liabilities:			
Investment liabilities		(1,855)	(88)
Creditors:			
Bank overdrafts	9	(222)	(167)
Distribution payable		(3,118)	(2,890)
Other creditors	10	(6,701)	(1,040)
Total liabilities		(11,896)	(4,185)
Net assets attributable to shareholders		378,444	415,895

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	415,895	457,549
Amounts receivable on the issue of shares	163,500	96,637
Amounts payable on the cancellation of shares	(203,489)	(106,046)
	(39,989)	(9,409)
Dilution adjustment	76	34
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(492)	(34,342)
Retained distribution on accumulation shares	2,954	2,063
Closing net assets attributable to shareholders	378,444	415,895

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.6412	–	0.6412	0.4879
08/09/18 to 07/03/19	0.6786	–	0.6786	0.5564
Group 2				
08/03/18 to 07/09/18	0.4910	0.1502	0.6412	0.4879
08/09/18 to 07/03/19	0.4701	0.2085	0.6786	0.5564
Total distributions in the period			1.3198	1.0443

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	0.6156	–	0.6156	0.4608
08/09/18 to 07/03/19	0.6581	–	0.6581	0.5294
Group 2				
08/03/18 to 07/09/18	0.4541	0.1615	0.6156	0.4608
08/09/18 to 07/03/19	0.3389	0.3192	0.6581	0.5294
Total distributions in the period			1.2737	0.9902

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

**Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

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

Threadneedle Global Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.8758	–	0.8758	0.6663
08/09/18 to 07/03/19	0.9269	–	0.9269	0.7600
Group 2				
08/03/18 to 07/09/18	0.2937	0.5821	0.8758	0.6663
08/09/18 to 07/03/19	0.2523	0.6746	0.9269	0.7600
Total distributions in the period			1.8027	1.4263

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.2981	–	1.2981	0.9716
08/09/18 to 07/03/19	1.3879	–	1.3879	1.1163
Group 2				
08/03/18 to 07/09/18	0.4943	0.8038	1.2981	0.9716
08/09/18 to 07/03/19	0.6303	0.7576	1.3879	1.1163
Total distributions in the period			2.6860	2.0879

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	0.7402	–	0.7402	0.5826
08/09/18 to 07/03/19	0.7834	–	0.7834	0.6554
Group 2				
08/03/18 to 07/09/18	0.5102	0.2300	0.7402	0.5826
08/09/18 to 07/03/19	0.4116	0.3718	0.7834	0.6554
Total distributions in the period			1.5236	1.2380

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.1018	–	1.1018	0.8522
08/09/18 to 07/03/19	1.1786	–	1.1786	0.9663
Group 2				
08/03/18 to 07/09/18	0.4705	0.6313	1.1018	0.8522
08/09/18 to 07/03/19	0.5856	0.5930	1.1786	0.9663
Total distributions in the period			2.2804	1.8185

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.1556	–	1.1556	0.8872
08/09/18 to 07/03/19	1.2407	–	1.2407	1.0097
Group 2				
08/03/18 to 07/09/18	0.5586	0.5970	1.1556	0.8872
08/09/18 to 07/03/19	0.5451	0.6956	1.2407	1.0097
Total distributions in the period			2.3963	1.8969

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.0972	–	1.0972	0.8510
08/09/18 to 07/03/19	1.1654	–	1.1654	0.9659
Group 2				
08/03/18 to 07/09/18	0.5511	0.5461	1.0972	0.8510
08/09/18 to 07/03/19	0.4880	0.6774	1.1654	0.9659
Total distributions in the period			2.2626	1.8169

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	1.0971	–	1.0971	0.8508
08/09/18 to 07/03/19	1.1652	–	1.1652	0.9658
Group 2				
08/03/18 to 07/09/18	0.6282	0.4689	1.0971	0.8508
08/09/18 to 07/03/19	0.7789	0.3863	1.1652	0.9658
Total distributions in the period			2.2623	1.8166

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	1.2738	–	1.2738	0.9716
08/09/18 to 07/03/19	1.3670	–	1.3670	1.1112
Group 2				
08/03/18 to 07/09/18	0.6299	0.6439	1.2738	0.9716
08/09/18 to 07/03/19	0.3785	0.9885	1.3670	1.1112
Total distributions in the period			2.6408	2.0828

Group 2: shares purchased during a distribution period.

Threadneedle Global Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	61.41	66.37	60.57	58.96	62.68	56.54
Return before operating charges (p)	2.12	(3.01)	7.60	2.03	(2.86)	7.09
Operating charges (p)	(0.86)	(0.91)	(0.94)	(0.83)	(0.86)	(0.88)
Return after operating charges (p)*	1.26	(3.92)	6.66	1.20	(3.72)	6.21
Distributions (p)	(1.32)	(1.04)	(0.86)	(1.27)	(0.99)	(0.80)
Retained distributions on accumulation shares (p)**	–	–	–	1.27	0.99	0.73
Closing net asset value per share (p)	61.35	61.41	66.37	60.16	58.96	62.68
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.05	(5.91)	11.00	2.04	(5.93)	10.98
Other information						
Closing net asset value (£000)	2,084	2,414	3,222	1,609	1,212	1,567
Closing number of shares	3,396,893	3,930,410	4,854,365	2,674,651	2,056,094	2,499,225
Operating charges (%)***	1.38	1.42	1.42	1.38	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	64.91	66.87	71.85	62.95	63.16	67.41
Lowest share price (p)	59.65	60.24	59.80	57.27	57.31	55.82
	Class 1 – Gross income shares [§]			Class 1 – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	83.88	90.65	82.72	124.33	132.17	119.08
Return before operating charges (p)	2.88	(4.10)	10.38	4.27	(6.02)	14.94
Operating charges (p)	(1.17)	(1.24)	(1.28)	(1.74)	(1.82)	(1.85)
Return after operating charges (p)*	1.71	(5.34)	9.10	2.53	(7.84)	13.09
Distributions (p)	(1.80)	(1.43)	(1.17)	(2.69)	(2.09)	(1.69)
Retained distributions on accumulation shares (p)**	–	–	–	2.69	2.09	1.69
Closing net asset value per share (p)	83.79	83.88	90.65	126.86	124.33	132.17
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.04	(5.89)	11.00	2.03	(5.93)	10.99
Other information						
Closing net asset value (£000)	247,003	286,222	321,806	32,591	36,390	43,109
Closing number of shares	294,771,253	341,215,581	355,001,074	25,689,992	29,269,187	32,616,704
Operating charges (%)***	1.38	1.42	1.42	1.38	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	88.66	91.34	98.16	132.75	133.18	142.18
Lowest share price (p)	81.48	82.28	81.72	120.76	120.85	117.64

Threadneedle Global Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	68.30	73.44	66.68	101.66	107.42	96.19
Return before operating charges (p)	2.35	(3.33)	8.38	3.51	(4.91)	12.07
Operating charges (p)	(0.56)	(0.57)	(0.59)	(0.84)	(0.85)	(0.84)
Return after operating charges (p)*	1.79	(3.90)	7.79	2.67	(5.76)	11.23
Distributions (p)	(1.52)	(1.24)	(1.03)	(2.28)	(1.82)	(1.49)
Retained distributions on accumulation shares (p)**	–	–	–	2.28	1.82	1.49
Closing net asset value per share (p)	68.57	68.30	73.44	104.33	101.66	107.42
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.62	(5.31)	11.68	2.63	(5.36)	11.67
Other information						
Closing net asset value (£000)	20,610	14,717	11,450	44,395	37,337	41,414
Closing number of shares	30,057,613	21,548,284	15,591,331	42,550,857	36,726,257	38,553,598
Operating charges (%)***	0.81	0.81	0.81	0.81	0.81	0.81
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	72.50	74.21	79.35	109.07	108.56	115.28
Lowest share price (p)	66.38	66.99	65.92	98.81	98.77	95.15
	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017 [†]	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	106.42	111.61	100.00	104.89	112.50	101.89
Return before operating charges (p)	3.69	(5.12)	11.68	3.61	(5.10)	12.80
Operating charges (p)	(0.07)	(0.07)	(0.07)	(0.67)	(0.69)	(0.70)
Return after operating charges (p)*	3.62	(5.19)	11.61	2.94	(5.79)	12.10
Distributions (p)	(2.40)	(1.90)	(1.52)	(2.26)	(1.82)	(1.49)
Retained distributions on accumulation shares (p)**	2.40	1.90	1.52	–	–	–
Closing net asset value per share (p)	110.04	106.42	111.61	105.57	104.89	112.50
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.40	(4.65)	11.61	2.80	(5.15)	11.88
Other information						
Closing net asset value (£000)	18,494	23,025	15,049	11,282	14,038	19,441
Closing number of shares	16,806,511	21,635,279	13,483,929	10,686,980	13,384,306	17,281,456
Operating charges (%)***	0.06	0.06	0.06 [†]	0.63	0.63	0.63
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	114.89	113.20	119.41	111.55	113.78	121.43
Lowest share price (p)	103.53	103.32	98.26	101.96	102.82	100.76

Threadneedle Global Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	104.87	112.48	101.87	121.82	128.49	114.86
Return before operating charges (p)	3.61	(5.10)	12.80	4.20	(5.88)	14.42
Operating charges (p)	(0.67)	(0.69)	(0.70)	(0.78)	(0.79)	(0.79)
Return after operating charges (p)*	2.94	(5.79)	12.10	3.42	(6.67)	13.63
Distributions (p)	(2.26)	(1.82)	(1.49)	(2.64)	(2.08)	(1.69)
Retained distributions on accumulation shares (p)**	–	–	–	2.64	2.08	1.69
Closing net asset value per share (p)	105.55	104.87	112.48	125.24	121.82	128.49
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.80	(5.15)	11.88	2.81	(5.19)	11.87
Other information						
Closing net asset value (£000)	263	442	390	113	98	101
Closing number of shares	249,599	421,836	346,813	89,859	80,448	78,657
Operating charges (%)***	0.63	0.63	0.63	0.63	0.63	0.63
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (p)	111.53	113.77	121.45	130.88	129.96	137.79
Lowest share price (p)	101.95	102.81	100.81	118.42	118.33	113.66

**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 16 March 2016.

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

Threadneedle Global Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	14,517	(38,129)
Derivative contracts	(844)	184
Forward currency contracts	(10,938)	11,243
Other gains/(losses)	1,372	(2,896)
Transaction costs	(1)	(1)
Net capital gains/(losses)	4,106	(29,599)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	9,608	7,708
Interest on short term investments	87	50
Derivative revenue	–	15
Bank interest	85	56
Total revenue	9,780	7,829

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(4,598)	(4,743)
Registration fees	(395)	(543)
	(4,993)	(5,286)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(52)	(52)
Safe custody fees	(24)	(26)
	(76)	(78)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(11)	(11)
Professional fees	–	(2)
	(18)	(19)
Total expenses*	(5,087)	(5,383)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(34)	(37)
Derivative expense	(17)	–
Total interest payable & similar charges	(51)	(37)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,642	2,409
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(928)	(482)
Effects of:		
Excess expenses	928	482
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £5,439,802 (2018: £6,368,232) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	4,882	3,581
Final	4,204	3,802
	9,086	7,383
Add: Revenue deducted on the cancellation of shares	1,130	287
Deduct: Revenue received on the creation of shares	(976)	(518)
Net distribution for the period	9,240	7,152
Net revenue after taxation	4,642	2,409
Annual management charge to capital	4,598	4,743
Total distributions	9,240	7,152

Details of the distribution per share are set out in the table on pages 215 to 216.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	132	144
Sales awaiting settlement	5,415	–
Accrued revenue	2,052	2,045
Foreign withholding tax recoverable	19	5
Total debtors	7,618	2,194

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	1,715	888
Cash and bank balances	7,137	12,143
	8,852	13,031
Bank overdrafts	(150)	–
Cash overdrafts at broker	(72)	(167)
Total cash and bank balances	8,630	12,864

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(2,526)	(551)
Purchases awaiting settlement	(3,717)	–
Accrued expenses	(18)	(20)
Amounts payable to ACD	(440)	(469)
Total other creditors	(6,701)	(1,040)

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.

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.25%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.50%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 217 to 219. The distribution per share class is given in the distribution table on pages 215 to 216. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	3,930,410
Shares issued	258,555
Shares redeemed	(792,072)
Net conversions	–
Closing shares	<u>3,396,893</u>
Class 1 – Accumulation shares	
Opening shares	2,056,094
Shares issued	1,580,567
Shares redeemed	(962,010)
Net conversions	–
Closing shares	<u>2,674,651</u>
Class 1 – Gross income shares	
Opening shares	341,215,581
Shares issued	14,434,320
Shares redeemed	(60,878,648)
Net conversions	–
Closing shares	<u>294,771,253</u>
Class 1 – Gross accumulation shares	
Opening shares	29,269,187
Shares issued	4,470,647
Shares redeemed	(8,049,842)
Net conversions	–
Closing shares	<u>25,689,992</u>
Class 2 – Income shares	
Opening shares	21,548,284
Shares issued	9,601,865
Shares redeemed	(1,092,536)
Net conversions	–
Closing shares	<u>30,057,613</u>
Class 2 – Gross accumulation shares	
Opening shares	36,726,257
Shares issued	131,057,717
Shares redeemed	(125,233,117)
Net conversions	–
Closing shares	<u>42,550,857</u>

	2019
Class X – Gross accumulation shares	
Opening shares	21,635,279
Shares issued	1,249,197
Shares redeemed	(6,077,965)
Net conversions	–
Closing shares	<u>16,806,511</u>
Class Z – Income shares	
Opening shares	13,384,306
Shares issued	760,345
Shares redeemed	(3,457,671)
Net conversions	–
Closing shares	<u>10,686,980</u>
Class Z – Gross income shares	
Opening shares	421,836
Shares issued	52,023
Shares redeemed	(224,260)
Net conversions	–
Closing shares	<u>249,599</u>
Class Z – Gross accumulation shares	
Opening shares	80,448
Shares issued	15,813
Shares redeemed	(6,402)
Net conversions	–
Closing shares	<u>89,859</u>

14 RISK MANAGEMENT

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

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 8.80% and vice versa (2018: 8.50%).

Currency exposures

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

	Total £000
Currency 2019	
Australian Dollar	6,307
Canadian Dollar	5,346
Euro	122,427
Japanese Yen	73,779
Mexican Peso	59
New Zealand Dollar	80
Polish Zloty	151
Swedish Krona	1,526
US Dollar	142,261
Currency 2018	
Australian Dollar	6,831
Canadian Dollar	5,720
Euro	134,206
Japanese Yen	89,645
Mexican Peso	58
New Zealand Dollar	82
Polish Zloty	161
South Africa Rand	862
Swedish Krona	1,638
US Dollar	150,768

Currency sensitivity analysis

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

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

	Currency movement	Fund movement
Currency 2019	%	%
Euro	4.04	1.31
Japanese Yen	0.19	0.04
US Dollar	5.18	1.95

	Currency movement	Fund movement
Currency 2018	%	%
Euro	3.11	1.00
Japanese Yen	5.49	1.18
US Dollar	13.69	4.96

Credit/Counterparty exposure

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

2019 Counterparty	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Citigroup	–	–	48
HSBC	–	–	15
J.P. Morgan	–	–	1,294
Lloyds	–	–	34
RBS	–	–	137
UBS	45	42	–

2018 Counterparty	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Bank of Scotland	–	1,888	–
Citigroup	–	–	700
Goldman Sachs	–	172	–
HSBC	–	1	–
UBS	25	–	–

The fund held £99,000 (2018: £1,362,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	27,897	7.50	19,361	4.78
Aaa	151,552	40.74	178,529	44.11
Aaa+	3,749	1.01	13,597	3.36
AA+	15,797	4.25	5,831	1.44
AA	9,935	2.67	8,977	2.22
Aa2	–	–	1,707	0.42
Aa2u	21,090	5.67	32,601	8.05
AA–	6,856	1.84	9,507	2.35
A+	13,051	3.51	16,290	4.03
A1	25,583	6.88	44,316	10.95
A	3,581	0.96	6,852	1.69
A–	5,026	1.35	2,186	0.54
A3	1,889	0.51	1,794	0.44
BBB+	6,327	1.70	10,678	2.64
Baa1	14,597	3.92	–	–
BBB	3,685	0.99	3,075	0.76
Baa2	–	–	2,783	0.69
Baa2u	–	–	19,636	4.85
BBB–	3,646	0.98	3,425	0.85
Baa3u	12,893	3.46	–	–
BB+	–	–	12,388	3.06
Not Rated*	45,448	12.22	9,191	2.27
Liquidity Funds	749	0.20	–	–
Derivatives**	(1,336)	(0.36)	2,043	0.50
	372,015	100.00	404,767	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Australian Dollar	101	7,959	114	8,174
Canadian Dollar	117	6,764	61	6,942
Euro	–	62,430	68,953	131,383
Japanese Yen	611	31,909	56,539	89,059
Mexican Peso	59	–	–	59
New Zealand Dollar	80	–	–	80
Polish Zloty	151	–	–	151
Swedish Krona	1,526	–	–	1,526
UK Sterling	3,613	21,886	30,118	55,617
US Dollar	4,709	240,287	35,052	280,048
Currency 2018				
Australian Dollar	83	22,501	168	22,752
Canadian Dollar	81	8,005	86	8,172
Euro	1,191	44,695	90,143	136,029
Japanese Yen	85	44,316	46,572	90,973
Mexican Peso	58	–	–	58
New Zealand Dollar	82	–	–	82
Polish Zloty	161	–	–	161
South Africa Rand	–	12,388	106	12,494
Swedish Krona	1,638	–	–	1,638
UK Sterling	2,221	35,674	218	38,113
US Dollar	9,435	233,141	41,435	284,011

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
Australian Dollar	–	–	(1,867)	(1,867)
Canadian Dollar	–	–	(1,596)	(1,596)
Euro	(222)	–	(8,734)	(8,956)
Japanese Yen	–	–	(15,280)	(15,280)
UK Sterling	–	–	(29,109)	(29,109)
US Dollar	–	–	(137,787)	(137,787)
Currency 2018				
Australian Dollar	–	–	(15,921)	(15,921)
Canadian Dollar	–	–	(2,452)	(2,452)
Euro	–	–	(1,823)	(1,823)
Japanese Yen	–	–	(1,328)	(1,328)
South Africa Rand	–	–	(11,632)	(11,632)
UK Sterling	–	–	(12,189)	(12,189)
US Dollar	(167)	–	(133,076)	(133,243)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 7 March 2019, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £518,758 (2018: £2,131,000) and a liability value of £1,855,084 (2018: £88,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	250,894	(49)	276,625	(18)
Level 2	122,976	(1,806)	128,230	(70)
	<u>373,870</u>	<u>(1,855)</u>	<u>404,855</u>	<u>(88)</u>

Included within Level 1, are debt securities of £250,800,000 (2018: £276,582,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £755,357,629 (2018: £959,159,355) and £799,936,888 (2018: £965,926,302) respectively. Collective investment schemes purchases and sales amounted to £29,918,402 (2018: £Nil) and £28,932,891 (2018: £Nil) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £10,421 (2018: £2,837).

At the balance sheet date, the portfolio dealing spread was 0.09% (7 March 2018: 0.09%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Institutional Fund

Investment Report

Investment Objective

To achieve long term capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a wide spread of primarily UK companies, which are considered to have good potential for capital growth. Investment will tend to focus on large companies with sound long-term prospects.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Institutional Fund has risen from 157.90p to 159.61p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -1.07% as compared to a median return of -0.46% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with both market-specific concerns around Brexit and global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the aforementioned deal was overwhelmingly rejected by parliament. Subsequently however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

We topped up several holdings over the review period, notably British American Tobacco (BAT), Tesco and GlaxoSmithKline. BAT had a difficult year amid fears of unfavourable regulatory developments, especially following news of the US Food & Drug Administration's plans to ban menthol cigarettes, which account for a quarter of the firm's profits. Nevertheless, we believe that the ban is unlikely to be imposed for several years, and that smokers can be migrated within the brand. We are positive about Tesco's deal on its pension fund, and also feel that operating performance and cashflows should continue to improve. GlaxoSmithKline's research and development approach is becoming more focused. We are optimistic about the transformation of the pharma pipeline and have been encouraged by recent decisions, such as the purchase of Novartis' consumer-healthcare segment, the Horlicks sale, the acquisition of Tesaro and the planned de-merger of the consumer division.

New additions over the review period included Weir and Britvic. Engineering firm Weir is increasing its exposure to the minerals

sector; we feel this should help the company to diversify its revenues away from oil and gas. Soft drinks manufacturer Britvic has made significant investments in low-sugar products over the last three years and stands to gain market share owing to the UK government's 'sugar tax'. We expect improved cash generation to become evident in the next 12 months as investments in innovation and the supply chain begin to pay off.

GKN and Fidessa were de-listed, due to their acquisitions by Melrose Industries and ION Capital, respectively.

CRH was sold; operating performance has disappointed, while the construction market is facing several challenges. We profitably closed our holding in InterContinental Hotels, and realised some gains in London Stock Exchange, Burberry and Rentokil; all four stocks have outperformed over the last couple of years.

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

Allocations and sentiment towards the UK market remain incredibly depressed and, importantly, we feel valuations currently look attractive. Many UK-listed companies, including overseas earners, remain undervalued relative to their peers listed elsewhere – undoubtedly a symptom of the political turmoil. The resulting valuation arbitrage opportunity has attracted record levels of inbound activist investment, while we've seen M&A activity accelerate as overseas corporates take advantage of the 'Brexit discount'.

Delving into valuations versus history, sectors such as financials, telecoms and consumer goods all appear notably cheap versus the past decade. At a time of political and economic uncertainty, the defensive qualities of the last two sectors further add to their appeal. Indeed, the UK benefits from some of the highest defensive exposure of all developed markets, which should stand us in good stead should a broad-based rotation into less economically sensitive sectors occur.

We see numerous opportunities to deliver solid risk-adjusted returns by retaining our focus on company fundamentals and using volatile markets to top up and buy favoured stocks.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(12,101)	(4,627)
Revenue	3	41,827	36,972
Expenses	4	(9,204)	(9,288)
Interest payable and similar charges	5	(8)	(3)
Net revenue before taxation		32,615	27,681
Taxation	6	–	–
Net revenue after taxation		32,615	27,681
Total return before distributions		20,514	23,054
Distributions	7	(32,615)	(27,681)
Change in net assets attributable to shareholders from investment activities		(12,101)	(4,627)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		1,157,362	1,048,862
Current assets:			
Debtors	8	12,457	11,885
Cash and bank balances		1,062	6,256
Total assets		1,170,881	1,067,003
Liabilities:			
Creditors:			
Other creditors	9	(1,476)	(4,848)
Total liabilities		(1,476)	(4,848)
Net assets attributable to shareholders		1,169,405	1,062,155

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,062,155	1,068,697
Amounts receivable on the issue of shares	249,613	85,125
Amounts payable on the cancellation of shares	(164,748)	(114,564)
	84,865	(29,439)
Dilution adjustment	824	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(12,101)	(4,627)
Retained distribution on accumulation shares	33,662	27,524
Closing net assets attributable to shareholders	1,169,405	1,062,155

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	2.1670	–	2.1670	2.0417
08/09/18 to 07/03/19	1.3467	–	1.3467	0.7108
Group 2				
08/03/18 to 07/09/18	1.1630	1.0040	2.1670	2.0417
08/09/18 to 07/03/19	0.9361	0.4106	1.3467	0.7108
Total distributions in the period			3.5137	2.7525

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
08/03/18 to 07/09/18	3.2274	–	3.2274	3.0582
08/09/18 to 07/03/19	2.2537	–	2.2537	1.5717
Group 2				
08/03/18 to 07/09/18	1.2763	1.9511	3.2274	3.0582
08/09/18 to 07/03/19	1.0385	1.2152	2.2537	1.5717
Total distributions in the period			5.4811	4.6299

Group 2: shares purchased during a distribution period.

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle UK Institutional Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share						
Opening net asset value per share (p)	157.79	155.68	129.78	177.49	173.61	143.49
Return before operating charges (p)	4.38	4.79	28.24	4.88	5.34	31.37
Operating charges (p)	(2.67)	(2.68)	(2.34)	(1.49)	(1.46)	(1.25)
Return after operating charges (p)*	1.71	2.11	25.90	3.39	3.88	30.12
Distributions (p)	(3.51)	(2.75)	(2.73)	(5.48)	(4.63)	(4.39)
Retained distributions on accumulation shares (p)	3.51	2.75	2.73	5.48	4.63	4.39
Closing net asset value per share (p)	159.50	157.79	155.68	180.88	177.49	173.61
*after direct transaction costs of (p)	–	0.13	0.20	–	0.15	0.22
Performance						
Return after charges (%)	1.08	1.36	19.96	1.91	2.23	20.99
Other information						
Closing net asset value (£000)	40,772	52,596	63,598	1,128,633	1,009,559	1,005,099
Closing number of shares	25,561,786	33,333,758	40,851,564	623,973,751	568,798,273	578,926,600
Operating charges (%)**	1.63	1.67	1.66	0.81	0.81	0.80
Direct transaction costs (%)***	0.13	0.08	0.14	0.13	0.08	0.14
Prices						
Highest share price (p)	173.78	167.50	155.82	196.16	188.20	173.76
Lowest share price (p)	145.20	154.20	125.57	164.40	172.15	139.17

**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 Institutional Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(12,078)	(4,729)
Other (losses)/gains	(19)	106
Transaction costs	(4)	(4)
Net capital losses	(12,101)	(4,627)

3 REVENUE

	2019 £000	2018 £000
UK dividends	41,504	36,449
Franked dividend distributions	162	262
Interest on short term investments	13	5
Bank interest	19	8
Underwriting commission	20	17
Management fee rebate on collective investment scheme holdings	109	231
Total revenue	41,827	36,972

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(8,604)	(8,659)
Registration fees	(422)	(450)
	(9,026)	(9,109)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(131)	(131)
Safe custody fees	(32)	(33)
	(163)	(164)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(8)	(8)
Non audit service fees payable to auditors	–	(2)
	(15)	(15)
Total expenses*	(9,204)	(9,288)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(8)	(3)
Total interest payable & similar charges	(8)	(3)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	32,615	27,681
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(6,523)	(5,536)

Effects of:

Revenue not subject to taxation	8,252	7,280
Excess expenses	(1,729)	(1,744)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £59,040,035 (2018: £57,310,608) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	19,254	18,347
Final	14,407	9,177
	33,661	27,524
Add: Revenue deducted on the cancellation of shares	887	699
Deduct: Revenue received on the creation of shares	(1,933)	(542)
Net distribution for the period	32,615	27,681

Details of the distribution per share are set out in the table on page 224.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	4,597	1,956
Sales awaiting settlement	422	4,345
Accrued revenue	7,438	5,584
Total debtors	12,457	11,885

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(219)	(3,543)
Purchases awaiting settlement	(335)	(436)
Accrued expenses	(25)	(26)
Amounts payable to ACD	(897)	(843)
Total other creditors	(1,476)	(4,848)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

A balance of £Nil (2018: £21,000), 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.

The fund has received £162,000 (2018: £262,000) franked dividend distributions and £109,000 (2018: £231,000) management fee rebate on collective investment scheme holdings.

In addition this investment has produced a non-derivative security gain of £Nil (2018: £173,056).

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

Threadneedle UK Institutional Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Institutional Fund currently has two share classes; Class 1 and Class 2 shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.50%
Class 2 shares	0.75%

Registration fees

Class 1 shares	0.110%
Class 2 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 225. The distribution per share class is given in the distribution table on page 224.

All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	33,333,758
Shares issued	18,834,622
Shares redeemed	(26,606,594)
Net conversions	–
Closing shares	25,561,786
Class 2 – Accumulation shares	
Opening shares	568,798,273
Shares issued	122,605,415
Shares redeemed	(67,429,937)
Net conversions	–
Closing shares	623,973,751

13 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.55% and vice versa (2018: 4.26%).

Currency exposures

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

	Total £000
Currency 2019	£000
Euro	70
US Dollar	1,889
Currency 2018	£000
Euro	297
US Dollar	1,605

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	70	–	–	70
UK Sterling	992	–	1,167,930	1,168,922
US Dollar	–	–	1,889	1,889
Currency 2018	£000	£000	£000	£000
Euro	297	–	–	297
UK Sterling	5,821	–	1,059,280	1,065,101
US Dollar	138	–	1,467	1,605

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(1,476)	(1,476)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(4,848)	(4,848)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2019		2018	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,157,362	–	1,027,086	–
Level 2	–	–	21,776	–
	1,157,362	–	1,048,862	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

Threadneedle UK Institutional Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	264,348	91	0.03	1,261	0.48
Corporate actions	4,066	–	–	–	–
Total	268,414	91		1,261	

Gross purchases total: 269,766

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	113,526	38	0.03	1	0.00
Collective investment schemes	22,172	–	–	–	–
Corporate actions	13,692	–	–	–	–
Total	149,390	38		1	

Total sales net of transaction costs: 149,351

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.12%

7 March 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	144,078	126	0.09	694	0.48
Corporate actions	2,455	–	–	–	–
Total	146,533	126		694	

Gross purchases total: 147,353

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	145,328	68	0.05	1	0.00
Collective investment schemes	4,269	–	–	–	–
Corporate actions	8,115	–	–	–	–
Total	157,712	68		1	

Total sales net of transaction costs: 157,643

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.06%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.13% (7 March 2018: 0.15%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Overseas Earnings Fund

Investment Report

Investment Objective

To achieve capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the shares of UK companies deriving more than half their earnings from overseas activities and/or exports.

Performance of Class 2 – Income shares*

Over the twelve months to 7 March 2019, the published share price of the Threadneedle UK Overseas Earnings Fund has fallen from 124.08p to 124.06p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 28 February 2019, including net reinvested income, is -0.58% as compared to a median return of -0.46% over the same period. (For information the FTSE All-Share Total Return Index returned +1.70% over the same period).

Market Overview and Portfolio Activity

UK equities experienced another eventful year. Stocks had to contend with market-specific concerns around Brexit as well as with global factors which included tightening monetary policy, rising political uncertainty in Europe, and President Trump's trade war with China. There were also worries of emerging-market contagion following currency crises in Turkey and Argentina. Small-caps underperformed against this backdrop, especially as investors eschewed risk and favoured liquidity.

On the Brexit front, after contentious negotiations, Prime Minister Theresa May and the EU finally settled on a draft withdrawal deal in November. However, this received little support from UK MPs, and Tory "hard Brexiters" reacted by launching a leadership coup, which the prime minister narrowly survived. In January, the aforementioned deal was overwhelmingly rejected by parliament. Subsequently however, hopes grew that the Brexit deadline would be postponed, and thereby reduce the chances of the UK leaving without a deal. This benefited sterling and domestically-oriented stocks in 2019.

In the new year, equities were also supported by a widespread improvement in sentiment towards risk assets amid optimism over Chinese stimulus measures, apparent progress in the US-China trade negotiations and dovish messages from the US Federal Reserve.

On the economic front, the Bank of England raised rates once, in August 2018, as stronger economic data releases reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. More encouragingly, the employment rate and wage growth were both buoyant, respectively reaching the highest levels in a decade and on record in Q4 2018. Despite this, UK rate-hike expectations were pushed further out in the second half of 2018 which, along with Brexit-related jitters, resulted in sterling finishing the year lower against many of its major peers. However, the currency's weakness aided UK companies with foreign earnings and encouraged overseas firms to launch takeover bids for UK businesses, which was supportive of the UK stock market. Equities were also periodically buoyed by robust corporate earnings releases, both at home and overseas.

New additions to the portfolio during the review period included British American Tobacco (BAT), Britvic and Ted Baker. BAT had a difficult year amid fears of unfavourable regulatory developments, especially following news of the US Food & Drug Administration's plans to ban menthol cigarettes, which account for a quarter of the firm's profits. Nevertheless, we believe that the ban is unlikely to be imposed for several years, and that smokers can be migrated within the brand. Soft drinks manufacturer Britvic has made significant investments in low-sugar products over the last three years and is well placed to gain market share owing to the UK government's 'sugar tax'. We expect improved cash generation to become evident in the next 12 months as investments in innovation and the supply chain begin to pay off. Retailer Ted Baker is well prepared for the ongoing changes in the sector, such as the shift to online. The business is very well invested, and we are also confident in the strength of the brand and the firm's expansion in the US.

We added to Restaurant Group via a rights issue, which was launched to fund its takeover of casual-dining chain Wagamama. While the risks to the business have been increased by debt to fund the acquisition, we feel that the current valuation does not fully capture the possible upside from rolling out new Wagamama outlets across the still under-penetrated UK market – especially in airport hubs, where the company already boasts a strong foothold. Moreover, the existing pubs and concessions segment continues to make solid progress. Other holdings which were topped up over the review period included Tesco and Rank Group.

GKN was de-listed, as the company was acquired by Melrose Industries.

We took some profits in Rentokil and Burberry; both stocks, which earn a high proportion of revenues overseas, have enjoyed strong operating momentum, assisted by a currency tailwind from persistent sterling weakness.

In recent months, fears of a cyclical recession, ongoing difficulties in agreeing a Brexit deal, and the US-led trade war have weighed on market sentiment. However, we still see pockets of value in the UK market. Several UK-listed companies, including some overseas earners, are undervalued relative to globally listed peers, which should ensure UK firms remain popular targets for overseas takeover bids and inbound activist investments.

We also believe that there is value in defensives, where we feel that there are opportunities in companies whose underlying fundamentals have stabilised but are trading at low valuations relative to history. The UK market's high exposure to defensive areas means it should be more resilient than global markets in the event of a broad-based rotation into less economically sensitive sectors.

Within small-caps, we feel there are areas of significant value, including in stocks which are perceived to be vulnerable to a bad Brexit outcome.

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

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 March 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	34	(1,405)
Revenue	3	3,771	3,949
Expenses	4	(1,588)	(1,732)
Net revenue before taxation		2,183	2,217
Taxation	5	–	–
Net revenue after taxation		2,183	2,217
Total return before distributions		2,217	812
Distributions	6	(2,183)	(2,217)
Change in net assets attributable to shareholders from investment activities		34	(1,405)

BALANCE SHEET

as at 7 March 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		97,232	101,900
Current assets:			
Debtors	7	1,830	913
Cash and bank balances		49	124
Total assets		99,111	102,937
Liabilities:			
Creditors:			
Distribution payable		(810)	(579)
Other creditors	8	(446)	(408)
Total liabilities		(1,256)	(987)
Net assets attributable to shareholders		97,855	101,950

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2018 to 7 March 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	101,950	118,691
Amounts receivable on the issue of shares	10,279	4,794
Amounts payable on the cancellation of shares	(14,447)	(20,143)
	(4,168)	(15,349)
Dilution adjustment	35	10
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	34	(1,405)
Unclaimed distributions	4	3
Closing net assets attributable to shareholders	97,855	101,950

DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 March 2019

Dividend distribution in pence per share					
Class 2 – Income shares					
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018	
Group 1					
08/03/18 to 07/09/18	1.6913	–	1.6913	1.7679	
08/09/18 to 07/03/19	0.9958	–	0.9958	0.6911	
Group 2					
08/03/18 to 07/09/18	0.8747	0.8166	1.6913	1.7679	
08/09/18 to 07/03/19	0.7653	0.2305	0.9958	0.6911	
Total distributions in the period			2.6871	2.4590	
Class 2 – Accumulation shares					
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018	
Group 1					
08/03/18 to 07/09/18	1.4855	–	1.4855	1.5178	
08/09/18 to 07/03/19	0.8970	–	0.8970	0.6164	
Group 2					
08/03/18 to 07/09/18	1.4855	–	1.4855	1.5178	
08/09/18 to 07/03/19	0.8970	–	0.8970	0.6164	
Total distributions in the period			2.3825	2.1342	

*In pound Sterling and against UK peer group (See Performance summary on pages 309 to 310).

Threadneedle UK Overseas Earnings Fund

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
08/03/18 to 07/09/18	2.1405	–	2.1405	2.2083
08/09/18 to 07/03/19	1.4090	–	1.4090	1.1204
Group 2				
08/03/18 to 07/09/18	0.9913	1.1492	2.1405	2.2083
08/09/18 to 07/03/19	0.7266	0.6824	1.4090	1.1204
Total distributions in the period			3.5495	3.3287

Group 2: shares purchased during a distribution period.

Threadneedle UK Overseas Earnings Fund

Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/03/2019	07/03/2018	07/03/2017	07/03/2019	07/03/2018	07/03/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	123.29	125.40	105.77	105.94	105.63	100.00
Return before operating charges (p)	4.39	2.36	24.10	3.70	1.96	6.21
Operating charges (p)	(2.01)	(2.01)	(1.81)	(1.66)	(1.65)	(0.58)
Return after operating charges (p)*	2.38	0.35	22.29	2.04	0.31	5.63
Distributions (p)	(2.69)	(2.46)	(2.66)	(2.38)	(2.13)	(0.56)
Retained distributions on accumulation shares (p)	–	–	–	2.38	2.13	0.56
Closing net asset value per share (p)	122.98	123.29	125.40	107.98	105.94	105.63
*after direct transaction costs of (p)	0.08	0.07	0.13	0.07	0.06	0.11
Performance						
Return after charges (%)	1.93	0.28	21.07	1.93	0.29	5.63
Other information						
Closing net asset value (£000)	92,626	99,927	111,104	3	3	3
Closing number of shares	75,318,113	81,051,072	88,598,211	3,001	3,001	3,001
Operating charges (%)**	1.58	1.57	1.57	1.51	1.52	1.52 ¹
Direct transaction costs (%)***	0.06	0.06	0.13	0.06	0.06	0.13
Prices						
Highest share price (p)	137.49	133.44	126.27	118.16	112.41	105.75
Lowest share price (p)	113.67	121.76	103.60	98.99	104.05	94.99

	Class Z – Income shares		
	07/03/2019	07/03/2018	07/03/2017
Change in net assets per share			
Opening net asset value per share (p)	123.18	125.32	105.65
Return before operating charges (p)	4.37	2.34	24.16
Operating charges (p)	(1.14)	(1.15)	(1.05)
Return after operating charges (p)*	3.23	1.19	23.11
Distributions (p)	(3.55)	(3.33)	(3.44)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	122.86	123.18	125.32
*after direct transaction costs of (p)	0.08	0.07	0.13
Performance			
Return after charges (%)	2.62	0.95	21.87
Other information			
Closing net asset value (£000)	5,226	2,020	7,584
Closing number of shares	4,253,130	1,640,001	6,051,576
Operating charges (%)**	0.90	0.90	0.89
Direct transaction costs (%)***	0.06	0.06	0.13
Prices			
Highest share price (p)	137.57	133.56	126.59
Lowest share price (p)	113.79	122.02	103.68

**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 20 October 2016.

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

Threadneedle UK Overseas Earnings Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

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

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	37	(1,413)
Other (losses)/gains	(2)	9
Transaction costs	(1)	(1)
Net capital gains/(losses)	34	(1,405)

3 REVENUE

	2019 £000	2018 £000
UK dividends	3,768	3,945
Bank interest	3	2
Underwriting commission	–	2
Total revenue	3,771	3,949

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,515)	(1,652)
Registration fees	(38)	(43)
	(1,553)	(1,695)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository's fees	(12)	(14)
Safe custody fees	(11)	(11)
	(23)	(25)
Other expenses:		
Regulatory fees	(3)	(1)
Audit fees	(9)	(9)
Non audit service fees payable to auditors	–	(2)
	(12)	(12)
Total expenses*	(1,588)	(1,732)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,183	2,217
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(437)	(443)
Effects of:		
Revenue not subject to taxation	753	790
Excess expenses	(316)	(347)
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £10,928,137 (2018: £10,611,784) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	1,360	1,549
Final	810	579
	2,170	2,128
Add: Revenue deducted on the cancellation of shares	71	108
Deduct: Revenue received on the creation of shares	(58)	(19)
Net distribution for the period	2,183	2,217

Details of the distribution per share are set out in the table on pages 229 to 230.

7 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	14	–
Sales awaiting settlement	1,237	354
Accrued revenue	579	559
Total debtors	1,830	913

8 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(293)	(246)
Accrued expenses	(11)	(11)
Amounts payable to ACD	(142)	(151)
Total other creditors	(446)	(408)

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 Overseas Earnings Fund currently has two share classes; Class 2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 2 shares	1.50%
Class Z shares	0.75%
Registration fees	
Class 2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 231.

The distribution per share class is given in the distribution table on pages 229 to 230. All classes have the same rights on winding up.

Threadneedle UK Overseas Earnings Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2019
Class 2 – Income shares	
Opening shares	81,051,072
Shares issued	4,270,021
Shares redeemed	(9,988,854)
Net conversions	(14,126)
Closing shares	<u>75,318,113</u>
Class 2 – Accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>
Class Z – Income shares	
Opening shares	1,640,001
Shares issued	3,938,454
Shares redeemed	(1,339,455)
Net conversions	14,130
Closing shares	<u>4,253,130</u>

12 RISK MANAGEMENT

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

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.41% and vice versa (2018: 4.58%).

Currency exposures

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

	Total
	£000
Currency 2019	
US Dollar	88
Currency 2018	
US Dollar	58

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	49	–	98,974	99,023
US Dollar	–	–	88	88
Currency 2018				
UK Sterling	124	–	102,755	102,879
US Dollar	–	–	58	58

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(1,256)	(1,256)
Currency 2018				
UK Sterling	–	–	(987)	(987)

Interest rate risk sensitivity

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

13 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	97,232	–	101,900	–
	<u>97,232</u>	<u>–</u>	<u>101,900</u>	<u>–</u>

14 CONTINGENT LIABILITIES AND COMMITMENTS

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

15 PORTFOLIO TRANSACTION COSTS

7 March 2019

	Value £000	Commissions £000	% £000	Taxes £000	%
Purchases					
Equities	10,896	4	0.04	54	0.50
Corporate actions	1,016	–	–	–	–
Total	<u>11,912</u>	<u>4</u>		<u>54</u>	

Gross purchases total:

11,970

	Value £000	Commissions £000	% £000	Taxes £000	%
Sales					
Equities	15,974	4	0.03	–	–
Corporate actions	705	–	–	–	–
Total	<u>16,679</u>	<u>4</u>		<u>–</u>	

Total sales net of transaction costs:

16,675

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.05%

Threadneedle UK Overseas Earnings Fund

Notes to the financial statements

(continued)

7 March 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	10,747	8	0.07	42	0.39
Corporate actions	293	–	–	–	–
Total	11,040	8		42	

Gross purchases total: 11,090

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	24,092	14	0.06	–	–
Corporate actions	2,577	–	–	–	–
Total	26,669	14		–	

Total sales net of transaction costs: 26,655

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
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 0.14% (7 March 2018: 0.16%), being the difference between the respective buying and selling prices for the fund's investments.

Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Company

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of each sub-fund and its net revenue/(expenses) and the net gains/(losses) on the property of each sub-fund for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Threadneedle Investment Funds ICVC (the Company) for the Period ended 7 March 2019

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank Europe plc,
UK Branch

23 May 2019

Independent Auditors' Report to the Shareholders of Threadneedle Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle 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 7 March 2019 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Threadneedle Investment Funds ICVC (the "company") is an Open Ended Investment Company ('OEIC') with 28 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 7 March 2019; the statements of total return, and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

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

ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the funds' business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 235, 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
23 May 2019

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle UK Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 6.90% (6.55%)				Tobacco 7.27% (6.33%)			
	Oil & Gas Producers 4.57% (3.69%)			2,598,307	British American Tobacco	80,625	3.79
4,094,728	Royal Dutch Shell 'B' Shares	97,250	4.57	2,808,537	Imperial Brands	74,005	3.48
	Oil Equipment, Services & Distribution 2.33% (2.86%)			Total Consumer Goods			
2,094,955	Hunting	11,355	0.53	432,199 20.30			
6,951,714	John Wood Group	38,346	1.80	HEALTH CARE 6.26% (6.47%)			
	Total Oil & Gas	146,951	6.90	2,669,396	Health Care Equipment & Services 1.82% (1.68%)		
					Smith & Nephew	38,746	1.82
BASIC MATERIALS 5.95% (5.00%)				6,259,621	Pharmaceuticals & Biotechnology 4.44% (4.79%)		
	Chemicals 2.23% (2.44%)				GlaxoSmithKline	94,483	4.44
1,521,125	Johnson Matthey	47,626	2.23	Total Health Care			
	Mining 3.72% (2.56%)			133,229 6.26			
1,906,183	Rio Tinto	79,145	3.72	CONSUMER SERVICES 19.78% (18.54%)			
	Total Basic Materials	126,771	5.95	19,988,417	Food & Drug Retailers 2.20% (0.88%)		
					Tesco	46,833	2.20
INDUSTRIALS 16.11% (15.89%)					General Retailers 0.56% (0.89%)		
	Construction & Materials 4.19% (4.22%)			2,055,027	Inchcape	11,991	0.56
30,554,243	'Breedon Aggregates	20,838	0.98	Media 7.27% (7.04%)			
1,546,377	CRH (London Listing)	36,417	1.71	3,511,164	Daily Mail & General Trust	23,841	1.12
17,200,188	Melrose Industries	31,932	1.50	5,199,615	Informa	38,217	1.80
	Aerospace & Defence 2.48% (2.01%)			26,412,085	ITV	35,062	1.65
18,756,593	Cobham	22,180	1.04	3,454,568	RELX (London Listing)	57,501	2.70
3,404,925	Rolls-Royce Holdings	30,624	1.44	Travel & Leisure 9.75% (9.73%)			
	General Industrials 2.47% (2.42%)			994,072	Carnival	40,956	1.92
7,180,966	DS Smith	24,911	1.17	2,409,276	Compass Group	40,861	1.92
1,920,378	Smiths Group	27,644	1.30	1,053,034	easyJet	12,831	0.60
	Industrial Engineering 2.43% (1.74%)			2,079,218	Greene King	13,482	0.63
6,059,633	Rotork	17,403	0.82	689,379	Intercontinental Hotels Group	31,277	1.47
2,109,115	Weir Group	34,241	1.61	6,575,004	Merlin Entertainments	23,795	1.12
	Industrial Transportation 0.60% (1.29%)			8,468,450	Stagecoach Group	13,998	0.66
4,931,779	Royal Mail	12,798	0.60	628,200	Whitbread	30,487	1.43
	Support Services 3.94% (4.21%)			Total Consumer Services			
1,224,892	Aggreko	8,819	0.41	421,132 19.78			
578,492	Ferguson	30,272	1.42	TELECOMMUNICATIONS 2.50% (2.01%)			
4,435,429	Howden Joinery Group	21,676	1.02	Fixed Line Telecommunications 2.50% (2.01%)			
6,693,208	Rentokil Initial	23,219	1.09	24,629,469	BT Group	53,274	2.50
	Total Industrials	342,974	16.11	Total Telecommunications			
				53,274 2.50			
CONSUMER GOODS 20.30% (19.29%)				FINANCIALS 19.23% (22.58%)			
	Automobiles & Parts 0.00% (1.87%)				Banks 4.08% (4.72%)		
	Beverages 3.77% (2.93%)			31,087,819	Barclays	50,878	2.39
2,638,351	Diageo	80,166	3.77	5,803,188	Standard Chartered	35,957	1.69
	Food Producers 1.36% (0.00%)				Nonlife Insurance 0.96% (1.46%)		
1,276,922	Associated British Foods	29,037	1.36	3,988,532	RSA Insurance Group	20,533	0.96
	Household Goods & Home Construction 4.08% (3.85%)			Life Insurance 7.03% (8.44%)			
6,840,921	Crest Nicholson Holdings	26,365	1.24	16,005,953	Legal & General Group	43,408	2.04
1,254,342	Headlam Group	5,180	0.24	4,555,198	Prudential	71,608	3.36
901,715	Reckitt Benckiser Group	55,455	2.60	3,427,755	St James's Place	34,637	1.63
	Personal Goods 3.82% (4.31%)			Real Estate Investment & Services 1.24% (0.95%)			
741,050	Burberry Group	13,806	0.65	10,860,341	Grainger	26,478	1.24
3,248,989	PZ Cussons	6,284	0.29		Real Estate Investment Trusts 1.92% (1.92%)		
1,502,058	Unilever	61,276	2.88	575,523	Derwent London	18,411	0.87
				2,470,711	Land Securities Group REIT	22,276	1.05

Threadneedle UK Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 19.23% (22.58%) (continued)			
Financial Services 4.00% (5.09%)			
2,661,625	Intermediate Capital Group	27,282	1.28
868,349	London Stock Exchange Group	40,621	1.91
850,316	Schroders Non-voting	17,219	0.81
	Total Financials	409,308	19.23
TECHNOLOGY 2.92% (3.47%)			
Software & Computer Services 2.92% (3.47%)			
2,354,113	FDM Group Holdings IPO	20,952	0.98
6,210,185	Sage Group	41,260	1.94
	Total Technology	62,212	2.92
COLLECTIVE INVESTMENT SCHEMES 0.01% (0.05%)			
Liquidity Funds 0.01% (0.05%)¹			
124,568	BlackRock Institutional Cash Series Sterling Liquidity Platinum	125	0.01
	Total Collective Investment Schemes	125	0.01
DERIVATIVES 0.00% (0.02%)			
Forward Foreign Exchange Contracts 0.00% (0.02%)			
	Total Derivatives	–	–
Total value of investments²		2,128,175	99.96
Net other assets (0.13%)		808	0.04
Net assets		2,128,983	100.00

March 2018 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle UK Select Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 11.56% (6.84%)				FINANCIALS 21.40% (33.28%)			
Oil & Gas Producers 11.56% (6.84%)				Banks 0.00% (5.81%)			
4,206,199	BP	22,684	4.70				
1,394,359	Royal Dutch Shell 'B' Shares	33,116	6.86		Life Insurance 10.72% (11.71%)		
	Total Oil & Gas	55,800	11.56	7,259,907	Legal & General Group	19,689	4.08
				981,705	Prudential	15,432	3.20
				1,645,981	St James's Place	16,633	3.44
BASIC MATERIALS 7.02% (10.72%)				Real Estate Investment Trusts 3.14% (2.18%)			
	Chemicals 3.66% (6.12%)			474,275	Derwent London	15,172	3.14
2,562,890	Elementis	4,208	0.87		Financial Services 7.54% (13.26%)		
430,070	Johnson Matthey	13,465	2.79	1,920,775	Intermediate Capital Group	19,688	4.08
	Mining 3.36% (4.60%)			257,578	London Stock Exchange Group	12,050	2.50
390,198	Rio Tinto	16,201	3.36	7,745,809	Sherborne Investors Guernsey	4,647	0.96
	Total Basic Materials	33,874	7.02	Equity Investment Instruments 0.00% (0.32%)			
INDUSTRIALS 6.55% (11.65%)				Total Financials			
	Construction & Materials 2.84% (7.94%)					103,311	21.40
20,076,056	¹ Breedon Aggregates	13,692	2.84	TECHNOLOGY 7.44% (3.25%)			
	General Industrials 3.71% (3.71%)			Software & Computer Services 7.44% (3.25%)			
5,160,729	DS Smith	17,903	3.71	980,578	Micro Focus International	18,155	3.76
	Total Industrials	31,595	6.55	2,672,566	Sage Group	17,757	3.68
CONSUMER GOODS 16.98% (12.06%)				Total Technology			
	Beverages 4.69% (3.83%)					35,912	7.44
744,639	Diageo	22,626	4.69	COLLECTIVE INVESTMENT SCHEMES 1.04% (1.02%)			
	Food Producers 1.43% (0.00%)			Liquidity Funds 1.04% (1.02%)¹			
302,589	Associated British Foods	6,881	1.43	5,023,106	BlackRock Institutional Cash Series		
	Personal Goods 2.48% (2.50%)				Sterling Liquidity Platinum	5,023	1.04
294,030	Unilever	11,995	2.48		Total Collective Investment Schemes	5,023	1.04
	Tobacco 8.38% (5.73%)			Total value of investments²			
764,052	British American Tobacco	23,709	4.91			470,071	97.39
636,210	Imperial Brands	16,764	3.47	Net other assets (3.29%)			
	Total Consumer Goods	81,975	16.98			12,580	2.61
HEALTH CARE 6.32% (1.92%)				Net assets			
	Pharmaceuticals & Biotechnology 6.32% (1.92%)					482,651	100.00
2,020,378	GlaxoSmithKline	30,496	6.32	<i>March 2018 comparatives in brackets.</i>			
	Total Health Care	30,496	6.32	<i>¹Cash equivalents.</i>			
CONSUMER SERVICES 15.09% (15.97%)				<i>²Includes Cash equivalents.</i>			
	Food & Drug Retailers 5.42% (3.59%)			<i>³Alternative Investment Market.</i>			
11,167,418	Tesco	26,165	5.42				
	Media 5.74% (9.94%)						
1,787,509	Ascential	6,263	1.30				
1,287,046	RELX	21,423	4.44				
	Travel & Leisure 3.93% (2.44%)						
577,532	Compass Group	9,795	2.03				
3,834,012	Domino's Pizza Group	9,182	1.90				
	Total Consumer Services	72,828	15.09				
TELECOMMUNICATIONS 3.99% (0.00%)							
	Fixed Line Telecommunications 3.99% (0.00%)						
8,902,758	BT Group	19,257	3.99				
	Total Telecommunications	19,257	3.99				

Threadneedle UK Smaller Companies Fund

Portfolio Statement

as at 7 March 2019

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
OIL & GAS 1.27% (0.23%)				HEALTH CARE 9.70% (5.90%)			
Oil Equipment, Services & Distribution 1.27% (0.23%)				Health Care Equipment & Services 0.25% (0.36%)			
2,008,642	¹ Enteq Upstream	482	0.29	3,415,287	¹ Totally (Suspended)	417	0.25
1,598,720	¹ Tekmar Group	1,599	0.98	Pharmaceuticals & Biotechnology 9.45% (5.54%)			
Total Oil & Gas				3,395,379	¹ Alliance Pharma	2,234	1.36
		2,081	1.27	805,797	¹ Clinigen Group	7,627	4.65
BASIC MATERIALS 1.10% (6.25%)				130,684	Genus	2,964	1.81
Chemicals 1.10% (4.94%)				3,543,900	Vectura Group	2,665	1.63
626,037	¹ Scapa Group	1,809	1.10	Total Health Care			
Mining 0.00% (1.31%)						15,907	9.70
21,587,483	DiamondCorp (Delisted)	–	–	CONSUMER SERVICES 21.33% (26.20%)			
Total Basic Materials				1,975,582	Food & Drug Retailers 0.00% (3.06%)		
		1,809	1.10		Conviviality Retail (Delisted)	–	–
INDUSTRIALS 24.09% (18.12%)				General Retailers 2.64% (5.64%)			
Construction & Materials 6.10% (2.47%)				714,369	¹ Joules Group	2,179	1.33
1,481,208	Balfour Beatty	4,315	2.63	2,300,961	N Brown Group	2,155	1.31
4,658,186	¹ Breedon Aggregates	3,177	1.94	Media 10.28% (9.70%)			
640,996	Eurocell Group	1,474	0.90	1,236,466	Ascential	4,333	2.64
400,450	Tyman	1,025	0.63	659,168	Future	4,878	2.97
Aerospace & Defence 2.70% (2.89%)				512,255	¹ GlobalData	3,074	1.87
363,899	Avon Rubber	4,421	2.70	2,414,355	¹ Mirriad Advertising	169	0.10
General Industrials 1.47% (3.81%)				667,447	STV Group	2,476	1.51
2,879,142	Coats Group	2,413	1.47	412,763	¹ YouGov	1,957	1.19
Electronic & Electrical Equipment 2.46% (1.76%)				Travel & Leisure 8.41% (7.80%)			
389,247	Oxford Instruments	4,040	2.46	686,448	Domino's Pizza Group	1,644	1.00
Industrial Engineering 1.06% (0.84%)				1,508,778	Gym Group	2,812	1.72
829,969	¹ Avingtrans	1,743	1.06	1,124,543	Hollywood Bowl Group	2,373	1.45
Support Services 10.30% (6.35%)				654,982	Jackpotjoy	4,454	2.72
14,368,949	¹ 1Spatial	4,598	2.80	839,928	Rank Group	1,374	0.84
613,240	Essentra	2,361	1.44	876,849	Restaurant Group	1,114	0.68
1,513,521	¹ Knights Group Holdings	4,239	2.58	Total Consumer Services			
298,820	Ricardo	1,966	1.20			34,992	21.33
720,577	Sanne Group IPO	3,740	2.28	TELECOMMUNICATIONS 0.00% (1.28%)			
Total Industrials				Mobile Telecommunications 0.00% (1.28%)			
		39,512	24.09	Total Telecommunications			
						–	–
CONSUMER GOODS 13.31% (16.22%)				UTILITIES 0.30% (0.00%)			
Beverages 2.71% (4.10%)				Electricity 0.30% (0.00%)			
1,902,267	Stock Spirits Group	4,451	2.71	2,565,853	¹ SIMEC Atlantis Energy	488	0.30
Food Producers 2.33% (2.59%)				Total Utilities			
1,126,263	¹ Hotel Chocolat Group	3,829	2.33			488	0.30
Household Goods & Home Construction 1.27% (4.36%)				FINANCIALS 12.30% (9.61%)			
650,543	¹ Victoria	2,082	1.27	Life Insurance 3.78% (3.29%)			
Leisure Goods 4.89% (1.05%)				6,039,616	Just Group	6,197	3.78
2,530,649	¹ Codemasters Group Holdings	5,390	3.29	Financial Services 8.44% (6.24%)			
1,383,508	¹ Team17 Group	2,629	1.60	1,229,490	AJ Bell	3,553	2.17
Personal Goods 2.11% (4.12%)				1,661,500	¹ Fairfx Group	1,662	1.01
184,653	Ted Baker	3,453	2.11	686,935	JTC	2,184	1.33
Total Consumer Goods				695,652	¹ Premier Asset Management Group	1,419	0.87
		21,834	13.31	3,723,960	Xafinity	5,027	3.06
				Nonequity Investment Instruments 0.08% (0.08%)			
				125,470	Wilmcote Holdings	125	0.08
				Total Financials			
						20,167	12.30

Threadneedle UK Smaller Companies Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 16.84% (14.52%)			
Software & Computer Services 13.28% (12.47%)			
1,445,842	¹ Blanco Technology	1,518	0.92
477,953	¹ Blue Prism Group	7,647	4.66
215,186	FDM Group Holdings IPO	1,915	1.17
190,514	¹ First Derivatives	4,229	2.58
531,908	¹ iomart Group	2,029	1.24
6,455,540	¹ IQDEO Group	3,228	1.97
56,868,156	¹ Shearwater Group (Suspended)	1,223	0.74
Technology Hardware & Equipment 3.56% (2.05%)			
3,725,329	Spirent Communications	5,841	3.56
	Total Technology	27,630	16.84
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell GBP 850		
	Buy CHF 1,104 J.P. Morgan	–	–
	Sell GBP 26		
	Buy CHF 34 J.P. Morgan	–	–
	Total Derivatives	–	–
Total value of investments		164,420	100.24
Net other (liabilities)/assets (1.67%)		(397)	(0.24)
Net assets		164,023	100.00

March 2018 comparatives in brackets.

¹Alternative Investment Market.

Threadneedle UK Growth & Income Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.70% (3.71%)				CONSUMER SERVICES 27.51% (26.50%)			
	Oil & Gas Producers 3.70% (3.71%)				Food & Drug Retailers 6.77% (6.63%)		
468,619	Royal Dutch Shell 'B' Shares	11,130	3.70	3,273,331	Tesco	7,669	2.55
	Total Oil & Gas	11,130	3.70	5,536,774	WM Morrison Supermarkets	12,699	4.22
BASIC MATERIALS 2.40% (2.26%)					General Retailers 2.59% (2.85%)		
	Chemicals 2.40% (2.26%)			2,853,448	Marks & Spencer Group	7,796	2.59
230,492	Johnson Matthey	7,217	2.40		Media 7.84% (7.52%)		
	Total Basic Materials	7,217	2.40	4,724,742	ITV	6,272	2.08
INDUSTRIALS 27.34% (27.81%)				991,540	Pearson	8,252	2.74
	Construction & Materials 2.29% (1.58%)			546,603	RELX (London Listing)	9,098	3.02
3,715,349	Melrose Industries	6,898	2.29		Travel & Leisure 10.31% (9.50%)		
	Aerospace & Defence 5.16% (6.10%)			428,864	Compass Group	7,274	2.41
1,169,825	BAE Systems	5,527	1.84	4,268,680	Firstgroup	3,812	1.27
4,966,878	Cobham	5,873	1.95	506,368	J D Wetherspoon	6,466	2.15
458,940	Rolls-Royce Holdings	4,128	1.37	2,400,853	Rank Group	3,928	1.30
	General Industrials 4.27% (4.45%)			5,398,658	Restaurant Group	6,862	2.28
1,724,768	DS Smith	5,983	1.99	1,634,272	Stagecoach Group	2,701	0.90
477,205	Smiths Group	6,869	2.28		Total Consumer Services	82,829	27.51
	Electronic & Electrical Equipment 0.68% (0.84%)			TELECOMMUNICATIONS 2.26% (2.58%)			
768,353	Morgan Advanced Materials	2,058	0.68		Fixed Line Telecommunications 2.26% (2.58%)		
	Industrial Engineering 0.76% (0.88%)			3,152,627	BT Group	6,819	2.26
232,199	IMI	2,294	0.76		Total Telecommunications	6,819	2.26
	Industrial Transportation 1.45% (1.29%)			UTILITIES 3.30% (3.37%)			
1,834,221	Wincanton	4,365	1.45		Gas, Water & Multiutilities 3.30% (3.37%)		
	Support Services 12.73% (12.67%)			4,427,761	Centrica	5,428	1.80
2,369,132	Electrocomponents	13,381	4.44	269,191	Pennon Group	2,098	0.70
128,613	Ferguson	6,730	2.24	283,868	United Utilities Group	2,428	0.80
2,848,777	Hays	4,344	1.44		Total Utilities	9,954	3.30
3,998,631	Rentokil Initial	13,871	4.61	FINANCIALS 10.95% (12.75%)			
	Total Industrials	82,321	27.34		Banks 0.87% (1.08%)		
CONSUMER GOODS 9.18% (10.08%)				213,247	Secure Trust Bank	2,612	0.87
	Automobiles & Parts 0.00% (1.89%)				Nonlife Insurance 2.62% (3.31%)		
	Food Producers 1.91% (1.62%)			1,532,643	RSA Insurance Group	7,890	2.62
833,950	Tate & Lyle	5,749	1.91		Life Insurance 2.86% (2.85%)		
	Personal Goods 3.77% (3.61%)			3,171,479	Legal & General Group	8,601	2.86
278,445	Unilever	11,359	3.77		Financial Services 4.60% (5.51%)		
	Tobacco 3.50% (2.96%)			1,116,389	3i Group	10,749	3.57
400,414	Imperial Brands	10,551	3.50	4,387,519	Sherborne Investors Guernsey	2,633	0.87
	Total Consumer Goods	27,659	9.18	5,110,134	Sherborne Investors Guernsey B	485	0.16
HEALTH CARE 11.53% (9.42%)					Total Financials	32,970	10.95
	Pharmaceuticals & Biotechnology 11.53% (9.42%)			TECHNOLOGY 2.91% (2.08%)			
327,454	AstraZeneca	20,545	6.82		Technology Hardware & Equipment 2.91% (2.08%)		
939,347	GlaxoSmithKline	14,179	4.71	5,585,375	Spirent Communications	8,758	2.91
	Total Health Care	34,724	11.53		Total Technology	8,758	2.91
Total value of investments						304,381	101.08
Net other liabilities (-0.56%)						(3,249)	(1.08)
Net assets						301,132	100.00

March 2018 comparatives in brackets.

Threadneedle UK Equity Income Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.65% (3.72%)				HEALTH CARE 14.19% (11.98%)			
Oil & Gas Producers 3.65% (3.72%)				Pharmaceuticals & Biotechnology 14.19% (11.98%)			
6,237,419	Royal Dutch Shell 'B' Shares	148,139	3.65	5,456,346	AstraZeneca	342,331	8.43
	Total Oil & Gas	148,139	3.65	15,489,114	GlaxoSmithKline	233,793	5.76
BASIC MATERIALS 2.69% (3.20%)				Total Health Care			
Chemicals 2.69% (3.20%)				576,124 14.19			
17,853,591	Elementis	29,316	0.72	CONSUMER SERVICES 22.43% (22.50%)			
2,547,474	Johnson Matthey	79,761	1.97	Food & Drug Retailers 5.98% (5.93%)			
	Total Basic Materials	109,077	2.69	30,008,181	Tesco	70,309	1.73
INDUSTRIALS 24.73% (26.31%)				75,191,475	WM Morrison Supermarkets	172,452	4.25
Construction & Materials 2.21% (2.12%)				General Retailers 2.69% (2.99%)			
30,263,179	Melrose Industries	56,184	1.38	40,012,859	Marks & Spencer Group	109,315	2.69
2,564,168	Morgan Sindall Group	33,847	0.83	Media 7.38% (7.24%)			
Aerospace & Defence 4.62% (5.50%)				62,194,471	ITV	82,563	2.03
17,864,452	BAE Systems	84,409	2.08	13,645,748	Pearson	113,560	2.80
66,111,526	Cobham	78,177	1.93	6,212,397	RELX (London Listing)	103,405	2.55
2,770,228	Rolls-Royce Holdings	24,915	0.61	Travel & Leisure 6.38% (6.34%)			
General Industrials 3.84% (4.52%)				5,506,328	Compass Group	93,387	2.30
22,199,945	DS Smith	77,012	1.90	1,997,563	Go-Ahead Group	40,750	1.00
5,470,710	Smiths Group	78,751	1.94	4,148,854	J D Wetherspoon	52,981	1.31
Electronic & Electrical Equipment 1.68% (1.59%)				18,403,796	Rank Group	30,109	0.74
8,418,191	Morgan Advanced Materials	22,544	0.56	25,414,181	Stagecoach Group	42,010	1.03
4,375,744	Oxford Instruments	45,420	1.12	Total Consumer Services			
Industrial Engineering 0.56% (0.67%)				910,841 22.43			
2,310,598	IMI	22,829	0.56	TELECOMMUNICATIONS 2.46% (2.84%)			
Industrial Transportation 0.84% (0.86%)				Fixed Line Telecommunications 2.46% (2.84%)			
14,372,558	Wincanton	34,207	0.84	46,208,654	BT Group	99,949	2.46
Support Services 10.98% (11.05%)				Total Telecommunications			
30,396,248	Electrocomponents	171,678	4.23	99,949 2.46			
1,237,066	Ferguson	64,736	1.59	UTILITIES 3.65% (3.82%)			
39,943,726	Hays	60,914	1.50	Gas, Water & Multiutilities 3.65% (3.82%)			
42,827,977	Rentokil Initial	148,570	3.66	65,609,835	Centrica	80,438	1.98
	Total Industrials	1,004,193	24.73	4,332,563	Pennon Group	33,768	0.83
CONSUMER GOODS 10.66% (10.30%)				3,962,141	United Utilities Group	33,892	0.84
Automobiles & Parts 0.00% (0.86%)				Total Utilities			
Food Producers 2.06% (1.76%)				148,098 3.65			
12,112,793	Tate & Lyle	83,506	2.06	FINANCIALS 15.02% (14.94%)			
Personal Goods 3.32% (3.23%)				Nonlife Insurance 3.66% (3.44%)			
3,303,054	Unilever	134,748	3.32	28,889,183	RSA Insurance Group	148,721	3.66
Tobacco 5.28% (4.45%)				Life Insurance 7.45% (6.88%)			
8,146,834	Imperial Brands	214,669	5.28	10,760,922	Chesnara	37,609	0.93
	Total Consumer Goods	432,923	10.66	41,757,423	Legal & General Group	113,246	2.79
				21,547,447	Phoenix Group Holdings	151,651	3.73
				Financial Services 3.91% (4.62%)			
				13,561,859	3i Group	130,574	3.22
				41,470,937	Sherborne Investors Guernsey	24,883	0.61
				35,161,764	Sherborne Investors Guernsey B	3,340	0.08
				Total Financials			
				610,024 15.02			

Threadneedle UK Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 0.61% (0.00%)			
	Liquidity Funds 0.61% (0.00%)¹		
	BlackRock Institutional Cash Series		
25,006,497	Sterling Liquidity Platinum	25,006	0.61
	Total Collective Investment Schemes	25,006	0.61
Total value of investments²		4,064,374	100.09
Net other liabilities (0.39%)		(3,458)	(0.09)
Net assets		4,060,916	100.00

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle UK Monthly Income Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 9.34% (9.09%)				HEALTH CARE 11.21% (9.07%)			
Oil & Gas Producers 9.34% (9.09%)				Pharmaceuticals & Biotechnology 11.21% (9.07%)			
1,850,000	BP	9,977	2.26	315,000	AstraZeneca	19,763	4.46
1,320,000	Royal Dutch Shell 'B' Shares	31,350	7.08	1,980,000	GlaxoSmithKline	29,886	6.75
Total Oil & Gas				Total Health Care			
41,327 9.34				49,649 11.21			
BASIC MATERIALS 3.66% (3.45%)				CONSUMER SERVICES 14.40% (14.04%)			
Chemicals 1.11% (1.86%)				General Retailers 1.50% (2.37%)			
50,000	Johnson Matthey	1,566	0.35	1,700,000	Marks & Spencer Group	4,644	1.05
885,000	Synthomer	3,375	0.76	875,000	ScS Group	2,013	0.45
Mining 2.55% (1.59%)				Media 4.95% (5.60%)			
650,000	BHP Group	11,241	2.55	6,350,000	ITV	8,430	1.90
Total Basic Materials				810,000 RELX (UK Listed)			
16,182 3.66				13,483 3.05			
INDUSTRIALS 12.00% (17.68%)				Travel & Leisure 7.95% (6.07%)			
Construction & Materials 0.79% (1.70%)				300,000 Compass Group			
1,880,000	Melrose Industries	3,490	0.79	707,280	Fuller Smith & Turner	7,497	1.69
Aerospace & Defence 3.41% (3.80%)				437,264 Go-Ahead Group			
2,370,000	BAE Systems	11,198	2.53	1,750,000	Rank Group	2,863	0.65
3,315,646	Cobham	3,921	0.88	3,175,000	Stagecoach Group	5,248	1.19
General Industrials 1.92% (3.27%)				390,000 TUI (UK Listed)			
2,445,000	DS Smith	8,482	1.92	50,000	Whitbread	2,427	0.55
Electronic & Electrical Equipment 1.31% (1.08%)				Total Consumer Services			
180,000	Halma	2,866	0.65	63,742 14.40			
280,000	Oxford Instruments	2,906	0.66	TELECOMMUNICATIONS 3.72% (3.72%)			
Industrial Engineering 0.83% (1.14%)				Fixed Line Telecommunications 3.72% (3.72%)			
5,575,000	Severfield	3,680	0.83	3,700,000	BT Group	8,003	1.81
Industrial Transportation 0.47% (1.94%)				7,425,000 Kcom Group			
100,000	James Fisher & Sons	2,100	0.47	1,750,000	Manx Telecom	3,255	0.73
Support Services 3.27% (4.75%)				Total Telecommunications			
990,000	De La Rue	4,123	0.93	16,485 3.72			
910,000	Electrocomponents	5,140	1.16	UTILITIES 5.05% (2.61%)			
100,000	Ferguson	5,233	1.18	Electricity 1.17% (0.00%)			
Total Industrials				430,000 SSE			
53,139 12.00				5,179 1.17			
CONSUMER GOODS 12.36% (11.60%)				Gas, Water & Multiutilities 3.88% (2.61%)			
Beverages 2.13% (1.92%)				3,515,000 Centrica			
310,000	Diageo	9,419	2.13	1,035,000	Pennon Group	8,067	1.82
Household Goods & Home Construction 0.25% (0.00%)				235,000 Severn Trent			
150,000	Galliford Try	1,121	0.25	Total Utilities			
Personal Goods 4.07% (3.05%)				22,373 5.05			
190,000	Burberry Group	3,540	0.80	FINANCIALS 27.48% (28.30%)			
355,000	Unilever	14,482	3.27	Banks 5.09% (7.01%)			
Tobacco 5.91% (6.63%)				425,000 Close Brothers Group			
300,000	British American Tobacco	9,309	2.10	2,585,000	HSBC Holdings	16,136	3.64
640,000	Imperial Brands	16,864	3.81	Nonlife Insurance 1.45% (1.50%)			
Total Consumer Goods				985,000 Lancashire Holdings			
54,735 12.36				6,417 1.45			
				Life Insurance 13.69% (14.06%)			
				4,450,000 Chesnara			
				5,725,000 Legal & General Group			
				2,215,000 Phoenix Group Holdings			
				550,000 Prudential			
				525,000 St James's Place			
				5,305 1.20			

Threadneedle UK Monthly Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 27.48% (28.30%) (continued)			
Real Estate Investment Trusts 4.16% (2.79%)			
185,000	Derwent London	5,918	1.34
3,725,000	Empiric Student Property REIT	3,539	0.80
2,800,000	Londonmetric Property REIT	5,323	1.20
3,609,351	¹ Warehouse REIT	3,627	0.82
Financial Services 3.09% (2.94%)			
900,000	3i Group	8,665	1.96
699,310	AJ Bell	2,021	0.46
4,302,702	Sherborne Investors Guernsey	2,582	0.58
4,275,000	Sherborne Investors Guernsey B	406	0.09
	Total Financials	121,675	27.48
TECHNOLOGY 0.00% (0.22%)			
Software & Computer Services 0.00% (0.22%)			
	Total Technology	–	–
COLLECTIVE INVESTMENT SCHEMES 1.13% (0.00%)			
Liquidity Funds 1.13% (0.00%)¹			
5,015,944	BlackRock Institutional Cash Series		
	Sterling Liquidity Platinum	5,016	1.13
	Total Collective Investment Schemes	5,016	1.13
Total value of investments²		444,323	100.35
Net other (liabilities)/assets (0.22%)		(1,535)	(0.35)
Net assets		442,788	100.00

March 2018 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Monthly Extra Income Fund

Portfolio Statement

as at 7 March 2019

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.81% (0.87%)					FRANCE 1.02% (0.72%)				
Corporate Bonds 0.81% (0.87%)					Corporate Bonds 1.02% (0.72%)				
GBP	786,000	APT Pipelines 3.5% 22/03/2030	814	0.26	GBP	150,000	*AXA FRN 16/01/2054	167	0.05
GBP	573,000	Asciano Finance 5% 19/09/2023	624	0.20	GBP	410,000	BNP Paribas 3.375% 23/01/2026	419	0.14
GBP	572,000	*BHP Billiton Finance 6.5% 22/10/2077	640	0.20	GBP	300,000	BPCE 5.25% 16/04/2029	348	0.11
USD	400,000	SGSP Australia Assets 3.25% 29/07/2026	288	0.09	GBP	500,000	Electricite de France 5.125% 22/09/2050	655	0.21
GBP	165,000	Vicinity Centres 3.375% 07/04/2026	172	0.06	GBP	400,000	Electricite de France 5.5% 17/10/2041	533	0.17
		Total Australia	2,538	0.81	GBP	400,000	Orange 3.25% 15/01/2032	415	0.13
					GBP	150,000	Orange 5.625% 23/01/2034	197	0.06
					GBP	320,000	Orange 8.125% 20/11/2028	468	0.15
							Total France	3,202	1.02
AUSTRIA 0.00% (0.21%)					GERMANY 0.17% (0.16%)				
Corporate Bonds 0.00% (0.21%)					Corporate Bonds 0.17% (0.16%)				
BELGIUM 0.41% (0.45%)					Corporate Bonds 0.17% (0.16%)				
GBP	1,185,000	Anheuser-Busch InBev 2.25% 24/05/2029	1,124	0.36	EUR	400,000	ADLER Real Estate 3% 27/04/2026	339	0.10
EUR	200,000	*KBC Groep Variable 05/09/2167	171	0.05	EUR	143,000	IHO Verwaltungs 3.25% 15/09/2023	124	0.04
		Total Belgium	1,295	0.41	EUR	100,000	IHO Verwaltungs PIK 2.75% 15/09/2021	87	0.03
							Total Germany	550	0.17
BERMUDA 1.90% (1.58%)					GUERNSEY 0.67% (1.44%)				
Corporate Bonds 0.13% (0.00%)					Corporate Bonds 0.00% (0.15%)				
USD	550,000	Bacardi 4.7% 15/05/2028	408	0.13					
		Nonlife Insurance 1.77% (1.58%)				3,154,783	Sherborne Investors Guernsey	1,893	0.60
	345,386	Hiscox	5,575	1.77		2,291,464	Sherborne Investors Guernsey B	218	0.07
		Total Bermuda	5,983	1.90			Total Guernsey	2,111	0.67
BRITISH VIRGIN ISLANDS 0.22% (0.20%)					ITALY 0.00% (0.19%)				
Corporate Bonds 0.22% (0.20%)					Corporate Bonds 0.00% (0.19%)				
GBP	630,000	Global Switch Holdings 4.375% 13/12/2022	678	0.22	JERSEY 0.45% (1.96%)				
		Total British Virgin Islands	678	0.22	Corporate Bonds 0.45% (0.48%)				
CANADA 0.10% (0.08%)					GBP	160,000	Hastings Group Finance 3% 24/05/2025	152	0.05
Corporate Bonds 0.10% (0.08%)					GBP	295,000	Heathrow Funding 2.75% 09/08/2049	275	0.09
USD	425,000	Cenovus Energy 4.25% 15/04/2027	309	0.10	GBP	185,000	Heathrow Funding 4.625% 31/10/2046	236	0.07
		Total Canada	309	0.10	GBP	215,000	Heathrow Funding 6.45% 10/12/2031	301	0.10
CAYMAN ISLANDS 0.44% (2.74%)					GBP	411,000	Porterbrook Rail Finance 4.625% 04/04/2029	456	0.14
Corporate Bonds 0.44% (0.59%)					Support Services 0.00% (1.48%)				
GBP	191,000	Dwr Cymru Financing 6.015% 31/03/2028	251	0.08			Total Jersey	1,420	0.45
USD	190,000	Noble Holding International 6.95% 01/04/2045	116	0.04	LUXEMBOURG 0.10% (0.19%)				
GBP	325,000	Thames Water Utilities 2.375% 03/05/2023	316	0.10	Corporate Bonds 0.10% (0.19%)				
GBP	638,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	607	0.19	GBP	283,000	Glencore Finance Europe 6% 03/04/2022	313	0.10
GBP	100,000	*Trafford Centre Finance FRN 28/07/2035 A3	88	0.03			Total Luxembourg	313	0.10
		Life Insurance 0.00% (2.15%)			MEXICO 0.25% (0.57%)				
		Total Cayman Islands	1,378	0.44	Corporate Bonds 0.19% (0.47%)				
					GBP	259,000	*America Movil 6.375% 06/09/2073	273	0.09
					GBP	355,000	Petroleos Mexicanos 3.75% 16/11/2025	320	0.10
							Government Bonds 0.06% (0.10%)		
					GBP	202,000	United Mexican States 5.625% 19/03/2114	202	0.06
							Total Mexico	795	0.25

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of		
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
NETHERLANDS 1.33% (1.04%)							
Corporate Bonds 1.33% (1.04%)							
GBP	435,000	Deutsche Telekom International Finance 2.5% 10/10/2025	439	0.14	GBP	140,000	Broadgate Finance 5.098% 05/04/2033
GBP	300,000	E.ON International Finance 6.375% 07/06/2032	410	0.13	GBP	320,000	Broadgate Financing 4.821% 05/07/2033
GBP	400,000	ING Groep 3% 18/02/2026	401	0.13	GBP	990,000	Bunzl Finance 2.25% 11/06/2025
GBP	913,000	Innogy Finance 6.25% 03/06/2030	1,199	0.38	GBP	249,000	Bupa Finance 2% 05/04/2024
USD	525,000	Syngenta Finance 5.182% 24/04/2028	390	0.12	GBP	379,000	Bupa Finance 5% 08/12/2026
EUR	300,000	*Telefonica Europe Perpetual 3% 04/12/2066	245	0.08	GBP	629,000	Bupa Finance 5% 25/04/2023
GBP	300,000	Volkswagen International Finance 3.375% 16/11/2026	305	0.10	GBP	370,000	Cadent Finance 2.125% 22/09/2028
EUR	300,000	*Vonovia Finance 4% 17/12/2166	272	0.09	GBP	310,000	Cadent Finance 2.625% 22/09/2038
EUR	600,000	*Vonovia Finance 4.625% 08/04/2074	518	0.16	GBP	360,000	Cadent Finance 2.75% 22/09/2046
		Total Netherlands	4,179	1.33	GBP	450,000	*Cattles 7.125% 05/07/2017 (Defaulted)
REPUBLIC OF IRELAND 0.50% (0.51%)							
Corporate Bonds 0.50% (0.51%)							
EUR	340,000	*Bank of Ireland 7.375% 29/12/2049	310	0.10	GBP	180,000	Centrica 7% 19/09/2033
GBP	744,000	GE Capital UK Funding 5.875% 18/01/2033	897	0.29	GBP	577,000	Clydesdale Bank 4.625% 08/06/2026
GBP	165,000	PGH Capital 4.125% 20/07/2022	168	0.05	GBP	360,000	Co-operative Bank United Kingdom 4.75% 11/11/2021
GBP	185,000	PGH Capital 6.625% 28/12/2025	196	0.06	GBP	255,000	*CYBG 4% 22/06/2025
		Total Republic of Ireland	1,571	0.50	GBP	310,000	*CYBG 5% 09/02/2026
SWEDEN 0.25% (0.28%)							
Corporate Bonds 0.25% (0.28%)							
EUR	455,000	Akelius Residential 1.75% 07/02/2025	389	0.12	EUR	828,000	DS Smith 1.375% 26/07/2024
GBP	430,000	Akelius Residential 2.375% 15/08/2025 (MTN2)	413	0.13	GBP	350,000	Eastern Power Network 6.25% 12/11/2036
		Total Sweden	802	0.25	GBP	218,000	El Group 6.375% 15/02/2022
SWITZERLAND 1.57% (0.30%)							
Corporate Bonds 0.27% (0.30%)							
GBP	320,000	*Credit Suisse 2.125% 12/09/2025	308	0.09	GBP	370,000	Eversholt Funding 3.529% 07/08/2042
USD	700,000	*UBS Group 7% 29/12/2049	562	0.18	GBP	150,000	Eversholt Funding 6.359% 02/12/2025
		Support Services 1.30% (0.00%)			GBP	260,000	Experian Finance 2.125% 27/09/2024
	78,115	Ferguson	4,088	1.30	GBP	550,000	First Hydro Finance 9% 31/07/2021
		Total Switzerland	4,958	1.57	EUR	355,000	G4S International Finance 1.5% 02/06/2024
UNITED KINGDOM 86.05% (82.03%)							
Corporate Bonds 11.00% (10.75%)							
GBP	180,000	Anglian Water Services Financing 2.625% 15/06/2027	170	0.05	EUR	195,000	G4S International Finance 1.875% 24/05/2025
GBP	267,000	Anglian Water Services Financing 2.75% 26/10/2029	274	0.09	GBP	531,000	GKN Holdings 3.375% 12/05/2032
GBP	140,000	Annington Funding 3.935% 12/07/2047	144	0.05	GBP	527,000	GKN Holdings 5.375% 19/09/2022
GBP	281,000	*Aviva 4.375% 12/09/2049	272	0.09	GBP	140,000	HSBC Bank 4.75% 24/03/2046
GBP	1,087,000	*Aviva 6.625% 03/06/2041	1,179	0.37	GBP	400,000	HSBC Bank 5.375% 22/08/2033
GBP	374,000	Barclays 3.25% 17/01/2033	343	0.11	GBP	225,000	HSBC Holdings 6% 29/03/2040
GBP	338,000	Barclays Bank 10% 21/05/2021	390	0.12	GBP	400,000	*HSBC Holdings Variable 22/07/2028
GBP	120,000	*Barclays Bank 14% 29/11/2049	124	0.04	GBP	280,000	Imperial Brand Finance 8.125% 15/03/2024
EUR	300,000	Barclays Bank 6.625% 30/03/2022	296	0.09	GBP	260,000	Imperial Brands Finance 4.875% 07/06/2032
GBP	200,000	*Barclays Bank 7.75% 08/03/2075	209	0.07	GBP	484,000	Imperial Brands Finance 5.5% 28/09/2026
GBP	145,000	BAT International Finance 6% 24/11/2034	182	0.06	GBP	289,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033
GBP	380,000	British Telecommunication 3.125% 21/11/2031	378	0.12	GBP	775,000	Land Securities Capital Markets 2.375% 29/03/2029
					GBP	211,000	*Legal & General Group 10% 23/07/2041
					GBP	325,000	*Legal & General Group 5.5% 27/06/2064
					GBP	100,000	*Legal & General Group Variable 14/11/2048
					GBP	279,000	*Legal & General Group Variable 27/10/2045
					GBP	490,000	Lloyds Bank 6.5% 17/09/2040
					GBP	277,000	Lloyds Bank 7.625% 22/04/2025
					GBP	250,000	London Power Networks 2.625% 01/03/2029
					GBP	810,000	Longstone Finance 4.791% 19/04/2030
					GBP	300,000	Manchester Airport Group Funding 4.125% 02/04/2024
					GBP	212,000	Marks & Spencer 4.75% 12/06/2025
					GBP	104,000	*Marstons Issuer 5.1576% 15/10/2027

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	£000	Net Asset Value
UNITED KINGDOM 86.05% (82.03%) (continued)									
GBP	260,000	Meadowhall Finance 4.986% 12/01/2032	229	0.07	USD	445,000	*Vodafone Group Variable 03/10/2078	325	0.10
GBP	361,000	Mitchells & Butlers Finance 5.574% 15/12/2030	174	0.05	GBP	143,000	Wales & West Utilities Finance 3% 03/08/2038	147	0.05
GBP	160,000	National Express Group 2.5% 11/11/2023	158	0.05	GBP	360,000	Western Power Distribution 3.5% 16/10/2026	366	0.12
GBP	156,000	National Grid Electricity Transmission 2.75% 06/02/2035	159	0.05	GBP	530,000	Western Power Distribution West Midlands 5.75% 16/04/2032	695	0.22
GBP	400,000	Newriver REIT 3.5% 07/03/2028	384	0.12	GBP	240,000	Western Power Distribution West Midlands 6% 09/05/2025	290	0.09
GBP	743,000	*NGG Finance 5.625% 18/06/2073	792	0.25	GBP	156,000	WM Morrison Supermarkets 4.625% 08/12/2023	173	0.05
GBP	170,000	NIE Finance 2.5% 27/10/2025 (LSE)	172	0.05	Government Bonds 0.05% (0.11%)				
GBP	266,000	Northern Gas Networks Finance 4.875% 30/06/2027	318	0.10	GBP	45,462	United Kingdom Gilt 1.625% 22/10/2028	47	0.01
GBP	298,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	305	0.10	GBP	112,000	United Kingdom Gilt 1.75% 07/09/2037	114	0.04
GBP	250,000	Northumbrian Water Finance 2.375% 05/10/2027	247	0.08	Oil & Gas Producers 2.73% (2.83%)				
GBP	130,000	Octagon Healthcare Funding 5.333% 31/12/2035	135	0.04	362,329	Royal Dutch Shell 'B' Shares	8,605	2.73	
GBP	265,000	*Pennon Group Perpetual Variable 22/05/2066	265	0.08	Chemicals 1.34% (1.42%)				
GBP	282,000	Pension Insurance 5.625% 20/12/2030	277	0.09	134,551	Johnson Matthey	4,213	1.34	
GBP	477,000	Prudential 6.125% 19/12/2031	613	0.19	Construction & Materials 1.02% (0.66%)				
GBP	345,000	*Prudential Variable 20/10/2051	358	0.11	1,726,109	Melrose Industries	3,204	1.02	
GBP	725,000	*Royal Bank of Scotland 2.875% 19/09/2026	715	0.23	Aerospace & Defence 3.22% (4.01%)				
GBP	130,000	Santander UK 10.0625% 29/10/2049	206	0.07	990,202	BAE Systems	4,679	1.49	
GBP	200,000	Scotland Gas Network 3.25% 08/03/2027	210	0.07	3,438,998	Cobham	4,067	1.29	
GBP	100,000	Scottish Widows 7% 16/06/2043	125	0.04	153,135	Rolls-Royce Holdings	1,377	0.44	
GBP	577,000	Severn Trent Utilities Finance 3.625% 16/01/2026	622	0.20	General Industrials 2.89% (3.49%)				
EUR	200,000	Sky 2.25% 17/11/2025	185	0.06	1,299,662	DS Smith	4,508	1.43	
GBP	190,000	South Eastern Power Networks 6.375% 12/11/2031	263	0.08	319,279	Smiths Group	4,596	1.46	
GBP	267,000	Southern Gas Networks 3.1% 15/09/2036	271	0.09	Electronic & Electrical Equipment 0.42% (0.55%)				
GBP	297,000	Southern Gas Networks 4.875% 21/03/2029	358	0.11	494,276	Morgan Advanced Materials	1,324	0.42	
GBP	220,000	Stagecoach Group 4% 29/09/2025	226	0.07	Industrial Engineering 0.45% (0.54%)				
GBP	335,000	Standard Chartered 5.125% 06/06/2034	377	0.12	142,949	IMI	1,412	0.45	
GBP	624,000	*Telereal Securitisation 4.0902% 10/12/2033	646	0.20	Industrial Transportation 0.64% (0.65%)				
GBP	287,000	Telereal Securitisation 4.9741% 10/09/2027	209	0.07	843,920	Wincanton	2,009	0.64	
GBP	338,000	Telereal Securitisation 5.9478% 10/12/2031	321	0.10	Support Services 6.69% (6.70%)				
GBP	75,000	Tesco Property Finance 1 7.6227% 13/07/2039	90	0.03	1,739,033	Electrocomponents	9,822	3.12	
GBP	370,000	Tesco Property Finance 5.5% 13/10/2041	426	0.14	1,918,168	Hays	2,925	0.93	
GBP	597,000	Tesco Property Finance 6 5.4111% 13/07/2044	663	0.21	2,392,793	Rentokil Initial	8,301	2.64	
GBP	320,000	*TSB Banking Group 5.75% 06/05/2026	321	0.10	Automobiles & Parts 0.00% (0.73%)				
GBP	295,000	Unique Pub Finance 5.659% 30/06/2027	233	0.07	Food Producers 1.49% (1.31%)				
GBP	267,000	Unite Group 3.5% 15/10/2028	271	0.09	681,395	Tate & Lyle	4,698	1.49	
GBP	145,000	United Utilities Water Finance 2.625% 12/02/2031	146	0.05	Personal Goods 2.64% (2.61%)				
Tobacco 3.48% (3.04%)									
Pharmaceuticals & Biotechnology 11.14% (9.37%)									
204,104 Unilever 8,326 2.64									
416,279 Imperial Brands 10,969 3.48									
338,073 AstraZeneca 21,211 6.74									
918,719 GlaxoSmithKline 13,867 4.40									

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

		Value	% of			Value	% of		
		£000	Net Asset Value			£000	Net Asset Value		
Holding	Investment			Holding	Investment				
UNITED KINGDOM 86.05% (82.03%) (continued)									
Food & Drug Retailers 4.31% (4.39%)									
1,833,203	Tesco	4,295	1.36	GBP	370,000	Digital Stout 3.3% 19/07/2029	366	0.12	
4,046,317	WM Morrison Supermarkets	9,280	2.95	GBP	211,000	Digital Stout Holding 3.75% 17/10/2030	213	0.07	
General Retailers 1.83% (2.08%)									
2,105,427	Marks & Spencer Group	5,752	1.83	GBP	274,000	Discovery 2.5% 20/09/2024	269	0.08	
Media 5.48% (5.52%)									
3,197,109	ITV	4,244	1.35	EUR	120,000	Equinix 2.875% 01/02/2026	105	0.03	
827,280	Pearson	6,885	2.19	EUR	350,000	Equinix 2.875% 01/10/2025	309	0.10	
366,301	RELX (London Listing)	6,097	1.94	GBP	212,000	Ford Motor Credit 4.535% 06/03/2025	214	0.07	
Travel & Leisure 5.32% (4.89%)									
308,285	Compass Group	5,228	1.66	EUR	210,000	General Electric 0.875% 17/05/2025	155	0.05	
3,190,343	Firstgroup	2,849	0.90	GBP	251,000	Goldman Sachs Group 3.125% 25/07/2029	251	0.08	
234,911	J D Wetherspoon	3,000	0.95	GBP	270,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	298	0.09	
1,108,899	Rank Group	1,814	0.58	GBP	161,000	Morgan Stanley 2.625% 09/03/2027	161	0.05	
2,341,587	Stagecoach Group	3,871	1.23	USD	215,000	Plains All American Pipeline 4.65% 15/10/2025	168	0.05	
Fixed Line Telecommunications 1.79% (1.96%)									
2,608,802	BT Group	5,643	1.79	EUR	430,000	Quintiles IMS 3.25% 15/03/2025	377	0.12	
Gas, Water & Multiutilities 3.04% (2.78%)									
3,610,741	Centrica	4,427	1.41	GBP	479,000	The Kraft Heinz 4.125% 01/07/2027	502	0.16	
419,352	Pennon Group	3,268	1.04	GBP	125,000	Time Warner Cable 5.25% 15/07/2042	141	0.04	
215,803	United Utilities Group	1,846	0.59	GBP	235,000	Time Warner Cable 5.75% 02/06/2031	275	0.09	
Banks 0.68% (0.79%)									
174,742	Secure Trust Bank	2,141	0.68	GBP	410,000	Verizon Communications 3.375% 27/10/2036	425	0.13	
Nonlife Insurance 2.48% (2.60%)									
1,516,737	RSA Insurance Group	7,808	2.48	GBP	885,000	Wells Fargo 2% 28/07/2025	871	0.28	
Life Insurance 5.83% (3.33%)									
973,674	Chesnara	3,403	1.08	GBP	385,000	Wells Fargo 2.125% 20/12/2023	384	0.12	
2,341,020	Legal & General Group	6,349	2.02	GBP	609,000	Welltower 4.8% 20/11/2028	694	0.22	
1,221,396	Phoenix Group Holdings	8,596	2.73	Total United States of America				10,967	3.48
Real Estate Investment Trusts 1.11% (0.95%)									
1,838,167	Londonmetric Property REIT	3,494	1.11	DERIVATIVES 0.05% (0.03%)					
Financial Services 2.58% (2.65%)									
842,598	3i Group	8,113	2.58	Forward Foreign Exchange Contracts 0.05% (0.03%)					
Technology Hardware & Equipment 2.40% (1.32%)									
4,810,116	Spirent Communications	7,542	2.40	Sell GBP 1,076					
Total United Kingdom		270,939	86.05	Buy EUR 1,250 J.P. Morgan				-	-
UNITED STATES OF AMERICA 3.48% (3.65%)									
Corporate Bonds 3.48% (3.65%)									
GBP	450,000	American International Group 5% 26/04/2023	497	0.16	Sell GBP 9,679				
GBP	300,000	Amgen 5.5% 07/12/2026	366	0.12	Buy EUR 11,079 J.P. Morgan				
GBP	315,000	AT&T 4.25% 01/06/2043	330	0.10	Sell GBP 11,514				
GBP	304,000	AT&T 4.375% 14/09/2029	332	0.11	Buy EUR 13,391 J.P. Morgan				
GBP	800,000	AT&T 5.5% 15/03/2027	944	0.30	Sell GBP 13,130				
GBP	250,000	Bank of America 7% 31/07/2028	339	0.11	Buy EUR 15,030 J.P. Morgan				
GBP	505,000	BAT Capital 2.125% 15/08/2025	482	0.15	Sell GBP 20,439				
USD	770,000	Bayer US Finance II 4.25% 15/12/2025	589	0.19	Buy EUR 23,741 J.P. Morgan				
GBP	899,000	Becton Dickinson 3.02% 24/05/2025	910	0.29	Sell GBP 2,843				
					Buy EUR 3,299 J.P. Morgan				
					Sell GBP 4,000,525				
					Buy EUR 4,579,351 J.P. Morgan				(56)
					Sell GBP 39,617				
					Buy EUR 46,266 J.P. Morgan				1
					Sell GBP 6,878				
					Buy EUR 7,913 J.P. Morgan				
					Sell GBP 63,826				
					Buy EUR 74,316 J.P. Morgan				
					Sell EUR 15				
					Buy GBP 12 J.P. Morgan				
					Sell EUR 170,000				
					Buy GBP 145,905 Lloyds				(1)
					Sell USD 31,336				
					Buy GBP 24,037 Citigroup				
					Sell EUR 31,591				
					Buy GBP 27,101 Bank of Scotland				
					Sell USD 4,411,612				
					Buy GBP 3,436,895 Lloyds				81
					Sell EUR 4,569				
					Buy GBP 3,985 J.P. Morgan				
					Sell GBP 3,985 J.P. Morgan				

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.05% (0.03%) (continued)			
	Sell EUR 5,740,050		
	Buy GBP 5,062,638 Bank of Scotland	120	0.04
	Sell EUR 89,112		
	Buy GBP 76,684 J.P. Morgan	–	–
	Sell GBP 201,980		
	Buy USD 267,000 Bank of Scotland	1	–
	Total Derivatives	146	0.05
Total value of investments		314,134	99.77
Net other assets (0.80%)		718	0.23
Net assets		314,852	100.00

March 2018 comparatives in brackets.

*Variable rate bonds.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	55,366	17.62
Floating rate notes	10,790	3.43
Derivatives	146	0.05
Equity	247,832	78.89
Total value of investments	314,134	100.00

Threadneedle UK Corporate Bond Fund

Portfolio Statement

as at 7 March 2019

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
FIXED INTEREST 81.36% (83.20%)					GBP	1,450,000	Electricite de France		
		AAA 1.20% (0.95%)					5.125% 22/09/2050	1,901	0.20
GBP	2,700,000	Broadgate Financing 4.821% 05/07/2033	3,458	0.36	GBP	10,800,000	Electricite de France 5.5% 17/10/2041	14,394	1.48
GBP	3,000,000	European Investment Bank 4.625% 12/10/2054	5,105	0.53	GBP	4,960,000	Experian Finance 2.125% 27/09/2024	5,003	0.52
GBP	3,400,000	Meadowhall Finance 4.986% 12/01/2032	2,994	0.31	GBP	3,323,000	Experian Finance 3.5% 15/10/2021	3,476	0.36
		Aaa 0.26% (0.78%)			GBP	1,470,000	Heathrow Funding 2.75% 09/08/2049	1,370	0.14
GBP	1,862,000	Lloyds Bank 6% 08/02/2029	2,510	0.26	GBP	1,480,000	Heathrow Funding 4.625% 31/10/2046	1,889	0.19
		AA 2.75% (2.29%)			GBP	1,469,000	Heathrow Funding 5.875% 13/05/2041	2,125	0.22
GBP	3,438,000	Dwr Cymru Financing 6.015% 31/03/2028	4,524	0.47	GBP	1,750,000	Heathrow Funding 6.45% 10/12/2031	2,453	0.25
GBP	3,601,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	3,658	0.38	GBP	2,385,000	HSBC Bank 4.75% 24/03/2046	2,761	0.28
GBP	1,775,000	Land Securities Capital Markets 1.974% 08/02/2026	1,782	0.18	GBP	4,553,000	HSBC Bank 5.375% 22/08/2033	5,541	0.57
GBP	6,195,000	Land Securities Capital Markets 2.375% 29/03/2029	6,286	0.65	GBP	5,700,000	ING Groep 3% 18/02/2026	5,712	0.59
GBP	2,794,000	Southern Gas Networks 4.875% 21/03/2029	3,364	0.35	GBP	2,960,000	London Power Networks 2.625% 01/03/2029	2,976	0.31
GBP	1,684,000	Telereal Securitisation 4.9741% 10/09/2027	1,224	0.13	GBP	2,570,000	London Power Networks 6.125% 07/06/2027	3,259	0.34
GBP	5,995,000	Telereal Securitisation 5.9478% 10/12/2031	5,694	0.59	GBP	3,949,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,899	0.20
		Aa2u 3.88% (0.38%)			GBP	2,799,000	National Grid Electricity Transmission 2.75% 06/02/2035	2,853	0.29
GBP	20,356,000	United Kingdom Gilt 1.5% 22/07/2047	19,446	2.00	GBP	2,000,000	Places For People Homes 2.875% 17/08/2026	1,955	0.20
GBP	740,000	United Kingdom Gilt 1.75% 07/09/2037	753	0.08	USD	4,008,000	SGSP Australia Assets 3.25% 29/07/2026	2,888	0.30
GBP	13,430,600	United Kingdom Gilt 2.5% 22/07/2065	17,428	1.80	GBP	3,250,000	SGSP Australia Assets 5.125% 11/02/2021	3,454	0.36
		AA- 0.79% (2.24%)			GBP	2,062,000	South Eastern Power Networks 6.375% 12/11/2031	2,855	0.29
GBP	3,950,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	4,361	0.45	GBP	1,614,000	United Utilities Water Finance 2.625% 12/02/2031	1,630	0.17
GBP	3,385,000	Procter & Gamble 1.8% 03/05/2029	3,341	0.34	GBP	9,404,000	Wells Fargo 2% 28/07/2025	9,254	0.95
		A+ 1.29% (0.62%)			GBP	3,650,000	Wells Fargo 2.125% 20/12/2023	3,645	0.38
GBP	4,600,000	BPCE 2.125% 16/12/2022	4,635	0.48	GBP	1,835,000	Western Power Distribution South West 5.875% 25/03/2027	2,271	0.23
GBP	2,600,000	Broadgate Finance 5.098% 05/04/2033	2,815	0.29	GBP	775,000	Western Power Distribution West Midlands 3.875% 17/10/2024	841	0.09
GBP	3,270,000	Lloyds Bank 6.5% 17/09/2040	5,081	0.52	GBP	4,740,000	Western Power Distribution West Midlands 5.75% 16/04/2032	6,213	0.64
		A1 0.00% (0.42%)			GBP	3,570,000	Western Power Distribution West Midlands 6% 09/05/2025	4,313	0.44
		A 1.43% (3.81%)			GBP	6,661,000	A3 0.68% (0.00%) Bupa Finance 2% 05/04/2024	6,584	0.68
GBP	3,610,000	Amgen 5.5% 07/12/2026	4,401	0.45			BBB+ 18.83% (25.49%)		
GBP	5,400,000	Banque Fédérative du Crédit Mutuel 2.25% 18/12/2023	5,426	0.56	GBP	3,700,000	American International Group 5% 26/04/2023	4,085	0.42
GBP	835,000	BL Superstore Finance 5.27% 04/07/2025	200	0.02	GBP	5,685,000	BAT Capital 2.125% 15/08/2025	5,425	0.56
GBP	3,803,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	3,889	0.40	GBP	1,800,000	BAT International Finance 4% EMTN 04/09/2026	1,904	0.20
		A- 12.83% (9.90%)			GBP	2,575,000	BAT International Finance 7.25% 12/03/2024	3,117	0.32
GBP	3,614,000	Anglian Water Services Financing 2.75% 26/10/2029	3,704	0.38	GBP	3,500,000	BPCE 5.25% 16/04/2029	4,056	0.42
GBP	13,190,000	Anheuser-Busch 2.25% 24/05/2029	12,513	1.29	GBP	13,930,000	Bunzl Finance 2.25% 11/06/2025	13,601	1.40
USD	4,500,000	Anheuser-Busch InBev 4.7% 01/02/2036	3,310	0.34	GBP	5,174,000	Cadent Finance 2.125% 22/09/2028	4,970	0.51
GBP	4,545,000	BNP Paribas 3.375% 23/01/2026	4,649	0.48	GBP	5,760,000	Cadent Finance 2.625% 22/09/2038	5,392	0.56
GBP	2,330,000	Eastern Power Network 6.25% 12/11/2036	3,361	0.35	GBP	4,330,000	Cadent Finance 2.75% 22/09/2046	4,000	0.41
					GBP	5,798,000	Deutsche Telekom International Finance 2.5% 10/10/2025	5,856	0.60
					GBP	3,375,000	ENW Finance 6.125% 21/07/2021	3,721	0.38
					USD	5,410,000	GE Capital International Funding Company 4.418% 15/11/2035	3,635	0.37

Threadneedle UK Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 81.36% (83.20%) (continued)									
GBP	6,637,000	GE Capital UK Funding 5.875% 18/01/2033	8,000	0.82	USD	10,520,000	Bayer US Finance II 4.25% 15/12/2025	8,043	0.83
EUR	1,890,000	General Electric 0.875% 17/05/2025	1,392	0.14	GBP	13,769,000	Becton Dickinson 3.02% 24/05/2025	13,931	1.44
GBP	5,598,000	Glencore Finance Europe 6% 03/04/2022	6,187	0.64	GBP	1,700,000	Brit 3.625% 21/11/2047	1,678	0.17
GBP	5,043,000	Goldman Sachs Group 3.125% 25/07/2029	5,039	0.52	GBP	3,355,000	British Telecommunication 3.125% 21/11/2031	3,342	0.34
EUR	9,500,000	Grand City Properties 1.375% 03/08/2026	7,914	0.82	USD	4,957,000	Cenovus Energy 4.25% 15/04/2027	3,609	0.37
GBP	1,385,000	HSBC Holdings 6% 29/03/2040	1,757	0.18	GBP	6,038,000	Digital Stout 3.3% 19/07/2029	5,970	0.62
GBP	5,475,000	NIE Finance 2.5% 27/10/2025 (BSE)	5,549	0.57	GBP	2,873,000	Digital Stout Holding 3.75% 17/10/2030	2,905	0.30
GBP	2,295,000	NIE Finance 6.375% 02/06/2026	2,901	0.30	GBP	7,825,000	E.ON International Finance 6.375% 07/06/2032	10,697	1.10
GBP	2,761,000	Northern Gas Networks Finance 4.875% 30/06/2027	3,296	0.34	GBP	3,044,000	Ford Motor Credit 4.535% 06/03/2025	3,070	0.32
GBP	3,600,000	Northumbrian Water Finance 1.625% 11/10/2026	3,398	0.35	GBP	6,902,000	Global Switch Holdings 4.375% 13/12/2022	7,423	0.77
GBP	3,849,000	Northumbrian Water Finance 2.375% 05/10/2027	3,796	0.39	GBP	3,581,000	Imperial Brand Finance 8.125% 15/03/2024	4,466	0.46
GBP	4,600,000	Orange 3.25% 15/01/2032	4,772	0.49	GBP	8,360,000	Imperial Brands Finance 5.5% 28/09/2026	9,616	0.99
GBP	5,530,000	Orange 8.125% 20/11/2028	8,081	0.83	GBP	2,250,000	Imperial Tobacco Finance 9% 17/02/2022	2,672	0.28
GBP	5,362,000	Petroleos Mexicanos 3.75% 16/11/2025	4,826	0.50	GBP	12,371,000	Innogy Finance 6.25% 03/06/2030	16,243	1.67
GBP	1,950,000	Scotland Gas Network 3.25% 08/03/2027	2,051	0.21	GBP	5,556,000	Lloyds Bank 7.625% 22/04/2025	7,001	0.72
GBP	2,401,000	Scottish Widows 5.5% 16/06/2023	2,633	0.27	GBP	1,525,000	Longstone Finance 4.896% 19/04/2031	1,727	0.18
GBP	7,223,000	Severn Trent Utilities Finance 3.625% 16/01/2026	7,787	0.80	GBP	2,226,000	South East Water Finance 5.6577% 30/09/2019	2,274	0.23
GBP	6,500,000	Severn Trent Utilities Finance 6.125% 26/02/2024	7,700	0.79	GBP	1,300,000	Telereal Securitisation 5.4252% 10/12/2031	1,394	0.14
GBP	1,787,000	Southern Gas Networks 2.5% 03/02/2025	1,813	0.19	GBP	3,080,000	The Kraft Heinz 4.125% 01/07/2027	3,225	0.33
GBP	3,227,000	Southern Gas Networks 3.1% 15/09/2036	3,278	0.34	GBP	3,621,000	Unite Group 3.5% 15/10/2028	3,675	0.38
GBP	1,275,000	SPD Finance UK 5.875% 17/07/2026	1,568	0.16	GBP	3,265,000	Baa2 1.86% (2.98%) Eversholt Funding 3.529% 07/08/2042	3,160	0.33
GBP	3,700,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	3,522	0.36	GBP	2,585,000	Eversholt Funding 6.359% 02/12/2025	3,135	0.32
USD	7,472,000	UBS 5.125% 15/05/2024	5,783	0.60	GBP	920,000	Eversholt Funding 6.697% 22/02/2035	1,165	0.12
GBP	2,754,000	United Mexican States 5.625% 19/03/2114	2,759	0.28	GBP	4,272,000	Porterbrook Rail Finance 4.625% 04/04/2029	4,745	0.49
GBP	4,700,000	Volkswagen International Finance 3.375% 16/11/2026	4,773	0.49	GBP	1,720,000	Santander UK 10.0625% 29/10/2049	2,722	0.28
GBP	6,666,000	Welltower 4.8% 20/11/2028	7,596	0.78	GBP	1,250,000	Vodafone Group 3% 12/08/2056	1,040	0.11
GBP	4,920,000	Western Power Distribution 3.5% 16/10/2026	4,997	0.52	GBP	1,796,000	WM Morrison Supermarkets 4.625% 08/12/2023	1,991	0.21
GBP	3,865,000	Baa1 1.61% (1.02%) Bupa Finance 5% 25/04/2023	4,177	0.43	EUR	3,500,000	BBB- 10.50% (8.76%) AIB Group 2.25% 03/07/2025	3,060	0.32
GBP	7,742,000	Bupa Finance 5% 08/12/2026	8,394	0.87	GBP	4,979,000	Asciano Finance 5% 19/09/2023	5,425	0.56
GBP	2,835,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	3,009	0.31	USD	5,000,000	Bacardi 4.45% 15/05/2025	3,755	0.39
EUR	4,812,000	BBB 16.38% (16.31%) Akelius Residential 1.75% 07/02/2025	4,117	0.42	USD	21,150,000	Bacardi 4.7% 15/05/2028	15,688	1.62
GBP	6,470,000	Akelius Residential 2.375% 15/08/2025	6,209	0.64	GBP	2,713,000	Barclays Bank 10% 21/05/2021	3,128	0.32
GBP	2,110,000	Anglian Water Services Financing 2.625% 15/06/2027	1,998	0.21	EUR	1,500,000	Barclays Bank 6.625% 30/03/2022	1,482	0.15
GBP	1,320,000	APT Pipelines 3.5% 22/03/2030	1,367	0.14	GBP	3,659,000	Discovery 2.5% 20/09/2024	3,591	0.37
GBP	12,759,000	APT Pipelines 4.25% 26/11/2024	13,860	1.43	EUR	11,217,000	DS Smith 1.375% 26/07/2024	9,559	0.99
GBP	4,317,000	AT&T 4.25% 01/06/2043	4,528	0.47	EUR	4,100,000	Equinix 2.875% 01/10/2025	3,623	0.37
GBP	6,646,000	AT&T 4.375% 14/09/2029	7,267	0.75	EUR	1,320,000	Equinix 2.875% 01/02/2026	1,159	0.12
GBP	2,631,000	BAE Systems 4.125% 08/06/2022	2,789	0.29	GBP	2,300,000	G4S 7.75% 13/05/2019	2,323	0.24
GBP	4,141,000	Barclays 3.25% 17/01/2033	3,797	0.39	EUR	3,275,000	G4S International Finance 1.5% 02/06/2024	2,774	0.29
					EUR	2,495,000	G4S International Finance 1.875% 24/05/2025	2,127	0.22
					GBP	2,825,000	Gaz Capital 5.338% 25/09/2020	2,942	0.30
					GBP	4,832,000	GKN Holdings 3.375% 12/05/2032	4,696	0.48
					GBP	9,171,000	GKN Holdings 5.375% 19/09/2022	9,764	1.01
					GBP	1,745,000	Marks & Spencer 4.75% 12/06/2025	1,871	0.19
					GBP	670,000	Mitchells & Butlers Finance 5.965% 15/12/2023	200	0.02

Threadneedle UK Corporate Bond Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of		
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
FIXED INTEREST 81.36% (83.20%) (continued)				FLOATING RATE NOTES 15.33% (14.23%)			
USD	2,366,000	Plains All American Pipeline					
		4.65% 15/10/2025	1,849	0.19	GBP	1,800,000	*Trafford Centre Finance FRN
GBP	2,190,000	Stagecoach Group 4% 29/09/2025	2,245	0.23			28/07/2035 A3
GBP	3,650,000	Standard Chartered 5.125% 06/06/2034	4,108	0.42			
USD	6,605,000	Syngenta Finance 5.182% 24/04/2028	4,908	0.51			A 0.34% (0.40%)
GBP	3,270,000	Thames Water Utilities			GBP	3,325,000	*HSBC Holdings Variable 22/07/2028
		2.375% 03/05/2023	3,180	0.33			
GBP	4,559,000	Thames Water Utilities					A- 0.00% (0.34%)
		2.875% 03/05/2027	4,386	0.45			
GBP	1,647,000	Time Warner Cable 5.25% 15/07/2042	1,861	0.19	GBP	1,534,000	*AXA FRN 16/01/2054
GBP	1,800,000	Time Warner Cable 5.75% 02/06/2031	2,110	0.22	GBP	6,838,000	*BHP Billiton Finance 6.5% 22/10/2077
					GBP	3,840,000	*Credit Suisse 2.125% 12/09/2025
		Baa3 0.00% (0.42%)			GBP	2,150,000	*Legal & General Group
							5.5% 27/06/2064
		BB+ 2.30% (3.34%)			GBP	3,125,000	*Legal & General Group
EUR	4,100,000	ADLER Real Estate 3% 27/04/2026	3,479	0.36			5.875% 29/03/2049
EUR	1,716,000	IHO Verwaltungs 3.25% 15/09/2023	1,487	0.15	GBP	3,374,000	*Legal & General Group
EUR	841,000	IHO Verwaltungs PIK 2.75% 15/09/2021	729	0.08			10% 23/07/2041
GBP	4,130,000	Tesco Property Finance 1			GBP	6,856,000	*Legal & General Group Variable
		7.6227% 13/07/2039	4,952	0.51			27/10/2045
GBP	4,511,000	Tesco Property Finance 3			GBP	1,050,000	*Legal & General Group Variable
		5.744% 13/04/2040	5,188	0.54			14/11/2048
GBP	4,520,000	Tesco Property Finance			GBP	2,330,000	*Prudential 5.7% 19/12/2063
		5.5% 13/10/2041	5,208	0.54			
GBP	1,025,000	Tesco Property Finance 6					BBB 4.00% (3.17%)
		5.4111% 13/07/2044	1,138	0.12	GBP	3,036,000	*America Movil 6.375% 06/09/2073
					GBP	4,443,000	*Aviva 4.375% 12/09/2049
		BB 0.70% (0.24%)			GBP	3,370,000	*Aviva 6.125% 29/09/2049
EUR	5,470,000	Quintiles IMS 3.25% 15/03/2025	4,797	0.49	GBP	4,461,000	*Aviva 6.625% 03/06/2041
GBP	2,612,000	Unique Pub Finance			GBP	8,990,000	*NGG Finance 5.625% 18/06/2073
		5.659% 30/06/2027	2,060	0.21	GBP	4,237,000	*Prudential Variable 20/10/2051
					GBP	3,500,000	*Standard Life Aberdeen
		BB- 0.40% (0.76%)					5.5% 04/12/2042
GBP	3,823,000	EI Group 6.375% 15/02/2022	3,887	0.40	GBP	4,850,000	*Telereal Securitisation
							4.0902% 10/12/2033
		B+ 0.00% (0.21%)					
							BBB- 2.25% (0.63%)
		B 0.15% (0.29%)			EUR	2,200,000	*Grand City Properties Variable
USD	2,364,000	Noble Holding International					24/10/2166
		6.95% 01/04/2045	1,439	0.15	EUR	4,600,000	*HBOS 4.5% 18/03/2030
					GBP	8,840,000	*Royal Bank of Scotland
		Not Rated 2.49% (1.99%)					2.875% 19/09/2026
GBP	4,453,000	Cattles 6.875% 17/01/2014 (Defaulted)	2	-	USD	6,248,000	*Vodafone Group Variable 03/10/2078
GBP	7,120,000	First Hydro Finance 9% 31/07/2021	8,284	0.85	EUR	2,800,000	*Vonovia Finance 4% 17/12/2166
GBP	1,985,000	Hastings Group Finance					
		3% 24/05/2025	1,885	0.19			Baa3 0.65% (0.00%)
GBP	1,199,000	Intu Debenture 5.562% 31/12/2027	1,034	0.11	GBP	1,500,000	*HSBC Holdings Variable 28/03/2167
GBP	100,000	Lehman Brothers 7.875% 08/05/2018			GBP	4,714,000	*TSB Banking Group 5.75% 06/05/2026
		GBP (Defaulted)	3	-			
GBP	5,900,000	Newriver REIT 3.5% 07/03/2028	5,670	0.58			BB+ 1.96% (1.46%)
GBP	3,426,000	Pension Insurance 5.625% 20/12/2030	3,360	0.35	EUR	2,800,000	*CPI Property Group Variable
GBP	2,780,000	PGH Capital 4.125% 20/07/2022	2,829	0.29			09/05/2167
GBP	1,086,000	PGH Capital 6.625% 28/12/2025	1,149	0.12	EUR	1,600,000	*KBC Groep Variable 05/09/2167
					GBP	1,629,000	*Marstons Issuer 5.1576% 15/10/2027
		Liquidity Funds 1.03% (0.00%)			GBP	2,845,000	*Nationwide Building Society
GBP	10,016,987	BlackRock Institutional Cash Series					6.875% 11/03/2049
		Sterling Liquidity Platinum	10,017	1.03			
		Total Fixed Interest	789,199	81.36	EUR	4,300,000	*Telefonica Europe Perpetual
							3% 04/12/2066
					EUR	3,500,000	*Tennet Holding Variable
							2.995% 01/06/2167
					USD	5,591,000	*UBS Group 7% 29/12/2049
							4,492
							0.46

Threadneedle UK Corporate Bond Fund

Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
FLOATING RATE NOTES 15.33% (14.23%) (continued)									
BB 0.92% (0.68%)									
GBP	2,877,000	*Barclays Bank 14% 29/11/2049	2,963	0.31			Sell USD 623,934		
GBP	2,340,000	*CYBG 5% 09/02/2026	2,316	0.24			Buy GBP 477,539 Bank of Scotland	4	–
USD	4,691,000	*UBS Group Funding Switzerland Variable 31/07/2167	3,594	0.37			Sell EUR 573,236		
BB– 0.31% (0.96%)									
EUR	3,340,000	*Bank of Ireland 7.375% 29/12/2049	3,047	0.31			Buy GBP 504,840 Citigroup	11	–
B+ 0.32% (0.55%)									
GBP	2,966,000	*Barclays Bank 7.75% 08/03/2075	3,100	0.32			Sell EUR 600,000		
B 0.00% (0.23%)									
Not Rated 0.96% (1.03%)									
GBP	1,540,000	*Credit Agricole 7.5% 31/12/2049	1,667	0.17			Buy GBP 529,019 Lloyds	12	–
GBP	7,645,000	*Pennon Group Perpetual Variable 22/05/2066	7,646	0.79			Sell EUR 74,118,760		
Total Floating Rate Notes			148,753	15.33			Buy GBP 65,873,767 Barclays	1,992	0.20
							Sell USD 86,183,007		
							Buy GBP 66,815,110 HSBC	1,340	0.14
							Sell USD 1,240,203		
							Buy GBP 957,793 J.P. Morgan	16	–
							Sell GBP 106,840		
							Buy USD 140,000 Lloyds	(1)	–
							Sell GBP 308,303		
							Buy USD 400,000 Bank of Scotland	(5)	–
							Total Derivatives	4,072	0.42
							Total value of investments	942,024	97.11
							Net other assets (2.64%)	27,992	2.89
							Net assets	970,016	100.00
DERIVATIVES 0.42% (–0.07%)									
Credit Default Swaps 0.06% (0.00%)									
EUR	(40,000,000)	Goldman Sachs Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2023 Spread 100	569	0.06	<i>March 2018 comparatives in brackets.</i>				
Futures and Options 0.01% (0.01%)					<i>*Variable rate bonds.</i>				
EUR	(237)	UBS EURO-Bobl Future Expiring June 2019	(20)	–	ANALYSIS OF INVESTMENTS BY ASSET CLASS				
EUR	(145)	UBS EURO Bond Future Expiring June 2019	(24)	–			Fixed interest	789,199	83.78
EUR	(6)	UBS EURO Buxl 30 Year Future Expiring June 2019	–	–			Floating rate notes	148,753	15.79
GBP	107	UBS Long Gilt Future Expiring June 2019	(22)	–			Derivatives	4,072	0.43
USD	(42)	UBS US 5 Year Note Future Expiring June 2019	6	–			Total value of investments	942,024	100.00
USD	(351)	UBS US 10 Year Note Future Expiring June 2019	76	0.01	ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS				
USD	(210)	UBS US 10 Year Ultra Future Expiring June 2019	46	–			UBS EURO-Bobl Future Expiring June 2019	(26,994)	
USD	(29)	UBS US Long Bond Future Expiring June 2019	14	–			UBS EURO Bond Future Expiring June 2019	(20,436)	
Forward Foreign Exchange Contracts 0.35% (–0.08%)							UBS EURO Buxl 30 Year Future Expiring June 2019	(949)	
Sell EUR 1,600,000							UBS Long Gilt Future Expiring June 2019	13,572	
Buy GBP 1,374,145 HSBC			(5)	–			UBS US 5 Year Note Future Expiring June 2019	(3,664)	
Sell EUR 3,100,000							UBS US 10 Year Note Future Expiring June 2019	(32,655)	
Buy GBP 2,727,761 Lloyds			56	0.01			UBS US 10 Year Ultra Future Expiring June 2019	(20,743)	
Sell USD 4,650,000							UBS US Long Bond Future Expiring June 2019	(3,200)	
Buy GBP 3,533,862 Lloyds			1	–			Total net exposure	(95,069)	
Sell USD 475,197									
Buy GBP 360,026 Lloyds			(1)	–					
Sell USD 514,160									
Buy GBP 385,461 Barclays			(5)	–					
Sell EUR 440,432									
Buy GBP 387,067 Lloyds			8	–					
Sell EUR 459,599									
Buy GBP 400,339 Lloyds			4	–					

Threadneedle Sterling Bond Fund

Portfolio Statement

as at 7 March 2019

	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 98.66% (99.72%)			
AAA 1.37% (2.85%)			
GBP	3,085,000 Export Development Canada 0.875% 07/12/2021	3,068	0.68
GBP	3,075,000 KFW 1.375% 01/02/2021	3,100	0.69
Aaa 1.50% (2.04%)			
GBP	2,235,000 European Investment Bank 1% 21/09/2026	2,163	0.48
GBP	2,000,000 European Investment Bank 1.125% 07/09/2021	2,005	0.44
GBP	2,650,000 Royal Bank of Canada 1.125% 22/12/2021	2,633	0.58
AA+ 1.42% (1.91%)			
GBP	2,190,000 Municipality Finance 1.25% 07/12/2022	2,189	0.49
GBP	4,191,000 Oesterreichische Kontrollbank 1.125% 15/12/2022	4,173	0.93
AA 1.39% (2.11%)			
GBP	1,250,000 LCR Finance 4.5% 07/12/2028	1,580	0.35
GBP	4,475,000 Network Rail Infrastructure Finance 4.625% 21/07/2020	4,699	1.04
AA- 0.52% (0.00%)			
GBP	2,280,000 Transport for London 2.125% 24/04/2025	2,337	0.52
Aa2u 75.76% (72.70%)			
GBP	5,289,000 United Kingdom Gilt 1.5% 22/01/2021	5,364	1.19
GBP	14,563,000 United Kingdom Gilt 1.5% 22/07/2026	15,061	3.34
GBP	20,461,000 United Kingdom Gilt 1.5% 22/07/2047	19,547	4.33
GBP	54,976,517 United Kingdom Gilt 1.75% 22/07/2019	55,187	12.23
GBP	16,633,000 United Kingdom Gilt 1.75% 07/09/2022	17,174	3.81
GBP	26,219,000 United Kingdom Gilt 1.75% 07/09/2037	26,681	5.91
GBP	16,807,000 United Kingdom Gilt 1.75% 22/07/2057	17,495	3.88
GBP	7,320,000 United Kingdom Gilt 2% 22/07/2020	7,446	1.65
GBP	20,443,500 United Kingdom Gilt 2% 07/09/2025	21,779	4.83
GBP	18,213,000 United Kingdom Gilt 2.5% 22/07/2065	23,633	5.24
GBP	29,914,000 United Kingdom Gilt 3.75% 07/09/2019	30,363	6.73
GBP	16,802,000 United Kingdom Gilt 4.25% 07/06/2032	22,558	5.00
GBP	19,449,000 United Kingdom Gilt 4.25% 07/03/2036	27,228	6.03
GBP	11,827,000 United Kingdom Gilt 4.25% 07/12/2040	17,421	3.86
GBP	6,919,700 United Kingdom Gilt 4.25% 07/12/2046	10,802	2.39
GBP	15,521,500 United Kingdom Gilt 4.5% 07/12/2042	24,098	5.34
Not Rated 16.70% (18.11%)			
GBP	3,160,000 United Kingdom Gilt 0% 20/05/2019	3,156	0.70
GBP	10,160,000 United Kingdom Gilt 1% 22/04/2024	10,198	2.26
GBP	16,928,900 United Kingdom Gilt 1.25% 22/07/2027	17,121	3.79
GBP	11,880,000 United Kingdom Gilt 1.625% 22/10/2028	12,325	2.73
GBP	8,556,400 United Kingdom Gilt 1.625% 22/10/2071	8,662	1.92
GBP	23,633,000 United Kingdom Gilt 1.75% 22/01/2049	23,923	5.30
Total Fixed Interest		445,169	98.66
Total value of investments		445,169	98.66
Net other assets (0.28%)		6,056	1.34
Net assets		451,225	100.00

March 2018 comparatives in brackets.

Threadneedle Sterling Fund

Portfolio Statement

as at 7 March 2019

	Value £000	% of Net Asset Value
FIXED INTEREST 82.03% (89.34%)		
Government Bonds 11.96% (7.78%)		
GBP 8,000,000 United Kingdom Gilt 0% 11/03/2019	8,000	1.64
GBP 8,000,000 United Kingdom Gilt 0% 01/04/2019	7,996	1.64
GBP 6,000,000 United Kingdom Gilt 0% 15/04/2019	5,996	1.23
GBP 6,000,000 United Kingdom Gilt 0% 23/04/2019	5,994	1.23
GBP 8,300,000 United Kingdom Gilt 0% 29/04/2019	8,291	1.70
GBP 7,000,000 United Kingdom Gilt 0% 07/05/2019	6,992	1.44
GBP 7,000,000 United Kingdom Gilt 0% 13/05/2019	6,993	1.44
GBP 8,000,000 United Kingdom Gilt 0% 03/06/2019	7,988	1.64
Certificate of Deposit 65.31% (63.67%)		
GBP 10,000,000 Bank of America 0.98% 09/05/2019	10,000	2.05
GBP 15,000,000 Bank of Montreal 0.8% 27/03/2019	15,000	3.08
GBP 12,000,000 BNP Paribas 0.85% 22/05/2019	12,000	2.47
GBP 8,000,000 BNP Paribas 0.89% 20/03/2019	8,000	1.64
GBP 10,000,000 DNB Bank 0.91% 08/04/2019	10,000	2.05
GBP 5,000,000 DZ Bank 0% 21/05/2019	5,000	1.03
GBP 17,000,000 DZ Bank 0% 06/06/2019	17,000	3.49
GBP 10,000,000 First Abu Dhabi Bank 0.88% 13/05/2019	10,000	2.05
GBP 11,000,000 First Abu Dhabi Bank 0.9% 21/06/2019	11,000	2.26
GBP 20,000,000 Landesbank Baden-Württemberg 0.87% 11/04/2019	20,000	4.11
GBP 22,000,000 Landesbank Hessen 0.78% 05/06/2019	22,000	4.52
GBP 12,000,000 Lloyds Bank 0.85% 14/03/2019	12,000	2.47
GBP 10,000,000 National Australia Bank 0% 07/05/2019	10,000	2.05
GBP 23,000,000 Nationwide Building Society 0.89% 19/03/2019	23,000	4.72
GBP 10,000,000 Nordea Bank 0.86% 18/04/2019	10,000	2.05
GBP 13,000,000 Nordea Bank 0.9% 14/03/2019	13,000	2.67
GBP 22,000,000 Oversea-Chinese Banking 0.86% 08/04/2019	22,000	4.52
GBP 22,000,000 Santander UK 0.85% 08/05/2019	22,000	4.52
GBP 22,000,000 Skandinaviska 0.86% 18/03/2019	22,000	4.52
GBP 20,000,000 Svenska Handelsbanken 0.85% 31/05/2019	20,000	4.11
GBP 9,000,000 Toronto-Dominion Bank 0% 20/03/2019	9,000	1.85
GBP 15,000,000 Toronto-Dominion Bank 0.73% 05/04/2019	15,000	3.08
Euro commercial paper 0.00% (14.00%)		
Liquidity Funds 4.76% (3.89%)¹		
GBP 23,173,337 BlackRock Institutional Cash Series Sterling Liquidity Platinum	23,173	4.76
Total Fixed Interest	399,423	82.03
Total value of investments²	399,423	82.03
Net other assets (10.66%)	87,474	17.97
Net assets	486,897	100.00

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle European Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 1.46% (5.58%)				Health Care Equipment & Services 3.14% (1.99%)			
	Beverages 0.00% (0.97%)			228,632	Essilor International	21,431	2.00
	Pharmaceuticals & Biotechnology 0.00% (0.98%)			137,982	Orpea	12,245	1.14
	Media 0.00% (1.57%)			Banks 0.00% (2.46%)			
	Banks 1.46% (2.06%)			Nonlife Insurance 0.00% (1.87%)			
289,681	KBC Groep	15,609	1.46	Financial Services 0.00% (1.86%)			
	Total Belgium	15,609	1.46	Software & Computer Services 2.98% (2.56%)			
DENMARK 9.56% (4.19%)				288,584	Dassault Systems	31,956	2.98
	Industrial Transportation 2.25% (1.19%)			Total France			
376,445	DSV	24,129	2.25	302,768 28.28			
	Pharmaceuticals & Biotechnology 4.74% (2.26%)			GERMANY 15.34% (13.05%)			
209,488	Chr. Hansen	16,294	1.52		Chemicals 1.67% (3.14%)		
915,712	Novo Nordisk	34,487	3.22	18,371	BASF	1,067	0.10
	Nonlife Insurance 2.57% (0.74%)			430,208	Brenntag	16,808	1.57
102,180	Topdanmark	3,831	0.36		Automobiles & Parts 1.21% (1.01%)		
1,151,380	Tryg	23,657	2.21	176,123	Knorr-Bremse	12,930	1.21
	Total Denmark	102,398	9.56		Personal Goods 5.13% (2.13%)		
				170,675	Adidas	31,791	2.97
FINLAND 3.19% (3.12%)				55,095	Puma	23,190	2.16
	Industrial Engineering 0.00% (0.68%)				Health Care Equipment & Services 1.62% (2.33%)		
	Banks 0.93% (0.00%)			302,356	Fresenius Medical Care	17,390	1.62
1,500,250	Nordea Bank	9,946	0.93		Nonlife Insurance 2.99% (2.34%)		
	Nonlife Insurance 2.26% (2.44%)			187,737	Allianz	31,986	2.99
672,341	Sampo	24,185	2.26		Software & Computer Services 2.72% (2.10%)		
	Total Finland	34,131	3.19	355,632	SAP	29,135	2.72
FRANCE 28.28% (27.40%)					Total Germany	164,297	15.34
	Oil & Gas Producers 4.22% (2.85%)			ITALY 5.99% (5.71%)			
1,029,306	Total	45,176	4.22		Electronic & Electrical Equipment 0.00% (1.15%)		
	Chemicals 2.85% (0.00%)				Beverages 1.97% (1.95%)		
320,186	Air Liquide	30,536	2.85	3,116,590	Davide Campari-Milano	21,152	1.97
	Construction & Materials 1.85% (1.79%)				Personal Goods 1.27% (1.14%)		
274,312	Vinci	19,753	1.85	439,280	Moncler	13,574	1.27
	General Industrials 0.00% (0.56%)				Mobile Telecommunications 2.75% (0.00%)		
	Electronic & Electrical Equipment 0.80% (3.23%)			4,442,985	Infrastructure Wireless Italia	29,428	2.75
170,611	Legrand	8,532	0.80		Banks 0.00% (1.47%)		
	Support Services 2.27% (2.04%)			Total Italy			
1,191,334	Elis	13,443	1.26	64,154 5.99			
78,393	Teleperformance	10,803	1.01	NETHERLANDS 11.29% (10.08%)			
	Beverages 2.89% (2.24%)				Chemicals 1.78% (0.00%)		
231,565	Pernod Ricard	30,894	2.89	280,262	Akzo Nobel	19,067	1.78
	Leisure Goods 0.53% (0.00%)				Industrial Engineering 0.00% (0.48%)		
96,242	Ubisoft Entertainment	5,650	0.53		Personal Goods 3.10% (2.82%)		
	Personal Goods 6.75% (3.95%)			804,823	Unilever (EUR)	33,221	3.10
182,636	L'Oreal	35,481	3.31		Health Care Equipment & Services 2.60% (0.00%)		
140,249	LVMH Moet Hennessy Vuitton	36,868	3.44	906,206	Koninklijke Philips	27,839	2.60

Threadneedle European Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 11.29% (10.08%) (continued)					SWITZERLAND 1.31% (5.10%)				
		Media 0.51% (1.94%)					Construction & Materials 1.31% (1.79%)		
	108,341	Wolters Kluwer	5,427	0.51		136,149	Sika	14,019	1.31
		Banks 0.71% (2.51%)					Industrial Engineering 0.00% (0.76%)		
	807,152	ING Groep	7,605	0.71			Personal Goods 0.00% (1.29%)		
		Technology Hardware & Equipment 2.59% (2.33%)					Pharmaceuticals & Biotechnology 0.00% (1.26%)		
	203,041	ASML	27,753	2.59			Total Switzerland	14,019	1.31
		Total Netherlands	120,912	11.29					
NORWAY 1.33% (2.28%)					UNITED KINGDOM 4.20% (1.55%)				
		Banks 1.33% (2.28%)					Oil & Gas Producers 2.00% (1.55%)		
	1,019,363	DNB Bank	14,203	1.33		905,753	Royal Dutch Shell 'A' Shares (Amsterdam Listing)	21,412	2.00
		Total Norway	14,203	1.33			Media 2.20% (0.00%)		
		Construction & Materials 3.29% (4.14%)				1,416,848	RELX (Amsterdam Listing)	23,580	2.20
	909,104	CRH (Dublin Listing)	21,402	2.00			Total United Kingdom	44,992	4.20
	384,688	Kingspan Group (EUR)	13,874	1.29					
		General Industrials 0.00% (0.66%)					UNITED STATES OF AMERICA 2.17% (0.00%)		
		Travel & Leisure 1.21% (2.95%)					Software & Computer Services 2.17% (0.00%)		
	1,192,075	Ryanair Holdings (London Listing)	12,929	1.21		479,247	InterXion Holding	23,262	2.17
		Total Republic of Ireland	48,205	4.50			Total United States of America	23,262	2.17
SPAIN 5.46% (3.01%)					DERIVATIVES 0.00% (0.00%)				
		Support Services 0.00% (0.33%)					Forward Foreign Exchange Contracts 0.00% (0.00%)		
		Pharmaceuticals & Biotechnology 1.05% (1.35%)					Sell GBP 192,381		
	543,993	Grifols	11,289	1.05			Buy EUR 224,000 Barclays	–	–
		General Retailers 0.00% (0.18%)					Sell GBP 370,180		
		Mobile Telecommunications 2.42% (1.15%)					Buy EUR 429,000 Bank of Scotland	(1)	–
	1,160,859	Cellnex Telecom	24,061	2.25			Sell GBP 53,375		
	1,164,035	Cellnex Telecom Rights	1,821	0.17			Buy EUR 62,000 Citigroup	–	–
		Software & Computer Services 1.99% (0.00%)					Total Derivatives	(1)	–
	378,614	Amadeus IT Group	21,300	1.99					
		Total Spain	58,471	5.46			Total value of investments	1,062,475	99.22
SWEDEN 5.14% (10.28%)							Net other assets (0.90%)	8,374	0.78
		Construction & Materials 0.00% (1.00%)					Net assets	1,070,849	100.00
		Industrial Engineering 3.39% (3.37%)							
	785,964	Atlas Copco 'A' Shares	15,565	1.45					
	2,719,475	Epiroc A	20,814	1.94					
		Banks 0.00% (4.13%)							
		Software & Computer Services 1.75% (1.78%)							
	482,055	Hexagon	18,676	1.75					
		Total Sweden	55,055	5.14					

March 2018 comparatives in brackets.

Threadneedle European Select Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 2.55% (7.92%)				Personal Goods 4.84% (3.55%)			
	Beverages 1.08% (3.79%)			396,542	Adidas	73,862	4.84
268,103	Anheuser-Busch InBev	16,565	1.08		Health Care Equipment & Services 2.76% (4.00%)		
	Media 0.00% (2.05%)			733,420	Fresenius Medical Care	42,183	2.76
	Banks 1.47% (2.08%)				Software & Computer Services 0.23% (1.17%)		
415,273	KBC Groep	22,376	1.47	2,140,085	Tele Columbus	3,474	0.23
	Total Belgium	38,941	2.55		Total Germany	204,910	13.42
DENMARK 4.63% (3.52%)				ITALY 5.20% (4.91%)			
	Industrial Transportation 2.15% (1.50%)				Electronic & Electrical Equipment 0.00% (1.34%)		
512,675	DSV	32,861	2.15		Beverages 3.37% (2.46%)		
	Pharmaceuticals & Biotechnology 2.48% (2.02%)			7,584,209	Davide Campari-Milano	51,474	3.37
1,005,202	Novo Nordisk	37,857	2.48		Mobile Telecommunications 1.83% (1.11%)		
	Total Denmark	70,718	4.63	4,210,552	Infrastructure Wireless Italia	27,888	1.83
FINLAND 6.92% (5.55%)					Total Italy	79,362	5.20
	Industrial Engineering 0.99% (1.40%)			NETHERLANDS 13.75% (15.17%)			
404,056	Kone	15,191	0.99		Chemicals 4.28% (3.15%)		
	Banks 1.43% (0.00%)			1,097,425	IMCD Group	65,414	4.28
3,293,548	Nordea Bank	21,834	1.43		Personal Goods 5.30% (4.96%)		
	Nonlife Insurance 4.50% (4.15%)			1,960,099	Unilever (EUR)	80,907	5.30
1,909,811	Sampo	68,697	4.50		Health Care Equipment & Services 1.80% (0.00%)		
	Total Finland	105,722	6.92	893,159	Koninklijke Philips	27,438	1.80
FRANCE 24.88% (20.20%)					Media 0.00% (4.92%)		
	Chemicals 1.03% (0.00%)				Technology Hardware & Equipment 2.37% (2.14%)		
165,329	Air Liquide	15,768	1.03	264,843	ASML	36,200	2.37
	Electronic & Electrical Equipment 3.20% (2.78%)				Total Netherlands	209,959	13.75
594,897	Legrand	29,750	1.95	REPUBLIC OF IRELAND 3.43% (5.65%)			
320,770	Schneider Electric	19,068	1.25		Construction & Materials 1.94% (1.63%)		
	Support Services 2.30% (3.14%)			820,418	Kingspan Group	29,617	1.94
3,116,221	Elis	35,165	2.30		General Industrials 0.00% (1.32%)		
	Beverages 5.32% (4.39%)				Travel & Leisure 1.43% (2.70%)		
608,329	Pernod Ricard	81,161	5.32	2,016,504	Ryanair Holdings (London Listing)	21,870	1.43
	Leisure Goods 0.53% (0.00%)				Liquidity Funds 0.06% (0.00%)¹		
136,520	Ubisoft Entertainment	8,014	0.53	996,065	BlackRock Institutional Cash Series		
	Personal Goods 5.31% (3.06%)				Euro Liquidity Platinum	857	0.06
309,141	L'Oreal	60,057	3.93		Total Republic of Ireland	52,344	3.43
80,296	LVMH Moet Hennessy Vuitton	21,108	1.38	SPAIN 10.67% (8.14%)			
	Health Care Equipment & Services 2.62% (2.31%)				Pharmaceuticals & Biotechnology 2.78% (1.89%)		
427,420	Essilor International	40,064	2.62	2,902,310	Grifols ADR	42,415	2.78
	Software & Computer Services 4.57% (4.52%)				General Retailers 2.30% (2.19%)		
630,104	Dassault Systems	69,775	4.57	1,514,281	Inditex	35,036	2.30
	Total France	379,930	24.88		Mobile Telecommunications 2.69% (1.60%)		
GERMANY 13.42% (14.77%)				1,842,455	Cellnex Telecom	38,188	2.50
	Chemicals 3.65% (4.16%)			1,875,174	Cellnex Telecom Rights	2,934	0.19
1,428,311	Brenntag	55,803	3.65				
	Automobiles & Parts 1.94% (1.89%)						
403,030	Knorr-Bremse	29,588	1.94				

Threadneedle European Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
SPAIN 10.67% (8.14%) (continued)			
Software & Computer Services 2.90% (2.46%)			
787,531	Amadeus IT Group	44,305	2.90
	Total Spain	162,878	10.67
SWEDEN 5.01% (8.89%)			
Construction & Materials 1.00% (1.98%)			
964,499	Assa Abloy 'B' Shares	15,194	1.00
Industrial Engineering 4.01% (2.91%)			
1,850,035	Atlas Copco 'A' Shares	36,637	2.40
3,218,781	Epiroc A	24,636	1.61
Banks 0.00% (4.00%)			
	Total Sweden	76,467	5.01
SWITZERLAND 2.05% (4.02%)			
Construction & Materials 2.05% (2.05%)			
303,911	Sika	31,293	2.05
Personal Goods 0.00% (1.97%)			
	Total Switzerland	31,293	2.05
UNITED KINGDOM 4.69% (0.00%)			
Media 4.69% (0.00%)			
4,308,170	RELX (Amsterdam Listing)	71,699	4.69
	Total United Kingdom	71,699	4.69
UNITED STATES OF AMERICA 1.40% (0.96%)			
Automobiles & Parts 0.00% (0.96%)			
Software & Computer Services 1.40% (0.00%)			
439,892	InterXion Holding	21,352	1.40
	Total United States of America	21,352	1.40
DERIVATIVES 0.00% (-0.01%)			
Forward Foreign Exchange Contracts 0.00% (-0.01%)			
	Sell EUR 1,080,000		
	Buy GBP 929,755 Citigroup	–	–
	Sell EUR 15,146,842		
	Buy USD 17,206,782 J.P. Morgan	34	–
	Sell EUR 2,539,988		
	Buy USD 2,900,001 J.P. Morgan	17	–
	Total Derivatives	51	–
Total value of investments²		1,505,626	98.60
Net other assets (0.31%)		21,388	1.40
Net assets		1,527,014	100.00

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle European Smaller Companies Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA 0.58% (1.05%)				Beverages 1.26% (1.06%)			
	Oil Equipment, Services & Distribution 0.58% (0.73%)			56,039	Remy Cointreau	5,682	1.26
44,484	Schoeller-Bleckmann Oilfield Equipment	2,608	0.58	Household Goods & Home Construction 1.81% (0.00%)			
	Chemicals 0.00% (0.32%)			64,099	SEB Group	8,155	1.81
	Total Austria	2,608	0.58	Health Care Equipment & Services 2.60% (4.11%)			
BELGIUM 6.48% (6.59%)				58,672	Korian	1,641	0.36
	Chemicals 1.89% (1.59%)			113,890	Orpea	10,107	2.24
253,067	Umicore	8,552	1.89	Real Estate Investment & Services 1.87% (1.52%)			
	Health Care Equipment & Services 0.22% (0.00%)			227,453	Nexity	8,442	1.87
103,204	Biocartis Group	990	0.22	Technology Hardware & Equipment 0.00% (0.76%)			
	Media 0.99% (1.88%)			Total France			
130,916	Telenet Group	4,485	0.99	57,436 12.72			
	Travel & Leisure 0.46% (0.75%)			GERMANY 16.63% (13.94%)			
48,636	Kinopolis Group	2,076	0.46		Chemicals 2.12% (2.03%)		
	Technology Hardware & Equipment 2.92% (2.37%)			244,749	Brenntag	9,562	2.12
179,287	Melexis	8,735	1.94	Industrial Engineering 4.25% (2.46%)			
1,095,085	X-Fab Silicon Foundries	4,407	0.98	243,889	Norma Group	9,413	2.09
	Total Belgium	29,245	6.48	80,709	Sartorius	9,740	2.16
DENMARK 5.62% (5.14%)				Support Services 0.00% (3.21%)			
	Health Care Equipment & Services 0.00% (0.89%)			94,839	Knorr-Bremse	6,962	1.54
	Pharmaceuticals & Biotechnology 1.08% (1.27%)			Automobiles & Parts 1.54% (2.25%)			
62,904	Chr. Hansen	4,893	1.08	27,859	Zooplus	2,798	0.62
	Nonlife Insurance 2.21% (1.50%)			Household Goods & Home Construction 0.62% (0.60%)			
485,128	Tryg	9,968	2.21	76,978	Gerresheimer	4,433	0.98
	Software & Computer Services 2.33% (1.48%)			107,780	Stratec	5,288	1.17
150,841	SimCorp	10,528	2.33	Health Care Equipment & Services 2.15% (1.18%)			
	Total Denmark	25,389	5.62	287,470	CTS Eventim	9,937	2.20
FINLAND 6.25% (6.08%)				Media 2.20% (0.00%)			
	Construction & Materials 0.87% (0.85%)			287,470	CTS Eventim	9,937	2.20
312,340	Tikkurila	3,931	0.87	Financial Services 1.75% (0.00%)			
	General Industrials 1.40% (1.77%)			102,468	Grenkeleasing	7,903	1.75
231,417	Huhtamaki	6,328	1.40	Software & Computer Services 2.00% (2.21%)			
	Electronic & Electrical Equipment 0.50% (0.47%)			163,860	CompuGroup Medical	7,355	1.63
148,260	Vaisala	2,272	0.50	1,042,011	Tele Columbus	1,692	0.37
	Industrial Engineering 2.68% (1.98%)			Total Germany			
212,493	Cargotec	5,739	1.27	75,083 16.63			
239,252	Konecranes	6,337	1.41	ITALY 14.40% (12.63%)			
	Software & Computer Services 0.80% (1.01%)			Industrial Engineering 0.37% (0.42%)			
141,598	BasWare	3,608	0.80	34,075	Industria Macchine Automatic	1,669	0.37
	Total Finland	28,215	6.25	Automobiles & Parts 2.12% (1.09%)			
FRANCE 12.72% (14.24%)				Beverages 2.04% (2.02%)			
	Support Services 5.18% (6.79%)			1,858,349	Pirelli & C. SPA	9,565	2.12
426,394	Bureau Veritas	7,979	1.77	Beverages 2.04% (2.02%)			
141,217	Edenred	4,668	1.03	1,356,459	Davide Campari-Milano	9,206	2.04
733,222	Elis	8,274	1.83	Health Care Equipment & Services 2.40% (1.91%)			
18,052	Teleperformance	2,488	0.55	144,782	DiaSorin	10,836	2.40
				Food & Drug Retailers 2.07% (1.48%)			
				518,192	MARR	9,349	2.07
				Mobile Telecommunications 2.58% (1.81%)			
				1,762,880	Infrastructure Wireless Italia	11,676	2.58

Threadneedle European Smaller Companies Fund

Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
ITALY 14.40% (12.63%) (continued)							
	Banks 2.82% (2.10%)						
1,297,662	FinecoBank	12,728	2.82				
	Technology Hardware & Equipment 0.00% (1.80%)						
	Total Italy	65,029	14.40				
LUXEMBOURG 4.18% (1.49%)							
	Industrial Engineering 1.72% (1.49%)						
186,586	Stabilus	7,776	1.72				
	Health Care Equipment & Services 2.46% (0.00%)						
33,546	Eurofins Scientific	11,111	2.46				
	Total Luxembourg	18,887	4.18				
NETHERLANDS 5.04% (4.77%)							
	Chemicals 2.17% (1.97%)						
164,275	IMCD Group	9,792	2.17				
	Food & Drug Retailers 1.03% (1.04%)						
164,426	Sligro Food Group	4,628	1.03				
	General Retailers 1.84% (1.76%)						
143,967	Takeaway.com	8,327	1.84				
	Total Netherlands	22,747	5.04				
NORWAY 0.00% (1.55%)							
	General Retailers 0.00% (1.55%)						
	Total Norway	-	-				
REPUBLIC OF IRELAND 6.03% (7.98%)							
	Construction & Materials 2.35% (2.14%)						
294,262	Kingspan Group (EUR)	10,613	2.35				
	Travel & Leisure 3.45% (4.38%)						
1,523,470	Dalata Hotel Group	7,815	1.73				
1,782,099	Irish Continental Group	7,762	1.72				
	Real Estate Investment Trusts 0.00% (0.29%)						
	Liquidity Funds 0.23% (1.17%)¹						
1,195,092	BlackRock Institutional Cash Series Euro Liquidity Platinum	1,029	0.23				
	Total Republic of Ireland	27,219	6.03				
SPAIN 3.51% (5.15%)							
	Support Services 1.41% (1.88%)						
709,722	Applus Services	6,390	1.41				
	Mobile Telecommunications 1.53% (2.20%)						
309,020	Cellnex Telecom	6,405	1.42				
309,020	Cellnex Telecom Rights	483	0.11				
	Real Estate Investment Trusts 0.57% (1.07%)						
386,551	Lar Espana Real Estate	2,565	0.57				
	Total Spain	15,843	3.51				
SWEDEN 5.69% (9.95%)							
	Chemicals 1.05% (0.98%)						
753,438	Hexpol	4,732	1.05				
	Construction & Materials 0.00% (1.54%)						
	Food Producers 0.18% (0.99%)						
442,563	Cloetta 'B' Shares	828	0.18				
	Household Goods & Home Construction 0.00% (0.39%)						
	Leisure Goods 2.11% (1.97%)						
1,143,282	Dometic Group	6,891	1.53				
160,456	Thule Group	2,638	0.58				
	Health Care Equipment & Services 1.27% (1.70%)						
621,132	Elekta 'B' Shares	5,755	1.27				
	General Retailers 0.00% (0.18%)						
	Financial Services 1.08% (2.20%)						
148,668	Avanza Bank Holdings	4,862	1.08				
	Total Sweden	25,706	5.69				
SWITZERLAND 10.07% (6.66%)							
	Construction & Materials 4.60% (3.97%)						
2,888	Belimo	10,284	2.28				
101,782	Sika	10,480	2.32				
	General Industrials 1.34% (0.29%)						
635,819	SIG Combibloc Group	5,183	1.15				
533	Vetropack	888	0.19				
	Electronic & Electrical Equipment 1.52% (1.28%)						
7,246	LEM Holding	6,841	1.52%				
	Industrial Engineering 2.51% (1.12%)						
24,456	Burckhardt Compression	5,159	1.14				
79,957	VAT Group	6,185	1.37				
	Financial Services 0.10% (0.00%)						
2,296	VZ Holdings	461	0.10				
	Total Switzerland	45,481	10.07				
UNITED STATES OF AMERICA 3.07% (1.68%)							
	Automobiles & Parts 1.01% (1.68%)						
76,053	Autoliv (SDR)	4,573	1.01				
	Software & Computer Services 2.06% (0.00%)						
191,419	InterXion Holding	9,291	2.06				
	Total United States of America	13,864	3.07				
DERIVATIVES 0.00% (0.00%)							
	Forward Foreign Exchange Contracts 0.00% (0.00%)						
	Sell EUR 240,000						
	Buy GBP 206,122 Barclays	(1)	-				
	Sell EUR 538,000						
	Buy GBP 464,235 Bank of Scotland	1	-				
	Sell EUR 909,000						
	Buy GBP 782,544 Citigroup	-	-				
	Total Derivatives	1	-				
	Total value of investments²	452,752	100.28				
	Net other (liabilities)/assets (1.10%)	(1,273)	(0.28)				
	Net assets	451,479	100.00				

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle European Bond Fund

Portfolio Statement

as at 7 March 2019

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 1.61% (1.90%)					FINLAND 0.34% (0.37%)				
		A- 0.63% (0.71%)					A- 0.34% (0.37%)		
EUR	200,000	AusNet Services Holdings 2.375% 24/07/2020	177	0.18	EUR	375,000	Sampo 1.25% 30/05/2025	329	0.34
EUR	474,000	SGSP Australia Assets 2% 30/06/2022	427	0.45			Total Finland	329	0.34
		BBB+ 0.48% (0.55%)			FRANCE 13.37% (3.67%)				
EUR	230,000	Aurizon Network 3.125% 01/06/2026	216	0.23			AA 1.00% (2.18%)		
EUR	164,000	Goodman Australia Finance 1.375% 27/09/2025	139	0.14	EUR	800,000	Agence Française de Développement 0.5% 31/10/2025	693	0.73
EUR	115,000	Sydney Airport Finance 1.75% 26/04/2028	102	0.11	EUR	300,000	Sanofi 0% 13/01/2020	258	0.27
		BBB 0.50% (0.39%)					Aa2u 6.97% (0.00%)		
EUR	195,000	APT Pipelines 2% 22/03/2027	170	0.18	EUR	4,753,383	France Government Bond 1.75% 25/11/2024	4,513	4.73
EUR	365,000	Ausgrid Finance 1.25% 30/07/2025	309	0.32	EUR	2,275,000	France Government Bond 1.75% 25/06/2039	2,135	2.24
		BBB- 0.00% (0.25%)					AA- 0.09% (0.00%)		
		Total Australia	1,540	1.61	EUR	100,000	HSBC France 1.375% 04/09/2028	89	0.09
AUSTRIA 1.24% (0.14%)							A+ 0.63% (0.00%)		
		AA+ 1.24% (0.00%)			EUR	300,000	BPCE 0.625% 26/09/2023	260	0.27
EUR	1,296,000	Republic of Austria 1.5% 20/02/2047	1,186	1.24	EUR	200,000	BPCE 1% 15/07/2024	175	0.18
		Baa2 0.00% (0.14%)			EUR	200,000	Credit Agricole 0.75% 05/12/2023	175	0.18
		Total Austria	1,186	1.24			A 0.64% (0.10%)		
BELGIUM 0.86% (1.53%)					EUR	400,000	Banque Fédérative du Crédit Mutuel 0.75% 15/06/2023	348	0.37
		A- 0.77% (0.45%)			EUR	300,000	Crédit Mutuel Arkéa 0.875% 05/10/2023	259	0.27
EUR	426,000	Anheuser-Busch InBev 2.75% 17/03/2036	386	0.41			A- 0.79% (0.78%)		
EUR	200,000	Argenta Spaarbank 1% 06/02/2024	173	0.18	EUR	150,000	Autorout 4.125% 13/04/2020	135	0.14
EUR	200,000	Belfius Bank 0.625% 30/08/2023	173	0.18	EUR	200,000	Autoroutes Du Sud 1.125% 20/04/2026	176	0.19
		BBB+ 0.09% (0.00%)			EUR	100,000	BNP Paribas 1.125% 28/08/2024	86	0.09
EUR	100,000	Elia System Operator 1.375% 14/01/2026	88	0.09	EUR	100,000	*BNP Paribas Variable 23/01/2027	89	0.09
		Not Rated 0.00% (1.08%)			EUR	300,000	Electricite de France 2% 02/10/2030	266	0.28
		Total Belgium	820	0.86			BBB+ 0.36% (0.30%)		
BERMUDA 0.32% (0.26%)					EUR	200,000	*AXA 3.25% 28/05/2049	174	0.18
		BBB+ 0.00% (0.26%)			EUR	100,000	Banque Fédérative du Crédit Mutuel 1.75% 15/03/2029	86	0.09
		BBB- 0.32% (0.00%)			EUR	100,000	Orange 1.125% 15/07/2024	88	0.09
EUR	340,000	Bacardi 2.75% 03/07/2023	308	0.32			BBB 0.13% (0.00%)		
		Total Bermuda	308	0.32	EUR	140,000	RCI Banque 2% 11/07/2024	123	0.13
BRITISH VIRGIN ISLANDS 0.27% (0.00%)							BB+ 0.00% (0.21%)		
		A+ 0.27% (0.00%)					B+ 0.00% (0.10%)		
EUR	300,000	State Grid Overseas 1.375% 02/05/2025	258	0.27	EUR	3,135,000	France Government Bond 1.5% 25/05/2050	2,638	2.76
		Total British Virgin Islands	258	0.27			Total France	12,766	13.37
CHILE 2.38% (2.57%)					GERMANY 2.46% (20.62%)				
		A+ 2.38% (2.57%)					Aaaa 0.53% (19.45%)		
EUR	2,500,000	Chile Government International Bond 1.625% 30/01/2025	2,276	2.38	EUR	30,000	Bundesrepublik Deutschland 0.25% 15/08/2028	26	0.03
		Total Chile	2,276	2.38	EUR	494,601	Bundesrepublik Deutschland 1.25% 15/08/2048	479	0.50
DENMARK 0.00% (0.17%)									
		BBB 0.00% (0.17%)							
		Total Denmark	-	-					

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GERMANY 2.46% (20.62%) (continued)					Baa2u 0.00% (12.12%)				
		A- 0.79% (0.00%)					Baa3 0.18% (0.36%)		
EUR	681,000	Commerzbank 1% 04/03/2026	578	0.60	EUR	190,000	*Assicurazioni 5% 08/06/2048	170	0.18
EUR	200,000	Vier Gas Transport 1.5% 25/09/2028	179	0.19			Baa3u 15.55% (0.00%)		
		BBB+ 0.32% (0.00%)			EUR	5,484,000	Buoni Poliennali Del Tesoro 2.5% 01/05/2019	4,738	4.96
EUR	351,000	Deutsche Bank 1.125% 30/08/2023	306	0.32	EUR	4,849,000	Buoni Poliennali Del Tesoro 5.5% 01/11/2022	4,799	5.02
		Baa1 0.29% (0.42%)			EUR	634,000	Italy Government Bond 4% 01/02/2037	598	0.62
EUR	300,000	Eurogrid 1.875% 10/06/2025	273	0.29	EUR	4,474,965	Italy Government Bond 5.25% 1/11/2029	4,731	4.95
		BBB 0.13% (0.14%)					Not Rated 0.14% (0.00%)		
EUR	100,000	Innogy Finance II 5.75% 14/02/2033	124	0.13	EUR	150,000	Buoni Poliennali Del Tesoro 3% 01/08/2029	132	0.14
		BB- 0.14% (0.26%)					Total Italy	15,779	16.52
EUR	150,000	Unitymedia Hessen 4% 15/01/2025	135	0.14					
		Not Rated 0.26% (0.35%)							
EUR	185,000	Bundesrepublik Deutschland 0% 05/04/2024	162	0.17	JAPAN 0.23% (0.00%)				
EUR	100,000	Telefonica Deutschland 1.75% 05/07/2025	87	0.09			Aaa 0.23% (0.00%)		
		Total Germany	2,349	2.46	EUR	256,000	Sumitomo Mitsui Banking 0.55% 06/11/2023	222	0.23
							Total Japan	222	0.23
HONG KONG 0.28% (0.00%)					JERSEY 0.82% (0.86%)				
		BBB 0.28% (0.00%)					A- 0.54% (0.86%)		
EUR	305,000	China National Chemical Corporation 1.75% 14/06/2022	265	0.28	GBP	400,000	Heathrow Funding 4.625% 31/10/2046	511	0.54
		Total Hong Kong	265	0.28			Not Rated 0.28% (0.00%)		
					EUR	322,000	Heathrow Funding 1.875% 14/03/2034	271	0.28
HUNGARY 3.51% (4.03%)							Total Jersey	782	0.82
		BBB 3.51% (0.00%)			LUXEMBOURG 1.59% (1.59%)				
EUR	3,750,000	Hungary Government International Bond 3.875% 24/02/2020	3,349	3.51			BBB+ 0.45% (0.50%)		
		BBB- 0.00% (4.03%)			EUR	500,000	Grand City Properties 1.5% 17/04/2025	430	0.45
		Total Hungary	3,349	3.51			BBB 0.46% (0.23%)		
					EUR	230,000	Allegren Funding 0.5% 01/06/2021	198	0.21
ICELAND 0.00% (0.33%)					EUR	165,000	Bevco 1.75% 09/02/2023	143	0.15
		BBB+ 0.00% (0.33%)			EUR	118,000	CNH Industrial Finance 1.875% 19/01/2026	102	0.10
		Total Iceland	-	-			Baa2 0.54% (0.70%)		
					EUR	200,000	CPI Property Group 2.125% 04/10/2024	170	0.18
INDONESIA 2.52% (2.83%)					EUR	397,000	SELP Finance 1.25% 25/10/2023	342	0.36
		BBB- 2.52% (2.83%)					BBB- 0.00% (0.16%)		
EUR	2,650,000	Indonesia Government International Bond 2.875% 08/07/2021	2,408	2.52			BB+ 0.14% (0.00%)		
		Total Indonesia	2,408	2.52	EUR	165,000	*CPI Property Group Variable 09/05/2167	138	0.14
							Total Luxembourg	1,523	1.59
ITALY 16.52% (12.71%)					MEXICO 0.09% (0.34%)				
		BBB 0.56% (0.23%)					BBB+ 0.09% (0.34%)		
EUR	105,000	Autostrade per l'Italia 1.75% EMTN 01/02/2027	83	0.09	EUR	100,000	Petroleos Mexicanos 3.75% 16/04/2026	82	0.09
EUR	100,000	*FCA Bank FRN 17/06/2021	84	0.09			Total Mexico	82	0.09
EUR	426,000	Intesa Sanpaolo 1.375% 18/01/2024	361	0.38					
		Baa2 0.09% (0.00%)							
EUR	100,000	Italgas 1.625% 18/01/2029	83	0.09					

Threadneedle European Bond Fund

Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
NETHERLANDS 5.65% (13.33%)					PORTUGAL 0.07% (0.09%)				
AAA 0.00% (1.79%)					Not Rated 0.07% (0.09%)				
AA 0.19% (0.25%)					EUR 300,000 Banco Espirito Santo				
EUR	200,000	Allianz Finance 1.5% 15/01/2030	178	0.19	4% 21/01/2019 (Defaulted)				
AA- 0.00% (0.35%)					Total Portugal				
A+ 0.72% (0.94%)					70 0.07				
EUR	200,000	Co-operative Rabobank 1.375% 03/02/2027	182	0.19	REPUBLIC OF IRELAND 1.87% (0.52%)				
EUR	300,000	Enexis Holding 0.875% 28/04/2026	259	0.27	A 0.00% (0.10%)				
EUR	272,000	Enexis Holding 1.5% 20/10/2023	245	0.26	BBB+ 0.00% (0.20%)				
A 0.27% (0.10%)					EUR 175,000 Bank of Ireland Group				
EUR	295,000	ABN AMRO Bank 0.25% 03/12/2021	255	0.27	1.375% 29/08/2023				
A- 0.23% (0.14%)					BB- 0.00% (0.22%)				
EUR	255,000	Stedin Holding 1.375% 19/09/2028	221	0.23	EUR 1,899,553 Liquidity Funds 1.71% (0.00%)				
BBB+ 1.31% (1.11%)					BlackRock Institutional Cash Series				
EUR	500,000	*Deutsche Telekom FRN 03/04/2020	431	0.45	Euro Liquidity Platinum				
EUR	400,000	Vesteda Finance 1.75% 22/07/2019	345	0.36	1,635 1.71				
EUR	236,000	Vesteda Finance 2% 10/07/2026	206	0.22	Total Republic of Ireland				
EUR	200,000	Volkswagen International Finance 4.125% 16/11/2038	184	0.19	1,785 1.87				
A 0.27% (0.10%)					SINGAPORE 0.00% (0.15%)				
EUR	100,000	*Volkswagen International Finance FRN 16/11/2024	87	0.09	AAA 0.00% (0.15%)				
BBB 1.45% (1.21%)					Total Singapore				
EUR	300,000	Bayer Capital 1.5% 26/06/2026	261	0.27	- -				
EUR	100,000	Bayer Capital 2.125% 15/12/2029	87	0.09	SPAIN 9.61% (0.34%)				
EUR	325,000	*Eneco Holding 3.25% 29/12/2049	290	0.30	A- 0.00% (0.20%)				
EUR	286,000	Innogy Finance 1.625% 30/05/2026	256	0.27	EUR 200,000 CaixaBank 1.125% 17/05/2024				
GBP	350,000	Innogy Finance 6.125% 06/07/2039	497	0.52	BBB+ 0.18% (0.00%)				
BBB- 0.09% (0.00%)					EUR 600,000 Spain Government Bond				
EUR	100,000	*Iberdrola International Variable 12/02/2168	88	0.09	2.7% 31/10/2048				
BB+ 0.27% (0.34%)					EUR 1,175,000 Spain Government Bond				
EUR	200,000	*Telefonica Europe Variable 14/03/2168	172	0.18	2.9% 31/10/2046				
EUR	100,000	*Telefonica Europe Perpetual 3% 04/12/2066	82	0.09	EUR 1,088,000 Spain Government Bond				
BB 0.00% (0.10%)					4.7% 30/07/2041				
Not Rated 1.12% (7.00%)					BBB- 0.41% (0.14%)				
EUR	840,000	Netherlands Government 2.75% 15/01/2047	1,065	1.12	EUR	200,000	*CaixaBank 2.25% 17/04/2030	162	0.17
Total Netherlands					EUR	264,000	Nortegas Energia 2.065% 28/09/2027	225	0.24
5,391 5.65					Not Rated 5.83% (0.00%)				
NEW ZEALAND 0.00% (0.27%)					EUR 6,335,000 Spain Government Bond 1.45%				
A- 0.00% (0.27%)					30/04/2029				
Total New Zealand					5,563 5.83				
- -					Total Spain				
NORWAY 2.27% (3.06%)					9,173 9.61				
AAA 2.27% (2.55%)					SUPRANATIONAL 1.56% (1.66%)				
EUR	2,320,000	DNB Boligkreditt 2.75% 21/03/2022	2,167	2.27	Aa1 0.54% (0.58%)				
AA- 0.00% (0.51%)					EUR 550,000 Euro Stability Mechanism				
Total Norway					1.85% 01/12/2055				
2,167 2.27					516 0.54				
AA 1.02% (1.08%)					EUR 1,055,000 European Financial Stability Facility				
Total Portugal					1.7% 13/02/2043				
70 0.07					Total Supranational				
REPUBLIC OF IRELAND 1.87% (0.52%)					1,487 1.56				
A 0.00% (0.10%)					NETHERLANDS 5.65% (13.33%)				
BBB+ 0.00% (0.20%)					AAA 0.00% (1.79%)				
BBB- 0.16% (0.00%)					AA 0.19% (0.25%)				
Bank of Ireland Group					Allianz Finance 1.5% 15/01/2030				
1.375% 29/08/2023					178 0.19				
BB- 0.00% (0.22%)					AA- 0.00% (0.35%)				
Liquidity Funds 1.71% (0.00%)					A+ 0.72% (0.94%)				
BlackRock Institutional Cash Series					Co-operative Rabobank				
Euro Liquidity Platinum					1.375% 03/02/2027				
1,635 1.71					Enexis Holding 0.875% 28/04/2026				
Total Republic of Ireland					Enexis Holding 1.5% 20/10/2023				
1,785 1.87					A 0.27% (0.10%)				
SINGAPORE 0.00% (0.15%)					ABN AMRO Bank 0.25% 03/12/2021				
AAA 0.00% (0.15%)					A- 0.23% (0.14%)				
Total Singapore					Stedin Holding 1.375% 19/09/2028				
- -					BBB+ 1.31% (1.11%)				
SPAIN 9.61% (0.34%)					*Deutsche Telekom FRN 03/04/2020				
A- 0.00% (0.20%)					Vesteda Finance 1.75% 22/07/2019				
EUR 200,000 CaixaBank 1.125% 17/05/2024					Vesteda Finance 2% 10/07/2026				
BBB+ 0.18% (0.00%)					Volkswagen International Finance				
EUR 600,000 Spain Government Bond					4.125% 16/11/2038				
2.7% 31/10/2048					*Volkswagen International Finance				
EUR 1,175,000 Spain Government Bond					FRN 16/11/2024				
2.9% 31/10/2046					BBB 1.45% (1.21%)				
EUR 1,088,000 Spain Government Bond					Bayer Capital 1.5% 26/06/2026				
4.7% 30/07/2041					Bayer Capital 2.125% 15/12/2029				
BBB- 0.41% (0.14%)					*Eneco Holding 3.25% 29/12/2049				
EUR 200,000 *CaixaBank 2.25% 17/04/2030					Innogy Finance 1.625% 30/05/2026				
EUR 264,000 Nortegas Energia 2.065% 28/09/2027					Innogy Finance 6.125% 06/07/2039				
Not Rated 5.83% (0.00%)					BBB- 0.09% (0.00%)				
EUR 6,335,000 Spain Government Bond 1.45%					*Iberdrola International Variable				
30/04/2029					12/02/2168				
5,563 5.83					BB+ 0.27% (0.34%)				
Total Spain					*Telefonica Europe Variable				
9,173 9.61					14/03/2168				
SUPRANATIONAL 1.56% (1.66%)					*Telefonica Europe Perpetual				
Aa1 0.54% (0.58%)					3% 04/12/2066				
EUR 550,000 Euro Stability Mechanism					BB 0.00% (0.10%)				
1.85% 01/12/2055					Not Rated 1.12% (7.00%)				
516 0.54					Netherlands Government				
AA 1.02% (1.08%)					2.75% 15/01/2047				
EUR 1,055,000 European Financial Stability Facility					Total Netherlands				
1.7% 13/02/2043					5,391 5.65				
Total Supranational					NEW ZEALAND 0.00% (0.27%)				
1,487 1.56					A- 0.00% (0.27%)				

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of				
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value		
SWEDEN 0.89% (1.18%)				Baa3 0.00% (0.10%)					
	Aa3 0.20% (0.23%)				BB+ 0.50% (0.55%)				
EUR	225,000	Nordea Bank 0.3% 30/06/2022	195	0.20	EUR	256,000	*Barclays Bank 2% 07/02/2028	209	0.22
	BBB+ 0.00% (0.41%)				GBP	270,000	Delamare Finance 5.5457% 29/02/2029	264	0.28
	BBB 0.49% (0.54%)						BB 0.00% (0.11%)		
EUR	545,000	Akelius Residential 1.75% 07/02/2025	466	0.49			BB- 0.00% (0.41%)		
	Baa3 0.20% (0.00%)						B+ 0.00% (0.25%)		
EUR	216,000	Sagax 2% 17/01/2024	187	0.20			Not Rated 8.11% (4.27%)		
	Total Sweden		848	0.89					
SWITZERLAND 0.00% (0.22%)					GBP	295,000	*Cattles 7.125% 05/07/2017 (Defaulted)	-	-
	BB+ 0.00% (0.22%)				GBP	120,000	First Hydro Finance 9% 31/07/2021	140	0.15
	Total Switzerland		-	-	GBP	180,000	*Pennon Group Perpetual Variable 22/05/2066	180	0.19
UNITED KINGDOM 24.06% (15.55%)					GBP	1,855,000	United Kingdom Gilt 1.25% 22/07/2027	1,876	1.96
	AAA 0.50% (0.53%)				GBP	1,000,000	United Kingdom Gilt 1.625% 22/10/2028	1,037	1.09
EUR	534,000	Wellcome Trust 1.125% 21/01/2027	473	0.50	GBP	4,450,000	United Kingdom Gilt 1.75% 22/01/2049	4,505	4.72
	Aa2u 10.25% (3.96%)						Total United Kingdom	22,977	24.06
GBP	9,750,000	United Kingdom Gilt 1.75% 22/07/2019	9,787	10.25	UNITED STATES OF AMERICA 2.41% (3.82%)				
	A2 0.14% (0.00%)						AA 0.17% (0.35%)		
EUR	155,000	Aviva 1.875% 13/11/2027	136	0.14	EUR	185,000	Berkshire Hathaway 1.125% 16/03/2027	161	0.17
	A- 1.70% (1.74%)						AA- 0.00% (0.29%)		
EUR	342,000	Diageo Finance 1% 22/04/2025	300	0.31			A 0.00% (0.11%)		
EUR	170,000	Experian Finance 1.375% 25/06/2026	148	0.15			A- 0.15% (0.13%)		
GBP	900,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,180	1.24	EUR	165,000	*JPMorgan Chase Variable 12/06/2029	146	0.15
	BBB+ 0.79% (1.35%)						BBB+ 0.70% (1.08%)		
EUR	160,000	BAT International Finance 2.75% 25/03/2025	148	0.15	EUR	146,000	American International Group 1.875% 21/06/2027	125	0.13
EUR	478,000	Cadent Finance 0.625% 22/09/2024	404	0.42	EUR	100,000	BAT Capital 1.125% 16/11/2023	86	0.09
EUR	125,000	*NatWest Markets FRN 27/09/2021	107	0.11	EUR	260,000	General Electric 0.875% 17/05/2025	191	0.20
EUR	120,000	Rolls-Royce 1.625% 09/05/2028	104	0.11	EUR	205,000	Goldman Sachs Group 2% 01/11/2028	178	0.19
	BBB 0.98% (1.13%)				EUR	100,000	Verizon Communications 2.875% 15/01/2038	90	0.09
EUR	274,000	British Telecommunications 1.125% 10/03/2023	239	0.25			BBB 0.82% (0.42%)		
EUR	100,000	FCE Bank 1.615% 11/05/2023	83	0.09	EUR	150,000	AT&T 3.15% 04/09/2036	129	0.14
EUR	190,000	Imperial Brand Finance 3.375% 26/02/2026	179	0.19	EUR	175,000	Becton Dickson 1.9% 15/12/2026	154	0.16
EUR	250,000	Imperial Brands Finance 1.125% 14/08/2023	214	0.22	EUR	224,000	Digital Euro Finco 2.5% 16/01/2026	198	0.21
EUR	247,000	*NGG Finance 4.25% 18/06/2076	221	0.23	EUR	195,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	175	0.18
	Baa2 0.09% (0.00%)				EUR	131,000	Liberty Mutual 2.75% 04/05/2026	120	0.13
EUR	102,000	*National Express Group FRN 15/05/2020	88	0.09			BBB- 0.38% (1.01%)		
	BBB- 1.00% (1.15%)				EUR	100,000	Equinix 2.875% 01/02/2026	88	0.09
EUR	428,000	DS Smith 1.375% 26/07/2024	365	0.38	EUR	120,000	Equinix 2.875% 01/10/2025	106	0.11
EUR	235,000	G4S International Finance 1.5% 02/06/2024	199	0.21	EUR	200,000	Molson Coors Brewing 1.25% 15/07/2024	171	0.18
EUR	100,000	G4S International Finance 1.875% 24/05/2025	85	0.09			BB+ 0.00% (0.43%)		
GBP	127,000	GKN Holdings 5.375% 19/09/2022	135	0.14			BB 0.19% (0.00%)		
EUR	200,000	*Royal Bank of Scotland 1.75% 02/03/2026	171	0.18	EUR	210,000	Quintiles IMS 3.25% 15/03/2025	184	0.19
							Total United States of America	2,302	2.41

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Investment	Value £000	% of Net Asset Value
DERIVATIVES –0.92% (–1.86%)			
Credit Default Swaps –0.79% (–1.93%)			
EUR	(9,866,600) J.P. Morgan Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2023 Spread 500	(759)	(0.79)
Futures and Options 0.00% (0.04%)			
Forward Foreign Exchange Contracts –0.13% (0.03%)			
	Sell GBP 974,544		
	Buy EUR 1,112,684 Lloyds	(16)	(0.02)
	Sell GBP 1,687,177		
	Buy EUR 1,907,168 HSBC	(45)	(0.05)
	Sell GBP 2,207,689		
	Buy EUR 2,495,271 HSBC	(59)	(0.06)
	Total Derivatives	(879)	(0.92)
Total value of investments		91,563	95.88
Net other assets (7.75%)		3,939	4.12
Net assets		95,502	100.00

March 2018 comparatives in brackets.

*Variable rate bonds.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	89,353	97.59
Floating rate notes	3,089	3.37
Derivatives	(879)	(0.96)
Total value of investments	91,563	100.00

Threadneedle Strategic Bond Fund

Portfolio Statement

as at 7 March 2019

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value		
ARGENTINA 0.56% (0.45%)					CANADA 0.86% (1.47%)						
		B+ 0.00% (0.45%)					BBB 0.50% (0.65%)				
		B 0.56% (0.00%)			USD	1,642,000	Cenovus Energy 4.25% 15/04/2027	1,196	0.50		
USD	419,000	Provincia de Cordoba 7.45% 01/09/2024	263	0.11			BB- 0.00% (0.44%)				
USD	750,000	Republic of Argentina 6.625% 06/07/2028	449	0.19	EUR	955,000	Cott Finance 5.5% 01/07/2024	864	0.36		
USD	988,000	Republic of Argentina 7.5% 22/04/2026	635	0.26			Total Canada	2,060	0.86		
		Total Argentina	1,347	0.56							
AUSTRALIA 3.04% (3.80%)					CAYMAN ISLANDS 2.94% (2.51%)						
		A- 0.21% (0.55%)					AA+ 0.15% (0.16%)				
USD	689,000	SGSP Australia Assets 3.25% 29/07/2026	496	0.21	GBP	400,000	*Trafford Centre Finance FRN 28/07/2035 A3	350	0.15		
		BBB+ 0.51% (1.54%)					A+ 1.01% (0.47%)				
GBP	1,102,000	*BHP Billiton Finance 6.5% 22/10/2077	1,233	0.51	USD	1,487,000	Alibaba Group 4% 06/12/2037	1,073	0.45		
		BBB 1.54% (0.92%)			USD	200,000	Tencent Holding 3.925% 19/01/2038	142	0.06		
GBP	3,405,000	APT Pipelines 4.25% 26/11/2024	3,699	1.54	USD	1,620,000	Tencent Holdings 3.595% 19/01/2028	1,198	0.50		
		BBB- 0.60% (0.60%)					A 0.00% (0.34%)				
GBP	1,311,000	Asciano Finance 5% 19/09/2023	1,428	0.60	GBP	1,021,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	1,000	0.42		
		BB 0.18% (0.19%)					Baa2 0.12% (0.12%)				
EUR	489,000	*Origin Energy Finance 4% 16/09/2074	427	0.18	USD	400,000	Sunny Optical 3.75% 23/01/2023	300	0.12		
		Total Australia	7,283	3.04			BBB- 1.10% (0.80%)				
AUSTRIA 0.00% (0.60%)							USD	990,000	Sands China 5.4% 08/08/2028 (Hong Kong Listing)	771	0.32
		Baa2 0.00% (0.60%)			GBP	753,000	Thames Water Utilities 2.375% 03/05/2023	732	0.31		
		Total Austria	-	-	GBP	1,175,000	Thames Water Utilities 2.875% 03/05/2027	1,130	0.47		
BELGIUM 1.97% (0.79%)							USD	557,000	Noble Holding International 6.95% 01/04/2045	339	0.14
		A- 1.75% (0.79%)					Total Cayman Islands	7,035	2.94		
GBP	4,425,000	Anheuser-Busch InBev 2.25% 24/05/2029	4,198	1.75	DENMARK 0.29% (0.00%)						
		BB+ 0.22% (0.00%)					A 0.06% (0.00%)				
EUR	600,000	*KBC Groep Variable 05/09/2167	512	0.22	USD	200,000	Danske Bank 2.7% 02/03/2022	147	0.06		
		Total Belgium	4,710	1.97			BB+ 0.23% (0.00%)				
BERMUDA 2.68% (0.00%)							EUR	548,000	*Oersted 6.25% 26/06/3013	542	0.23
		BBB- 2.68% (0.00%)					Total Denmark	689	0.29		
USD	6,900,000	Bacardi 4.45% 15/05/2025	5,181	2.16	DOMINICAN REPUBLIC 0.74% (0.80%)						
USD	1,660,000	Bacardi 4.7% 15/05/2028	1,231	0.52			BB- 0.74% (0.80%)				
		Total Bermuda	6,412	2.68	USD	2,250,000	Dominican Republic International Bond 5.95% 25/01/2027	1,777	0.74		
BRITISH VIRGIN ISLANDS 0.47% (1.21%)							Total Dominican Republic	1,777	0.74		
		A+ 0.47% (0.45%)									
EUR	1,315,000	State Grid Overseas 1.375% 02/05/2025	1,132	0.47							
		BBB 0.00% (0.76%)									
		Total British Virgin Islands	1,132	0.47							

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
EGYPT 0.46% (0.48%)							B- 0.42% (0.00%)		
EUR	1,305,000	B 0.46% (0.00%) Arab Republic of Egypt 4.75% 16/04/2026	1,091	0.46	EUR	1,145,000	Blitz 6% 30/07/2026	1,002	0.42
		B3 0.00% (0.48%)					CCC+ 0.00% (0.25%)		
		Total Egypt	1,091	0.46			Total Germany	9,531	3.98
FRANCE 3.29% (1.56%)							GUERNSEY 0.43% (0.27%)		
EUR	3,600,000	Aa2u 1.41% (0.00%) France Government Bond 1.75% 25/06/2039	3,379	1.41	GBP	1,050,000	BBB+ 0.43% (0.27%) Credit Suisse Group Funding 2.75% 08/08/2025	1,041	0.43
USD	1,060,000	A- 0.34% (0.44%) Electricite de France 4.875% 21/09/2038	801	0.34			Total Guernsey	1,041	0.43
EUR	180,000	BB+ 0.14% (0.15%) *Solvay Finance 5.118% 29/06/2049	167	0.07	INDIA 0.36% (0.32%)				
EUR	180,000	*Solvay Finance 5.869% 29/06/2049	175	0.07	USD	1,289,000	BB+ 0.36% (0.32%) GMR Hyderabad 4.25% 27/10/2027	866	0.36
		BB 0.00% (0.19%)					Total India	866	0.36
EUR	350,000	BB- 0.12% (0.00%) Louvre Bidco SAS 4.25% 30/09/2024	288	0.12	ISLE OF MAN 0.20% (0.00%)				
EUR	1,433,000	B+ 0.00% (0.44%) B 0.95% (0.00%) Altice France 5.875% 01/02/2027	1,259	0.53	EUR	545,000	BB 0.20% (0.00%) Playtech 3.75% 12/10/2023	475	0.20
EUR	1,190,000	Paprec Holding 4% 31/03/2025	871	0.36			Total Isle of Man	475	0.20
EUR	215,000	*Paprec Holding FRN 31/03/2025	153	0.06	ITALY 2.55% (1.91%)				
		CCC+ 0.00% (0.08%)			GBP	810,000	BBB- 0.36% (0.64%) *Enel 6.625% 15/09/2076	864	0.36
GBP	720,000	Not Rated 0.33% (0.26%) *Credit Agricole 7.5% 31/12/2049	780	0.33	EUR	665,000	Baa3 0.25% (0.40%) *Assicurazioni 5% 08/06/2048	594	0.25
		Total France	7,873	3.29			BB+ 0.00% (0.87%)		
GERMANY 3.98% (3.02%)							Ba2 1.05% (0.00%)		
EUR	2,000,000	BB+ 1.37% (0.00%) ADLER Real Estate 1.875% 27/04/2023	1,702	0.71	EUR	555,000	Banco BPM 1.75% 24/04/2023	467	0.19
EUR	300,000	ADLER Real Estate 3% 27/04/2026	255	0.11	EUR	2,391,000	Banco BPM 2% 08/03/2022	2,057	0.86
EUR	815,000	IHO Verwaltungs PIK 2.75% 15/09/2021	707	0.29			B+ 0.49% (0.00%)		
EUR	295,315	IHO Verwaltungs PIK 3.75% 15/09/2026	253	0.11	EUR	1,309,000	Nexi Capital 4.125% 01/11/2023	1,162	0.49
EUR	404,000	*Lanxess Finance 4.5% 06/12/2076	368	0.15			B 0.40% (0.00%)		
		BB 0.00% (0.16%)			EUR	1,144,000	International Design Group 6.5% 15/11/2025	963	0.40
GBP	1,100,000	Ba2 0.46% (0.47%) *RWE 7% 29/03/2049	1,101	0.46			Total Italy	6,107	2.55
EUR	650,000	BB- 1.18% (1.86%) Unitymedia Hessen 4.625% 15/02/2026	544	0.23	IVORY COAST 0.31% (0.68%)				
EUR	1,720,000	Unitymedia NRW 3.5% 15/01/2027	1,555	0.65	EUR	900,000	Ba3 0.31% (0.68%) Ivory Coast 5.25% 22/03/2030	734	0.31
USD	922,000	Unitymedia NRW 5% 15/01/2025	721	0.30			Total Ivory Coast	734	0.31
		B 0.55% (0.28%)			JAPAN 0.44% (0.99%)				
EUR	893,000	Kirk Beauty Zero 6.25% 15/07/2022	702	0.29	EUR	1,168,000	BB+ 0.44% (0.99%) SoftBank Group 5% 15/04/2028	1,043	0.44
EUR	765,000	Safari Holdings 5.375% 30/11/2022	621	0.26			Total Japan	1,043	0.44

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
JERSEY 1.52% (2.51%)					B- 0.96% (0.32%)				
		A- 0.00% (0.43%)			EUR	830,000	Aguila 3 6.75% 15/12/2021	738	0.31
					EUR	285,000	Altice 6.25% 15/02/2025	219	0.09
		BBB 0.00% (0.39%)			EUR	1,337,000	Altice 7.25% 15/05/2022	1,150	0.48
					EUR	335,000	Intralot Capital 6.75% 15/09/2021	201	0.08
		Baa2 0.38% (0.00%)			CCC+ 0.79% (0.57%)				
GBP	824,000	Porterbrook Rail Finance 4.625% 04/04/2029	915	0.38	USD	200,000	Altice Finco 8.125% 15/01/2024	154	0.06
					EUR	503,000	Altice Finco 9% 15/06/2023	452	0.19
		BB 0.17% (0.00%)			EUR	1,450,000	Horizon Parent Holdings 8.25% 15/02/2022	1,280	0.54
EUR	478,000	Avis Budget Finance 4.75% 30/01/2026	419	0.17	Total Luxembourg				
					14,524 6.07				
		(P)Ba2 0.39% (0.40%)			MEXICO 0.63% (1.72%)				
EUR	1,085,000	LHC Three PIK 4.125% 15/08/2024	941	0.39	BBB+ 0.63% (1.06%)				
					GBP	1,521,000	Petroleos Mexicanos 3.75% 16/11/2025	1,369	0.57
		B 0.25% (1.11%)			GBP	147,000	United Mexican States 5.625% 19/03/2114	147	0.06
GBP	380,000	CPUK Finance 4.25% 28/08/2022	377	0.16	BBB 0.00% (0.35%)				
GBP	220,000	CPUK Finance 4.875% 28/08/2025	215	0.09	BB 0.00% (0.31%)				
					Total Mexico				
		B- 0.18% (0.18%)			1,516 0.63				
GBP	505,000	TVL Finance 8.5% 15/05/2023	423	0.18	NETHERLANDS 9.46% (6.75%)				
					A 0.00% (0.21%)				
		Not Rated 0.15% (0.00%)			BBB+ 1.47% (0.94%)				
GBP	375,000	Hastings Group Finance 3% 24/05/2025	356	0.15	GBP	1,507,000	Deutsche Telekom International Finance 2.5% 10/10/2025	1,522	0.63
		Total Jersey	3,646	1.52	GBP	700,000	Volkswagen International Finance 3.375% 16/11/2026	711	0.30
LUXEMBOURG 6.07% (9.21%)					USD	1,654,000	Vonovia Finance 5% 02/10/2023	1,301	0.54
		BBB+ 0.24% (0.68%)			BBB 1.48% (1.19%)				
EUR	700,000	Grand City Properties 1.375% 03/08/2026	583	0.24	GBP	2,700,000	Innogy Finance 6.25% 03/06/2030	3,545	1.48
					BBB- 1.51% (0.24%)				
		BBB 0.69% (0.44%)			EUR	580,000	Schaeffler Holding Finance 3.5% 15/05/2022	501	0.21
EUR	1,920,000	Bevco 1.75% 09/02/2023	1,661	0.69	USD	3,367,000	Syngenta Finance 4.892% 24/04/2025	2,562	1.07
					EUR	600,000	*Vonovia Finance 4% 17/12/2166	544	0.23
		Baa2 0.92% (1.11%)			BB+ 2.54% (2.18%)				
EUR	480,000	CPI Property Group 2.125% 04/10/2024	409	0.17	EUR	1,520,000	Darling Global Finance 3.625% 15/05/2026	1,347	0.56
EUR	2,093,000	SELP Finance 1.25% 25/10/2023	1,803	0.75	EUR	1,800,000	*Telefonica Europe 14/03/2168	1,549	0.65
					EUR	1,200,000	*Telefonica Europe 2.625% 07/06/2066	970	0.40
		BBB- 0.17% (1.69%)			GBP	1,400,000	*Telefonica Europe 6.75% Perpetual	1,476	0.62
EUR	500,000	*Grand City Properties Variable 24/10/2166	401	0.17	EUR	900,000	*Telefonica Europe Perpetual 3% 04/12/2066	736	0.31
					BB 1.25% (0.39%)				
		BB+ 0.41% (0.51%)			GBP	881,000	*Koninklijke KPN 6.875% 14/03/2073	914	0.38
EUR	1,165,000	*CPI Property Group 09/05/2167	973	0.41	EUR	1,134,000	LKQ European Holdings 3.625% 01/04/2026	998	0.42
					BB- 0.44% (1.15%)				
		BB 0.33% (0.88%)			EUR	1,235,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	1,085	0.45
EUR	868,000	Hanesbrands 3.5% 15/06/2024	789	0.33	GBP	968,000	Petrobras Global Finance 6.625% 16/01/2034	1,046	0.44
		BB- 0.15% (0.17%)							
EUR	423,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	351	0.15					
		B+ 0.77% (0.60%)							
USD	780,000	Altice Financing 6.625% 15/02/2025	607	0.25					
EUR	470,000	Garfunkelux 7.5% 01/08/2022	360	0.15					
GBP	1,000,000	Garfunkelux 8.5% 01/11/2022	877	0.37					
		B 0.64% (2.24%)							
EUR	980,000	Crystal Almond 10% 01/11/2021	900	0.38					
EUR	748,000	*Group Ecore Holdings SAS FRN 15/11/2023	616	0.26					

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 9.46% (6.75%) (continued)					B+ 0.59% (0.00%)				
GBP	950,000	InterGen 7.5% 30/06/2021	916	0.38	Not Rated 0.32% (0.00%)				
EUR	583,000	Ziggo Secured Finance 3.75% 15/01/2025	512	0.21	GBP	455,000	PGH Capital 4.125% 20/07/2022	463	0.19
B 0.00% (0.34%)					GBP	288,000	PGH Capital 6.625% 28/12/2025	305	0.13
B- 0.08% (0.00%)					Total Republic of Ireland				
EUR	210,000	LGE HoldCo VI 7.125% 15/05/2024	189	0.08	5,296 2.21				
Not Rated 0.10% (0.11%)					SENEGAL 0.69% (0.65%)				
USD	1,239,044	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	236	0.10	USD	2,100,000	Senegal Government International Bond 6.25% 30/07/2024	1,644	0.69
USD	40,269	OSX 3 Leasing (2012/14) Perpetual	-	-	Total Senegal				
USD	40,269	OSX 3 Leasing (2003/15) Perpetual	-	-	1,644 0.69				
Total Netherlands					SPAIN 1.04% (0.47%)				
22,660 9.46					EUR	1,400,000	CaixaBank 1.125% 17/05/2024	1,209	0.50
OMAN 0.60% (0.60%)					BBB+ 0.50% (0.00%)				
Baa2 0.00% (0.60%)					EUR	1,516,000	Nortegas Energia 2.065% 28/09/2027	1,291	0.54
USD	2,031,000	Oman Government International 5.625% 17/01/2028	1,432	0.60	Total Spain				
Total Oman					2,500 1.04				
1,432 0.60					SWEDEN 1.52% (1.30%)				
PORTUGAL 0.29% (0.32%)					BBB 0.91% (1.30%)				
Not Rated 0.29% (0.32%)					EUR	1,385,000	Akelius Residential 1.75% 07/02/2025	1,185	0.50
EUR	300,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	76	0.03	GBP	1,025,000	Akelius Residential 2.375% 15/08/2025 (MTN2)	984	0.41
EUR	1,800,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	418	0.18	Baa3 0.61% (0.00%)				
EUR	800,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	198	0.08	EUR	1,687,000	Sagax 2% 17/01/2024	1,460	0.61
Total Portugal					Total Sweden				
692 0.29					3,629 1.52				
REPUBLIC OF IRELAND 2.21% (1.83%)					SWITZERLAND 1.97% (2.15%)				
BBB+ 0.45% (0.00%)					BBB+ 0.62% (0.75%)				
USD	1,595,000	GE Capital International Funding Company 4.418% 15/11/2035	1,072	0.45	EUR	555,000	*UBS 4.75% 12/02/2026	509	0.21
BBB- 0.40% (0.00%)					USD	1,258,000	UBS 5.125% 15/05/2024	974	0.41
EUR	1,100,000	AIB Group 2.25% 03/07/2025	962	0.40	BBB 0.48% (0.73%)				
BB+ 0.17% (0.20%)					EUR	1,260,000	*Credit Suisse 5.75% 18/09/2025	1,163	0.48
EUR	380,000	Bank of Ireland 10% 19/12/2022	415	0.17	BB+ 0.37% (0.36%)				
BB 0.33% (0.33%)					USD	1,100,000	*UBS Group 7% 29/12/2049	884	0.37
EUR	888,000	Ardagh Packaging Finance 2.75% 15/03/2024	781	0.33	BB 0.50% (0.31%)				
BB- 0.37% (0.40%)					USD	940,000	*Credit Suisse 7.5% 11/12/2049	765	0.32
EUR	980,000	*Bank of Ireland 7.375% 29/12/2049	894	0.37	USD	568,000	*UBS Group Funding Switzerland Variable 31/07/2167	435	0.18
B+ 0.00% (0.24%)					Total Switzerland				
B 0.17% (0.26%)					4,730 1.97				
GBP	404,000	Virgin Media 5.5% 15/09/2024	404	0.17	UNITED KINGDOM 35.32% (37.95%)				
AA 0.67% (0.71%)					AA 0.67% (0.71%)				
AA- 0.00% (0.48%)					GBP	574,000	Telereal Securitisation 4.9741% 10/09/2027	417	0.17
AA- 0.00% (0.48%)					GBP	1,261,000	Telereal Securitisation 5.9478% 10/12/2031	1,198	0.50

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 35.32% (37.95%) (continued)					BBB– 6.04% (3.26%)				
A 0.27% (0.78%)									
GBP	629,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	643	0.27	GBP	512,000	Barclays Bank 10% 21/05/2021	590	0.25
					GBP	570,000	Barclays Bank 5.75% 14/09/2026	654	0.27
					EUR	300,000	Barclays Bank 6.625% 30/03/2022	296	0.12
					EUR	2,952,000	DS Smith 1.375% 26/07/2024	2,516	1.05
					EUR	1,280,000	G4S International Finance 1.875% 24/05/2025	1,091	0.46
GBP	941,000	Anglian Water Services Financing 2.75% 26/10/2029	964	0.40	GBP	1,454,000	GKN Holdings 3.375% 12/05/2032	1,413	0.59
GBP	888,000	London Power Networks 6.125% 07/06/2027	1,126	0.47	GBP	2,875,000	GKN Holdings 5.375% 19/09/2022	3,061	1.28
GBP	560,000	Western Power Distribution West Midlands 6% 09/05/2025	677	0.28	EUR	1,500,000	*HBOS 4.5% 18/03/2030	1,406	0.59
					GBP	320,000	Mitchells & Butlers Finance 5.965% 15/12/2023	95	0.04
					GBP	2,195,000	*Royal Bank of Scotland 2.875% 19/09/2026	2,166	0.90
					USD	1,607,000	*Vodafone Group Variable 03/10/2078	1,174	0.49
A3 0.00% (0.00%)					Baa3 1.19% (0.75%)				
BBB+ 6.03% (7.10%)									
GBP	2,210,000	Bunzl Finance 2.25% 11/06/2025	2,158	0.90	GBP	1,300,000	*HSBC Holdings Variable 28/03/2167	1,309	0.55
GBP	1,706,000	Cadent Finance 2.125% 22/09/2028	1,639	0.68	GBP	1,535,000	*TSB Banking Group 5.75% 06/05/2026	1,538	0.64
GBP	577,000	Cadent Finance 2.75% 22/09/2046	533	0.22					
GBP	767,000	*Legal & General Group Variable 27/10/2045	824	0.34	BB+ 2.06% (2.55%)				
GBP	1,245,000	*Legal & General Group Variable 14/11/2048	1,297	0.54	GBP	412,000	*Marstons Issuer 5.1576% 15/10/2027	369	0.15
GBP	1,415,000	NIE Finance 2.5% 27/10/2025 (BSE)	1,434	0.60	EUR	410,000	OTE 3.5% 09/07/2020	365	0.15
GBP	625,000	Scottish Widows 5.5% 16/06/2023	685	0.29	GBP	1,075,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,289	0.54
GBP	2,282,000	Severn Trent Utilities Finance 3.625% 16/01/2026	2,460	1.03	GBP	1,074,000	Tesco Property Finance 3 5.744% 13/04/2040	1,235	0.52
GBP	615,000	Severn Trent Utilities Finance 6.125% 26/02/2024	729	0.30	GBP	890,000	Tesco Property Finance 5.5% 13/10/2041	1,025	0.43
GBP	842,000	Southern Gas Networks 3.1% 15/09/2036	855	0.36	GBP	590,000	Tesco Property Finance 6 5.4111% 13/07/2044	655	0.27
GBP	1,260,000	Western Power Distribution 3.5% 16/10/2026	1,280	0.53	BB 1.61% (1.77%)				
GBP	548,000	Western Power Distribution 3.625% 06/11/2023	572	0.24	GBP	785,000	Arrow Global Finance 5.125% 15/09/2024 Callable	756	0.32
Baa1 1.02% (0.39%)					GBP	434,000	*Barclays Bank 14% 29/11/2049	447	0.19
GBP	1,455,000	Bupa Finance 5% 08/12/2026	1,578	0.66	GBP	1,450,000	*Co-operative Group FRN 08/07/2020	1,507	0.63
GBP	800,000	Bupa Finance 5% 25/04/2023	865	0.36	GBP	577,000	*CYBG 5% 09/02/2026	571	0.24
BBB 5.89% (4.58%)					GBP	691,000	Unique Pub Finance 5.659% 30/06/2027	545	0.23
GBP	550,000	Anglian Water Services Financing 2.625% 15/06/2027	521	0.22	BB– 1.57% (2.72%)				
GBP	365,000	*Aviva 4.375% 12/09/2049	354	0.15	GBP	1,277,000	Iron Mountain UK 3.875% 15/11/2025	1,213	0.51
GBP	629,000	*Aviva 6.625% 03/06/2041	682	0.29	GBP	385,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	362	0.15
GBP	769,000	Barclays 3.25% 17/01/2033	705	0.29	GBP	564,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	487	0.20
GBP	665,000	Imperial Brand Finance 8.125% 15/03/2024	829	0.35	GBP	430,000	Virgin Media 4.875% 15/01/2027	422	0.18
GBP	1,816,000	Imperial Brands Finance 5.5% 28/09/2026	2,089	0.87	GBP	635,000	Virgin Media Secured Finance 5.125% 15/01/2025	646	0.27
GBP	1,480,000	Lloyds Bank 7.625% 22/04/2025	1,865	0.78	GBP	688,000	Virgin Media Secured Finance 5.5% 15/01/2025	633	0.26
GBP	540,000	Longstone Finance 4.896% 19/04/2031	612	0.26	B+ 1.17% (1.02%)				
GBP	3,100,000	*NGG Finance 5.625% 18/06/2073	3,305	1.38	GBP	480,000	*Barclays Bank 7.75% 08/03/2075	502	0.21
USD	1,255,000	*Prudential Variable 20/10/2048	1,013	0.42	GBP	1,020,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,026	0.43
GBP	865,000	*Standard Life Aberdeen 5.5% 04/12/2042	947	0.40	EUR	1,433,000	Synlab 6.25% 01/07/2022	1,275	0.53
GBP	1,100,000	*Telereal Securitisation 4.0902% 10/12/2033	1,139	0.48	B1 0.34% (0.35%)				
GBP	810,000	Eversholt Funding 3.529% 07/08/2042	784	0.33	GBP	810,000	Thames Water Kemble Finance 7.75% 01/04/2019	811	0.34
GBP	1,780,000	Eversholt Funding 6.359% 02/12/2025	2,159	0.90					
GBP	450,000	Santander UK 10.0625% 29/10/2049	712	0.30					

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 35.32% (37.95%) (continued)					BB 1.68% (0.67%)				
		B 0.67% (1.93%)			EUR	467,000	Cemex Finance 4.625% 15/06/2024	422	0.18
GBP	881,000	Pinnacle Bidco 6.375% 15/02/2025	890	0.37	EUR	2,332,000	Quintiles IMS 3.25% 15/03/2025	2,045	0.85
EUR	100,000	Thomas Cook Finance 3.875% 15/07/2023	62	0.03	GBP	1,584,000	Vantiv 3.875% 15/11/2025	1,551	0.65
EUR	305,000	Thomas Cook Group 6.25% 15/06/2022	217	0.09	BB- 0.38% (0.42%)				
GBP	405,000	Virgin Media Finance 6.375% 15/10/2024	420	0.18	EUR	550,000	Iron Mountain 3% 15/01/2025	468	0.20
		B2 0.51% (0.43%)			EUR	500,000	Silgan Holdings 3.25% 15/03/2025	442	0.18
GBP	615,000	Arqiva Broadcast Finance 6.75% 30/09/2023	647	0.27	B+ 0.49% (0.38%)				
GBP	651,000	Shop Direct Funding 7.75% 15/11/2022	582	0.24	EUR	1,370,000	Spectrum Brands 4% 01/10/2026	1,181	0.49
		B- 0.38% (1.04%)			EUR	1,322,000	Avantor 4.75% 01/10/2024	1,170	0.49
USD	921,131	EnQuest PIK 7% 15/04/2022	578	0.24	EUR	754,000	Financial & Risk US Holdings 4.5% 15/05/2026	644	0.27
EUR	380,000	Synlab 8.25% 01/07/2023	348	0.14	B- 0.00% (0.32%)				
		B3 0.48% (0.52%)			CCC- 0.00% (0.00%)				
GBP	1,330,000	KIRS Midco 3 8.375% 15/07/2023	1,153	0.48	Total United States of America				
		CCC+ 0.07% (0.00%)						25,609	10.70
GBP	225,000	Boparan Finance 5.5% 15/07/2021	168	0.07	DERIVATIVES- 0.29% (-1.91%)				
		Not Rated 2.67% (3.60%)			Credit Default Swaps -1.01% (-1.12%)				
GBP	2,293,000	Cattles 6.875% 17/01/2014 (Defaulted)	1	-	EUR	(240,000)	Barclays Novafives Credit Default Swap Buy Protection 20/12/2023 Spread 500	12	0.01
GBP	1,910,000	First Hydro Finance 9% 31/07/2021	2,222	0.93	EUR	(1,190,625)	J.P. Morgan Ineos Group Credit Default Swap Buy Protection 20/12/2023 Spread 500	(91)	(0.04)
GBP	1,580,000	Newriver REIT 3.5% 07/03/2028	1,518	0.63	EUR	(9,375)	Barclays Ineos Group Credit Default Swap Buy Protection 20/12/2023 Spread 500	(1)	-
GBP	2,040,000	*Pennon Group Perpetual Variable 22/05/2066	2,040	0.85	EUR	(2,600,000)	Citigroup Veolia Environnement Credit Default Swap Buy Protection 20/12/2023 Spread 100	(67)	(0.03)
GBP	633,000	Pension Insurance 5.625% 20/12/2030	621	0.26	EUR	(1,400,000)	J.P. Morgan Banco Bilbao Credit Default Swap Buy Protection 20/12/2023 Spread 100	3	-
		Total United Kingdom	84,567	35.32	EUR	(2,400,000)	Barclays SSE Credit Default Swap Buy Protection 20/12/2023 Spread 100	(48)	(0.02)
UNITED STATES OF AMERICA 10.70% (11.02%)					EUR	(4,000,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(26)	(0.01)
		BBB+ 1.01% (2.76%)			EUR	(3,100,000)	J.P. Morgan United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(24)	(0.01)
EUR	493,000	General Electric 0.875% 17/05/2025	363	0.15	EUR	(4,360,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(37)	(0.02)
GBP	839,000	Goldman Sachs Group 3.125% 25/07/2029	838	0.35	EUR	(3,400,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(39)	(0.02)
GBP	1,067,000	Welltower 4.8% 20/11/2028	1,216	0.51	EUR	(1,160,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(13)	(0.01)
		BBB 4.33% (1.78%)			EUR	(1,100,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(12)	(0.01)
GBP	1,348,000	AT&T 4.375% 14/09/2029	1,474	0.62	EUR	(1,680,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(19)	(0.01)
USD	2,565,000	Bayer US Finance II 4.25% 15/12/2025	1,961	0.82	EUR	(3,700,000)	Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100	(41)	(0.02)
GBP	3,656,000	Becton Dickinson 3.02% 24/05/2025	3,699	1.54					
GBP	1,294,000	Digital Stout 3.3% 19/07/2029	1,279	0.53					
GBP	1,200,000	Digital Stout Holding 3.75% 17/10/2030	1,213	0.51					
USD	1,000,000	Kinder Morgan Energy Partners 5% 01/03/2043	737	0.31					
		BBB- 1.65% (2.00%)							
USD	1,661,000	Broadcom 3.625% 15/01/2024	1,238	0.52					
EUR	1,255,000	Equinix 2.875% 01/10/2025	1,109	0.46					
EUR	600,000	Equinix 2.875% 01/02/2026	527	0.22					
USD	290,000	Equinix 5.375% 15/05/2027	228	0.09					
EUR	1,000,000	Molson Coors Brewing 1.25% 15/07/2024	855	0.36					
		BB+ 0.00% (1.76%)							
		Ba1 0.40% (0.00%)							
EUR	1,071,000	UGI International 3.25% 01/11/2025	949	0.40					

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –0.29% (–1.91%) (continued)					Interest Rate Swaps –0.24% (–0.25%)				
EUR	(1,075,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(4)	–	GBP	8,400,000	Barclays Interest Rate Swap Receive GBP Libor Pay 2.705% 26/11/2023	(563)	(0.24)
EUR	(2,250,000)	J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(9)	–	USD	(307)	UBS 90 Day EURO Future Expiring June 2019	(73)	(0.03)
EUR	(3,155,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(12)	(0.01)	EUR	(585)	UBS 3 Month EURO Euribor Future Expiring December 2019	(353)	(0.15)
EUR	(1,600,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(28)	(0.01)	EUR	(531)	UBS EURO-Bobl Future Expiring June 2019	(178)	(0.07)
EUR	(1,200,000)	Citigroup Intrum AB Credit Default Swap Buy Protection 20/12/2023 Spread 500	(75)	(0.03)	EUR	67	UBS EURO Bond Future Expiring June 2019	69	0.03
EUR	(1,000,000)	Citigroup Iceland Bond Credit Default Swap Buy Protection 20/12/2023 Spread 500	(50)	(0.02)	EUR	36	UBS EURO Buxl 30 Year Future Expiring June 2019	63	0.03
EUR	(14,799,900)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2023 Spread 500	(1,232)	(0.51)	JPY	(11)	UBS Japan 10 Year Bond Future Expiring March 2019	(50)	(0.02)
EUR	(1,400,000)	J.P. Morgan Auchan Holding Credit Default Swap Buy Protection 20/12/2023 Spread 100	59	0.02	GBP	(182)	UBS Long Gilt Future Expiring June 2019	91	0.04
EUR	(2,600,000)	J.P. Morgan Swedbank Credit Default Swap Buy Protection 20/12/2023 Spread 100	(55)	(0.02)	USD	63	UBS US 5 Year Note Future Expiring June 2019	(8)	–
EUR	(8,550,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(122)	(0.05)	USD	(42)	UBS US 10 Year Note Future Expiring June 2019	12	0.01
EUR	(8,000,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	(17)	(0.01)	USD	6	UBS US 10 Year Ultra Future Expiring June 2019	(3)	–
EUR	(2,730,000)	J.P. Morgan Electricité de France Credit Default Swap Buy Protection 20/12/2023 Spread 100	(52)	(0.02)	USD	(18)	UBS US Long Bond Future Expiring June 2019	20	0.01
EUR	(1,500,000)	Citigroup Deutsche Bank Credit Default Swap Buy Protection 20/12/2023 Spread 100	122	0.05	USD	15	UBS US Ultra Bond Future Expiring June 2019	(31)	(0.01)
USD	(2,700,000)	J.P. Morgan General Motors Credit Default Swap Buy Protection 20/06/2023 Spread 500	(304)	(0.13)	Forward Foreign Exchange Contracts 1.12% (–0.56%)				
USD	(4,900,000)	Citigroup Westpac Banking Credit Default Swap Buy Protection 20/12/2023 Spread 100	(80)	(0.03)	Sell GBP 1,801,725				
EUR	(10,030,625)	J.P. Morgan Novafives Credit Default Swap Buy Protection 20/12/2023 Spread 500	56	0.02	Buy EUR 2,100,000 Barclays				
EUR	(1,200,000)	Goldman Sachs Leonardo Credit Default Swap Buy Protection 20/12/2023 Spread 500	(171)	(0.07)	Sell GBP 220,113				
EUR	(2,800,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	42	0.02	Buy EUR 250,000 UBS				
EUR	1,000,000	Goldman Sachs Vue International Bidco Credit Default Swap Sell Protection 20/12/2021 Spread 500	39	0.02	Sell EUR 2,100,000				
EUR	(5,520,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(85)	(0.04)	Buy GBP 1,802,357 Barclays				
					Sell USD 156,323				
					Buy GBP 117,487 Lloyds				
					Sell USD 165,525				
					Buy GBP 125,989 Citigroup				
					Sell USD 174,782				
					Buy GBP 133,634 Lloyds				
					Sell USD 266,679				
					Buy GBP 207,756 HSBC				
					Sell EUR 257,341				
					Buy GBP 221,483 Lloyds				
					Sell AUD 425,177				
					Buy GBP 235,433 Bank of Scotland				
					Sell EUR 272,834				
					Buy GBP 237,748 Lloyds				
					Sell USD 53,069,446				
					Buy GBP 41,335,062 J.P. Morgan				
					Sell EUR 500,000				
					Buy GBP 430,962 J.P. Morgan				
					Sell EUR 84,837,336				
					Buy GBP 74,820,931 Bank of Scotland				
					Sell GBP 983,364				
					Buy USD 1,300,000 HSBC				
					Sell GBP 106,203				
					Buy USD 140,356 Lloyds				

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –0.29% (–1.91%) (continued)			
	Sell GBP 3,629,623		
	Buy USD 4,700,000 Citigroup	(54)	(0.02)
	Total Derivatives	(692)	(0.29)
Total value of investments		232,959	97.30
Net other assets (4.57%)		6,458	2.70
Net assets		239,417	100.00

March 2018 comparatives in brackets.

* Variable rate bonds

(P) refers to provisional rating

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	190,966	81.98
Floating rate notes	42,685	18.32
Derivatives	(692)	(0.30)
Total value of investments	232,959	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS 90 Day EURO Future Expiring June 2019	(56,889)
UBS 3 Month EURO Euribor Future Expiring December 2019	(126,221)
UBS EURO-Bobl Future Expiring June 2019	(60,480)
UBS EURO Bond Future Expiring June 2019	9,443
UBS EURO Buxl 30 Year Future Expiring June 2019	5,691
UBS Japan 10 Year Bond Future Expiring March 2019	(11,442)
UBS Long Gilt Future Expiring June 2019	(23,086)
UBS US 5 Year Note Future Expiring June 2019	5,497
UBS US 10 Year Note Future Expiring June 2019	(3,907)
UBS US 10 Year Ultra Future Expiring June 2019	593
UBS US Long Bond Future Expiring June 2019	(1,986)
UBS US Ultra Bond Future Expiring June 2019	1,832
Total net exposure	(260,955)

Threadneedle American Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 5.19% (5.46%)				Pharmaceuticals & Biotechnology 8.48% (8.27%)			
Oil & Gas Producers 5.19% (4.24%)				262,557	Alexion Pharmaceuticals	26,194	1.32
471,188	Chevron	44,296	2.23	120,187	Biogen	29,087	1.46
222,639	Diamondback Energy	16,955	0.85	230,325	Biomarin Pharmaceutical	15,960	0.80
285,789	EOG Resources	19,997	1.01	59,897	Bluebird Bio	6,587	0.33
354,529	Valero Energy	21,944	1.10	687,301	Bristol-Myers Squibb	27,664	1.39
Oil Equipment, Services & Distribution 0.00% (1.22%)				200,847	Celgene	13,236	0.67
Total Oil & Gas				179,186	Exact Sciences	11,669	0.59
		103,192	5.19	118,214	Guardant Health	5,573	0.28
BASIC MATERIALS 2.91% (3.32%)				47,761	Sage Therapeutics	5,442	0.27
Chemicals 1.93% (1.98%)				198,438	Vertex Pharmaceuticals	27,349	1.37
926,186	Dowdupont	38,407	1.93	Total Health Care			
Industrial Metals & Mining 0.98% (1.34%)						299,701	15.07
699,352	Steel Dynamics	19,509	0.98	CONSUMER SERVICES 10.02% (13.76%)			
Total Basic Materials				Food & Drug Retailers 0.00% (0.99%)			
		57,916	2.91	General Retailers 7.00% (7.89%)			
INDUSTRIALS 13.98% (11.35%)				47,200	Amazon.com	59,959	3.02
Construction & Materials 0.00% (0.64%)				323,940	Home Depot	45,487	2.29
Aerospace & Defence 6.49% (4.82%)				449,605	Walmart	33,630	1.69
169,644	Boeing	54,813	2.76	Media 2.39% (3.03%)			
260,701	L3 Technologies	40,857	2.05	1,615,489	Comcast Corporation	47,476	2.39
156,101	Northrop Grumman	33,323	1.68	Travel & Leisure 0.63% (1.85%)			
Electronic & Electrical Equipment 0.65% (0.78%)				865,731	Extended Stay America	12,579	0.63
84,661	Zebra Technologies	12,968	0.65	Total Consumer Services			
Industrial Engineering 2.39% (1.45%)						199,131	10.02
603,636	Gardner Denver Holdings	12,084	0.61	UTILITIES 1.88% (2.11%)			
438,006	Ingersoll-Rand	35,463	1.78	Electricity 1.88% (2.11%)			
Industrial Transportation 2.67% (2.10%)				796,862	Edison International	37,435	1.88
420,730	Union Pacific	53,128	2.67	Total Utilities			
Support Services 1.78% (1.56%)						37,435	1.88
592,186	Republic Services	35,361	1.78	FINANCIALS 20.08% (22.21%)			
Total Industrials				Banks 7.51% (10.61%)			
		277,997	13.98	2,718,691	Bank of America	59,659	3.00
CONSUMER GOODS 4.34% (4.52%)				862,626	Citigroup	41,043	2.06
Food Producers 1.86% (0.00%)				806,346	Citizens Finance Group	21,923	1.10
1,031,811	Mondelez International	36,881	1.86	338,933	JPMorgan Chase	26,763	1.35
Household Goods & Home Construction 2.48% (0.00%)				Nonlife Insurance 1.79% (4.34%)			
655,279	Procter & Gamble	49,338	2.48	513,104	Marsh & McLennan	35,614	1.79
Leisure Goods 0.00% (1.68%)				Life Insurance 1.64% (1.48%)			
Personal Goods 0.00% (1.87%)				876,755	Aflac	32,673	1.64
Tobacco 0.00% (0.97%)				Real Estate Investment Trusts 2.13% (0.00%)			
Total Consumer Goods				306,003	Amer Tower Corporation	42,314	2.13
		86,219	4.34	Financial Services 7.01% (5.78%)			
HEALTH CARE 15.07% (14.08%)				296,751	CME Group	39,356	1.98
Health Care Equipment & Services 6.59% (5.81%)				279,289	MasterCard Class A	47,722	2.40
677,703	Baxter International	38,548	1.94	464,104	Visa 'A' Shares	52,229	2.63
628,464	Centene	27,209	1.37	Total Financials			
201,300	Thermo Fisher Scientific	38,496	1.94			399,296	20.08
146,641	UnitedHealth Group	26,687	1.34	TECHNOLOGY 25.97% (20.67%)			
HEALTH CARE 15.07% (14.08%)				Software & Computer Services 16.04% (11.15%)			
Health Care Equipment & Services 6.59% (5.81%)				251,294	Adobe Systems	49,042	2.47
677,703	Baxter International	38,548	1.94	105,204	Alphabet Class A	93,267	4.69
628,464	Centene	27,209	1.37	493,141	Facebook	64,749	3.26
201,300	Thermo Fisher Scientific	38,496	1.94	1,314,730	Microsoft	111,819	5.62
146,641	UnitedHealth Group	26,687	1.34	Total Technology			
Total Health Care						264,888	13.17

Threadneedle American Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 25.97% (20.67%) (continued)			
Technology Hardware & Equipment 9.93% (9.52%)			
656,356	Apple	87,183	4.38
191,460	Broadcom	39,531	1.99
564,650	Cisco Systems	22,207	1.12
248,582	Lam Research	32,008	1.61
237,680	NXP Semiconductors	16,620	0.83
	Total Technology	516,426	25.97
COLLECTIVE INVESTMENT SCHEMES 0.00% (0.18%)			
Liquidity Funds 0.00% (0.18%)¹			
53,319	BlackRock Institutional Cash Series		
	US Dollar Liquidity Platinum	41	–
	Total Collective Investment Schemes	41	–
Total value of investments²		1,977,354	99.44
Net other assets (2.34%)		11,002	0.56
Net assets		1,988,356	100.00

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle American Select Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.73% (6.14%)				CONSUMER SERVICES 11.14% (6.30%)			
Oil & Gas Producers 3.73% (4.48%)				General Retailers 5.63% (3.62%)			
389,412	Centennial Resource Development	2,579	0.31	24,821	Amazon.com	31,530	3.80
146,369	Phillips 66	10,872	1.31	543,946	Ebay	15,236	1.83
1,894,891	WPX Energy	17,495	2.11	Media 3.55% (2.68%)			
Oil Equipment, Services & Distribution 0.00% (1.66%)				46,307	Charter Communications	12,001	1.45
Total Oil & Gas 30,946 3.73				594,226	Comcast Corporation	17,463	2.10
BASIC MATERIALS 4.16% (2.04%)				Travel & Leisure 1.96% (0.00%)			
Chemicals 4.16% (2.04%)				12,195	Booking Holdings	16,250	1.96
831,814	Dowdupont	34,493	4.16	Total Consumer Services 92,480 11.14			
Total Basic Materials 34,493 4.16				FINANCIALS 21.07% (24.30%)			
INDUSTRIALS 5.97% (10.55%)				Banks 8.52% (10.52%)			
Aerospace & Defence 3.54% (5.33%)				1,220,031	Bank of America	26,772	3.23
61,436	Boeing	19,850	2.39	327,622	JPMorgan Chase	25,870	3.12
61,162	L3 Technologies	9,585	1.15	186,027	PNC Financials	18,048	2.17
Electronic & Electrical Equipment 0.04% (0.56%)				Nonlife Insurance 7.53% (6.03%)			
8,620	Cognex	348	0.04	409,162	Berkshire Hathaway	62,499	7.53
Industrial Engineering 0.65% (2.18%)				Financial Services 5.02% (7.75%)			
66,746	Ingersoll-Rand	5,404	0.65	65,324	MasterCard Class A	11,162	1.35
Industrial Transportation 1.74% (1.88%)				270,965	Visa 'A' Shares	30,493	3.67
105,794	Norfolk Southern	14,411	1.74	Total Financials 174,844 21.07			
Support Services 0.00% (0.60%)				TECHNOLOGY 32.98% (29.27%)			
Total Industrials 49,598 5.97				Software & Computer Services 23.88% (18.26%)			
CONSUMER GOODS 4.01% (2.77%)				126,439	Adobe Systems	24,676	2.97
Beverages 1.17% (1.20%)				71,211	Alphabet Class A	63,131	7.61
109,781	PepsiCo	9,746	1.17	43,120	ANSYS	5,864	0.71
Food Producers 1.35% (0.00%)				304,770	Facebook	40,016	4.82
312,752	Mondelez International	11,179	1.35	665,380	Microsoft	56,591	6.82
Leisure Goods 0.70% (1.57%)				303,938	Nutanix	7,889	0.95
179,244	Activision Blizzard	5,805	0.70	Technology Hardware & Equipment 9.10% (11.01%)			
Personal Goods 0.79% (0.00%)				65,848	Analog Devices	5,351	0.64
46,383	Colgate-Palmolive	2,316	0.28	76,114	Apple	10,110	1.22
160,820	Tapestry	4,225	0.51	64,683	Broadcom	13,355	1.61
Total Consumer Goods 33,271 4.01				272,233	Lam Research	35,054	4.22
HEALTH CARE 10.47% (16.90%)				22,636	Nvidia	2,619	0.31
Health Care Equipment & Services 4.13% (7.17%)				130,317	NXP Semiconductors	9,113	1.10
108,292	Edwards Lifesciences	14,141	1.71	Total Technology 273,769 32.98			
110,435	UnitedHealth Group	20,098	2.42	DERIVATIVES 0.00% (0.00%)			
Pharmaceuticals & Biotechnology 6.34% (9.73%)				Forward Foreign Exchange Contracts 0.00% (0.00%)			
167,378	Alexion Pharmaceuticals	16,698	2.01	Sell USD 20,248			
57,469	Biogen	13,908	1.68	Buy CHF 20,204 J.P. Morgan			
115,474	Biomarin Pharmaceutical	8,002	0.96	Sell USD 255,000			
9,554	Illumina	2,172	0.26	Buy GBP 194,104 Bank of Scotland			
86,103	Vertex Pharmaceuticals	11,867	1.43	Sell USD 348,975			
Total Health Care 86,886 10.47				Buy GBP 268,257 J.P. Morgan			
				Sell USD 364,000			
				Buy GBP 275,772 Barclays			
				Total Derivatives 2 -			
				Total value of investments 776,289 93.53			
				Net other assets (1.73%) 53,675 6.47			
				Net assets 829,964 100.00			

March 2018 comparatives in brackets.

Threadneedle American Smaller Companies Fund (US)

Portfolio Statement

as at 7 March 2019

		Value	% of			Value	% of
		£000	Net Asset Value			£000	Net Asset Value
OIL & GAS 3.03% (4.22%)							
	Oil & Gas Producers 0.00% (0.56%)						
	Oil Equipment, Services & Distribution 3.03% (3.66%)						
1,788,347	Newpark Resources	11,298	3.03				
	Total Oil & Gas	11,298	3.03				
BASIC MATERIALS 7.27% (7.60%)							
	Chemicals 7.27% (7.60%)						
154,288	Albemarle	10,141	2.72				
118,165	Ashland Global Holdings	7,023	1.89				
203,476	Axalta Coating Systems	4,095	1.10				
333,180	Univar	5,802	1.56				
	Total Basic Materials	27,061	7.27				
INDUSTRIALS 20.37% (24.10%)							
	Construction & Materials 2.32% (3.71%)						
188,228	Quanta Services	5,086	1.37				
64,130	Trex Company	3,542	0.95				
	Aerospace & Defence 3.81% (0.00%)						
251,170	Aerojet Rocketdyne Holdings	6,458	1.73				
179,911	Cubic Corporation	7,729	2.08				
	General Industrials 0.00% (1.25%)						
	Electronic & Electrical Equipment 4.05% (6.73%)						
189,814	Cognex	7,654	2.05				
48,574	Zebra Technologies	7,440	2.00				
	Industrial Engineering 4.64% (5.83%)						
435,028	Gardner Denver Holdings	8,709	2.34				
86,446	MSA Safety	6,696	1.80				
18,090	Nordson	1,869	0.50				
	Support Services 5.55% (6.58%)						
63,204	Fair Isaac Corporation	11,807	3.17				
71,999	Siteone Landscape Supply	2,834	0.76				
124,213	TransUnion	6,057	1.62				
	Total Industrials	75,881	20.37				
CONSUMER GOODS 8.71% (9.93%)							
	Automobiles & Parts 1.12% (3.14%)						
39,089	WABCO Holdings	4,175	1.12				
	Food Producers 1.08% (1.19%)						
133,281	Freshpet	4,015	1.08				
	Household Goods & Home Construction 0.00% (0.87%)						
	Leisure Goods 0.00% (2.05%)						
	Personal Goods 6.51% (2.68%)						
354,894	Capri Holdings	12,429	3.34				
439,766	Gildan Activewear	11,833	3.17				
	Total Consumer Goods	32,452	8.71				
HEALTH CARE 13.04% (9.81%)							
	Health Care Equipment & Services 0.82% (2.22%)						
60,177	Glaukos	3,058	0.82				
	Pharmaceuticals & Biotechnology 12.22% (7.59%)						
80,273	Aerie Pharmaceuticals	2,837	0.76				
189,924	Array Biopharma	3,205	0.86				
252,796	Catalent	8,203	2.20				
110,801	Charles River Laboratories	11,639	3.13				
53,897	Exact Sciences	3,510	0.94				
18,777	Guardant Health	885	0.24				
139,073	Medpace Holdings	5,518	1.48				
54,102	Mirati Therapeutics	2,704	0.73				
175,567	NanoString Technologies	3,683	0.99				
124,044	PetIQ	2,418	0.65				
51,586	Quanterix	911	0.24				
	Total Health Care	48,571	13.04				
CONSUMER SERVICES 8.94% (8.21%)							
	General Retailers 4.68% (3.42%)						
190,542	BJ's Wholesale Club Holdings	3,714	1.00				
167,390	Farfetch Class A	3,561	0.96				
64,088	Ollie'S Bargain Outlet Holdings	4,109	1.10				
232,047	Ritchie Bros Auctioneers	6,021	1.62				
	Travel & Leisure 4.26% (4.79%)						
70,600	Alaska Air Group	3,000	0.80				
265,801	Planet Fitness	12,904	3.46				
	Total Consumer Services	33,309	8.94				
UTILITIES 3.90% (0.92%)							
	Electricity 3.90% (0.92%)						
153,827	Edison International	7,227	1.94				
189,147	Portland General Electric Company	7,289	1.96				
	Total Utilities	14,516	3.90				
FINANCIALS 24.59% (22.64%)							
	Banks 6.61% (11.91%)						
88,863	Chemical Financial Corporation	2,988	0.80				
570,289	First Hawaiian	11,386	3.06				
294,999	Houlihan Lokey	10,243	2.75				
	Nonlife Insurance 3.29% (1.62%)						
135,947	Hanover Insurance Group	12,268	3.29				
	Real Estate Investment Trusts 8.65% (5.13%)						
310,394	American Homes 4 Rent	5,195	1.39				
347,669	First Industrial Realty	8,974	2.41				
190,446	QTS Realty Trust	5,984	1.61				
490,465	STORE Capital	12,051	3.24				
	Financial Services 6.04% (3.98%)						
265,502	Moelis & Company	8,880	2.38				
229,170	Virtu Financial	4,394	1.18				
243,318	Voya Financial	9,219	2.48				
	Total Financials	91,582	24.59				
TECHNOLOGY 9.43% (11.16%)							
	Software & Computer Services 5.43% (8.91%)						
69,320	2U	3,564	0.96				
308,623	Altair Engineering Class A	8,346	2.24				
111,634	Aspen Technology	8,303	2.23				

Threadneedle American Smaller Companies Fund (US)

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 9.43% (11.16%) (continued)			
Technology Hardware & Equipment 4.00% (2.25%)			
490,209	Teradyne	14,899	4.00
	Total Technology	35,112	9.43
COLLECTIVE INVESTMENT SCHEMES 0.10% (0.52%)			
Liquidity Funds 0.10% (0.52%)¹			
505,824	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	385	0.10
	Total Collective Investment Schemes	385	0.10
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 531,000		
	Buy GBP 404,193 Bank of Scotland	–	–
	Total Derivatives		
Total value of investments²		370,167	99.38
Net other assets (0.89%)		2,298	0.62
Net assets		372,465	100.00

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Dollar Bond Fund

Portfolio Statement

as at 7 March 2019

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
FIXED INTEREST 96.03% (91.07%)					A- 4.99% (9.47%)				
		AAA 1.45% (0.99%)			USD	240,000	Abbvie 3.2% 06/11/2022	182	0.43
USD	280,000	Johnson & Johnson 3.4% 15/01/2038	203	0.48	USD	40,000	Anheuser-Busch InBev 3.65% 01/02/2026	30	0.07
USD	540,000	Microsoft 2.875% 06/02/2024	410	0.97	USD	420,000	Anheuser-Busch InBev 4.7% 01/02/2036	309	0.73
		Aaa 48.36% (46.28%)			USD	150,000	Anheuser-Busch InBev 5.45% 23/01/2039	119	0.28
USD	5,480,000	United States Treasury Note/Bond 1.875% 30/04/2022	4,094	9.65	USD	275,000	BP Cap Markets America 4.234% 06/11/2028	221	0.52
USD	3,105,600	United States Treasury Note/Bond 2% 15/11/2021	2,334	5.50	USD	220,000	Comcast Corporation 4.6% 15/10/2038	174	0.41
USD	4,560,000	United States Treasury Note/Bond 2.250% 15/08/2027	3,367	7.93	USD	240,000	Indiana Michigan Power 3.75% 01/07/2047	166	0.39
USD	3,537,000	United States Treasury Note/Bond 2.75% 15/02/2028	2,711	6.39	USD	300,000	SGSP Australia Assets 3.3% 09/04/2023	226	0.53
USD	3,885,000	United States Treasury Note/Bond 2.75% 15/08/2047	2,777	6.54	USD	475,000	SGSP Australia Assets 3.5% 07/07/2027	343	0.81
USD	665,000	United States Treasury Note/Bond 3% 15/08/2048	499	1.18	USD	185,000	Southern California Edison 4.125% 01/03/2048	127	0.30
USD	2,276,000	United States Treasury Note/Bond 4.25% 15/05/2039	2,085	4.91	USD	200,000	UBS Group Fund 4.253% 23/03/2028	155	0.36
USD	2,844,000	United States Treasury Note/Bond 4.5% 15/02/2036	2,658	6.26	USD	100,000	Union Pacific 3.6% 15/09/2037	69	0.16
		AA+ 0.00% (0.59%)			USD	1,090,000	BAT Capital 2.297% 14/08/2020 (London Listing)	818	1.93
		AA 0.23% (0.00%)			USD	870,000	BAT Capital 3.222% 15/08/2024	640	1.51
USD	130,000	Berkshire Hathaway Finance 4.25% 15/01/2049	99	0.23	USD	260,000	Celgene Corporation 4.55% 20/02/2048	185	0.44
		AA- 2.26% (2.42%)			USD	175,000	CSX 4.25% 15/03/2029	137	0.32
USD	500,000	JT International Financial Services 3.5% 28/09/2023	381	0.90	USD	250,000	Deutsche Telekom International Finance 2.485% 19/09/2023	182	0.43
USD	160,000	Northwestern 3.85% 30/09/2047	113	0.27	USD	440,000	GE Capital International Funding Company 4.418% 15/11/2035	296	0.70
USD	270,000	Oracle 3.8% 15/11/2037	198	0.47	USD	340,000	Goodman US Finance 3.7% 15/03/2028	247	0.58
USD	160,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	130	0.31	USD	220,000	Lockheed Martin 4.5% 15/05/2036	176	0.41
USD	163,000	Teachers Insurance & Annuity Association of America 4.9% 15/09/2044	132	0.31	USD	429,000	NiSource Finance 4.8% 15/02/2044	330	0.78
		A+ 2.24% (1.58%)			USD	300,000	Petroleos Mexicanos 6.5% 13/03/2027	222	0.52
USD	363,000	Alibaba Group 4% 06/12/2037	262	0.62	USD	310,000	PPL Capital Funding 4.2% 15/06/2022	241	0.57
USD	500,000	Siemens Financieringsmaatschappij 3.125% 16/03/2024	379	0.89	USD	545,000	Sempra Energy 3.55% 15/06/2024	407	0.96
USD	228,000	State Grid 3.5% 04/05/2027	170	0.40	USD	295,000	Southern Copper 4.4% 01/07/2046	215	0.51
USD	200,000	Tencent Holding 3.925% 19/01/2038	142	0.33	USD	500,000	Sydney Airport 3.625% 28/04/2026	372	0.88
		A1 0.28% (0.00%)			USD	300,000	Verizon Communications 4.4% 01/11/2034	231	0.54
USD	158,000	Merck & Co 4% 07/03/2049	119	0.28	USD	120,000	Virginia Electric and Power Company 4.6% 01/12/2048	96	0.23
		A 2.94% (1.79%)			USD	960,000	Vonovia Finance 5% 02/10/2023	755	1.78
USD	300,000	Danske Bank 2.7% 02/03/2022	221	0.52	USD	290,000	Woodside Finance 4.5% 04/03/2029	221	0.52
USD	635,000	Five Corners Funding Trust 4.419% 15/11/2023	505	1.19	USD	325,000	APT Pipelines 4.2% 23/03/2025	249	0.59
USD	525,000	Loews 3.75% 01/04/2026	406	0.96	USD	230,000	APT Pipelines 5% 23/03/2035	175	0.41
USD	150,000	PPL Electric Utilities 4.15% 15/06/2048	116	0.27	USD	150,000	AT&T 4.85% 01/03/2039	109	0.26
		BBB+ 13.61% (13.28%)			USD	379,000	AT&T 4.9% 15/08/2037	280	0.66
		BBB 12.29% (10.02%)			USD	575,000	Ausgrid Finance 4.35% 01/08/2028	442	1.04
		A1 0.28% (0.00%)			USD	532,000	Barclays 4.337% 10/01/2028	394	0.93
		A 2.94% (1.79%)			USD	325,000	Bayer US Finance II 4.25% 15/12/2025	248	0.59
		A 2.94% (1.79%)			USD	346,000	Becton Dickinson 3.7% 06/06/2027	257	0.60
		A 2.94% (1.79%)			USD	180,000	Cenovus Energy 5.4% 15/06/2047	129	0.30
		A 2.94% (1.79%)			USD	317,000	CPI Property Group 4.75% 08/03/2023	240	0.57
		A 2.94% (1.79%)			USD	130,000	CVS Health 5.05% 25/03/2048	97	0.23
		A 2.94% (1.79%)			USD	120,000	E.ON International Finance 6.65% 30/04/2038	112	0.26

Threadneedle Dollar Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 96.03% (91.07%) (continued)					BBB- 1.29% (0.00%)				
USD	200,000	Ford Motor Company 5.291% 08/12/2046	123	0.29	USD	200,000	*Credit Agricole Variable 23/03/2167	152	0.36
USD	500,000	Imperial Tobacco Finance 3.5% 11/02/2023	376	0.89	USD	500,000	*Royal Bank of Scotland Group Variable 27/01/2030	393	0.93
USD	400,000	Kinder Morgan Energy Partners 5% 01/03/2043	295	0.70	BB 0.36% (0.00%)				
USD	175,000	Kraft Heinz Foods 4.375% 01/06/2046	111	0.26	USD	200,000	*UBS Group Funding Switzerland Variable 31/07/2167	153	0.36
USD	130,000	Kroger 4.65% 15/01/2048	89	0.21	BB- 0.38% (0.00%)				
USD	83,000	Metropolitan Edison 4.3% 15/01/2029	65	0.15	USD	215,000	*Credit Suisse Group Variable 12/03/2167	163	0.38
USD	430,000	Northrop Grumman 3.2% 01/02/2027	315	0.74	B 0.00% (0.54%)				
USD	397,000	Thomson Reuters 4.3% 23/11/2023	311	0.73	Total Floating Rate Notes				
USD	110,000	Tyson Foods 5.1% 28/09/2048	81	0.19	1,882 4.43				
USD	530,000	Voya Financial 3.125% 15/07/2024	389	0.92	DERIVATIVES -0.21% (-0.02%)				
USD	420,000	Williams Partners 4.3% 04/03/2024	329	0.77	Credit Default Swaps -0.31% (0.00%)				
Baa2 0.71% (0.25%)					USD	(10,000,000)	Barclays CDX-NAIGS31V1-5Y Credit Default Swap Index Buy Protection 20/12/2023 Spread 100	(129)	(0.31)
USD	400,000	Sunny Optical 3.75% 23/01/2023	300	0.71	Futures and Options 0.10% (-0.02%)				
BBB- 5.37% (3.53%)					USD	(74)	UBS US 10 Year Note Future Expiring June 2019	16	0.04
USD	345,000	Asciano Finance 4.75% 22/03/2028	251	0.59	USD	(49)	UBS US Long Bond Future Expiring June 2019	24	0.06
USD	580,000	Bacardi 4.45% 15/05/2025	436	1.03	Forward Foreign Exchange Contracts 0.00% (0.00%)				
USD	250,000	Bacardi 5.3% 15/05/2048	174	0.41	Sell USD 13,200				
USD	310,000	Bank Of Ireland Group 4.5% 25/11/2023	237	0.56	Buy GBP 10,001 Barclays				
USD	380,000	Charter Communications Operating 4.5% 01/02/2024	296	0.70	Sell GBP 9,900				
USD	342,000	NXP Funding 5.35% 01/03/2026	272	0.64	Buy USD 13,000 UBS				
USD	334,000	Plains All American Pipeline 4.65% 15/10/2025	261	0.61	Total Derivatives				
USD	464,000	Syngenta Finance 4.892% 24/04/2025	353	0.83	(89) (0.21)				
BB+ 0.43% (0.50%)					Total value of investments				
USD	270,000	GMR Hyderabad 4.25% 27/10/2027	181	0.43	42,543 100.25				
B+ 0.00% (0.20%)					Net other (liabilities)/assets (4.59%)				
B 0.38% (0.17%)					(107) (0.25)				
USD	71,000	Noble Holding International 6.95% 01/04/2045	43	0.10	Net assets				
USD	210,000	Republic of Argentina International Bond 5.875% 11/01/2028	121	0.28	42,436 100.00				
D 0.49% (0.00%)					<i>March 2018 comparatives in brackets.</i>				
USD	310,000	Pacific Gas & Electric 4.75% 15/02/2044	206	0.49	<i>*Variable rate bonds.</i>				
Total Fixed Interest					ANALYSIS OF INVESTMENTS BY ASSET CLASS				
40,750 96.03								Value £000	% of Investment
FLOATING RATE NOTES 4.43% (4.36%)					Fixed interest		40,750	95.79	
A 0.90% (0.76%)					Floating rate notes		1,882	4.42	
USD	510,000	*HSBC Holdings 4.041% 13/03/2028	384	0.90	Derivatives		(89)	(0.21)	
A- 1.11% (1.50%)					Total value of investments		42,543	100.00	
USD	270,000	*Bank of America 3.705% 24/04/2028	203	0.48	ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS				
USD	370,000	*JPMorgan Chase Variable 3.882% 24/07/2038	269	0.63			Value £000		
BBB+ 0.00% (0.84%)					UBS US 10 Year Note Future Expiring June 2019		(6,884)		
BBB 0.39% (0.72%)					UBS US Long Bond Future Expiring June 2019		(5,407)		
USD	205,000	*Prudential Variable 20/10/2048	165	0.39	Total net exposure		(12,291)		

Threadneedle Japan Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC MATERIALS 0.00% (3.65%)				Pharmaceuticals & Biotechnology 9.58% (0.00%)			
	Chemicals 0.00% (3.65%)			2,100,500	Astellas Pharma	24,652	3.52
	Total Basic Materials	–	–	387,900	Daiichi Sankyo	11,391	1.62
				196,200	Peptidream	7,232	1.03
INDUSTRIALS 27.67% (35.88%)				773,300	Takeda Pharmaceutical	23,926	3.41
	Construction & Materials 9.50% (6.10%)			Total Health Care			
266,200	Daikin Industries	22,881	3.26			125,854	17.94
951,500	Kinden	11,819	1.69	CONSUMER SERVICES 1.72% (5.68%)			
588,500	Maeda Kosen	10,863	1.55	Food & Drug Retailers 1.30% (0.00%)			
2,183,500	Takuma	21,067	3.00	352,200	Matsumotokiyoshi Holdings	9,095	1.30
	General Industrials 3.33% (0.00%)			General Retailers 0.00% (2.64%)			
1,714,600	Itochu	23,365	3.33	Media 0.00% (1.56%)			
	Electronic & Electrical Equipment 7.82% (15.99%)			Travel & Leisure 0.42% (1.48%)			
655,200	Amano Corporation	10,625	1.51	293,000	Round One	2,957	0.42
61,400	Keyence	28,097	4.01	Total Consumer Services			
176,600	Nidec	16,100	2.30			12,052	1.72
	Industrial Engineering 0.19% (6.41%)			TELECOMMUNICATIONS 6.29% (5.98%)			
130,300	Rheon Automatic Machinery	1,354	0.19	857,600	Nippon Telegraph & Telephone	27,715	3.95
	Support Services 6.83% (7.38%)			Fixed Line Telecommunications 3.95% (2.59%)			
374,500	Benefit One	5,162	0.74	229,400	SoftBank Group	16,412	2.34
1,223,700	Mitsubishi	25,981	3.70	Mobile Telecommunications 2.34% (3.39%)			
800,100	Recruit Holdings	16,775	2.39	Total Telecommunications			
	Total Industrials	194,089	27.67			44,127	6.29
CONSUMER GOODS 25.94% (16.68%)				FINANCIALS 9.88% (17.74%)			
	Automobiles & Parts 6.27% (4.79%)			4,140,300	Mitsubishi UFJ Financial Group	16,142	2.30
266,600	Koito Manufacturing	11,317	1.61	Life Insurance 2.04% (3.43%)			
155,200	Suzuki Motor	5,650	0.81	1,243,600	Dai-ichi Life Insurance	14,274	2.04
601,900	Toyota Motor	26,985	3.85	Real Estate Investment & Services 0.00% (2.17%)			
	Beverages 2.62% (0.00%)			Real Estate Investment Trusts 1.38% (0.00%)			
1,097,600	Kirin Holdings Company	18,401	2.62	7,646	ORIX JREIT	9,648	1.38
	Household Goods & Home Construction 2.35% (3.31%)			Financial Services 4.16% (6.77%)			
427,800	Katitas	10,479	1.49	648,000	Nihon M&A Center	12,447	1.77
214,900	Shoei	6,003	0.86	1,538,200	Orix	16,780	2.39
	Leisure Goods 6.54% (6.00%)			Total Financials			
48,300	Nintendo	10,018	1.43			69,291	9.88
65,000	Shimano	7,383	1.05	TECHNOLOGY 6.37% (7.67%)			
800,100	Sony	28,501	4.06	Software & Computer Services 3.82% (5.47%)			
	Personal Goods 8.16% (2.58%)			398,500	Comture	9,205	1.31
550,500	Kao	32,419	4.62	85,100	Digital Arts	5,306	0.75
249,200	Milbon	8,405	1.20	106,000	Justsystems	2,096	0.30
232,000	Pigeon	6,663	0.95	137,700	OBIC	10,217	1.46
407,500	Unicharm	9,748	1.39	Technology Hardware & Equipment 2.55% (2.20%)			
	Total Consumer Goods	181,972	25.94	773,600	Elecom	17,869	2.55
HEALTH CARE 17.94% (2.82%)				Total Technology			
	Health Care Equipment & Services 8.36% (2.82%)					44,693	6.37
329,400	ASAHI INTECC	11,648	1.66				
577,500	Hoya	28,083	4.00				
807,900	Nakanishi	10,536	1.50				
1,007,200	Solasto Corporation	8,386	1.20				

Threadneedle Japan Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell JPY 17,910,000		
	Buy GBP 121,949 Citigroup	–	–
	Sell JPY 20,410,000		
	Buy GBP 138,173 Bank of Scotland	(1)	–
	Sell JPY 342,478,000		
	Buy GBP 2,331,726 Citigroup	(2)	–
	Total Derivatives	(3)	–
Total value of investments		672,075	95.81
Net other assets (3.90%)		29,423	4.19
Net assets		701,498	100.00

March 2018 comparatives in brackets.

Threadneedle Asia Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 15.65% (11.62%)				Industrial Transportation 0.51% (0.00%)			
	Mining 4.26% (4.23%)			355,389	Shanghai International Airport-A	2,273	0.51
797,660	BHP Group (AUD)	15,914	3.55		Beverages 1.34% (0.46%)		
64,437	Rio Tinto (AUD)	3,180	0.71	717,517	Wuliangye Yibin	6,016	1.34
	Construction & Materials 0.95% (0.00%)				General Retailers 1.36% (0.36%)		
610,314	Lend Lease Group	4,288	0.95	97,513	New Oriental Education & Technology Group ADR	6,101	1.36
	General Industrials 0.98% (0.00%)				Banks 4.14% (4.58%)		
548,766	Amcor	4,385	0.98	13,702,524	China Construction Bank	9,394	2.09
	Industrial Transportation 0.92% (0.77%)			2,616,500	China Merchants Bank	9,197	2.05
620,574	Transurban	4,147	0.92		Life Insurance 2.64% (3.21%)		
	Support Services 0.00% (0.77%)			1,466,772	Ping An Insurance Group	11,847	2.64
	Beverages 0.87% (0.00%)				Total China	59,195	13.19
460,139	Treasury Wine Estates	3,887	0.87	HONG KONG 15.50% (11.29%)			
	Pharmaceuticals & Biotechnology 2.38% (1.50%)				Oil & Gas Producers 2.29% (1.43%)		
100,400	CSL	10,661	2.38	7,974,760	CNOOC	10,284	2.29
	Banks 1.97% (1.88%)				Automobiles & Parts 0.00% (0.55%)		
596,937	Australia & New Zealand Banking Group	8,852	1.97		Household Goods & Home Construction 0.54% (1.02%)		
	Life Insurance 0.00% (0.61%)			479,500	Techtronic Industries	2,420	0.54
	Real Estate Investment & Services 0.00% (0.76%)				Personal Goods 0.00% (0.60%)		
	Financial Services 3.32% (1.10%)				Pharmaceuticals & Biotechnology 0.80% (0.98%)		
593,153	Computershare	5,503	1.23	2,728,000	CSPC Pharmaceutical Group	3,597	0.80
134,958	Macquarie Group	9,382	2.09		Travel & Leisure 1.61% (1.05%)		
	Total Australia	70,199	15.65	1,401,000	Galaxy Entertainment Group	7,227	1.61
CAYMAN ISLANDS 14.83% (15.84%)					Mobile Telecommunications 1.39% (0.00%)		
	Automobiles & Parts 0.00% (0.74%)			791,500	China Mobile	6,228	1.39
	Personal Goods 0.00% (0.92%)				Banks 0.00% (0.60%)		
	General Retailers 6.66% (5.50%)				Life Insurance 4.42% (3.30%)		
58,450	58.Com ADR	2,802	0.63	2,670,716	AIA Group	19,824	4.42
193,082	Alibaba Group ADR	27,064	6.03		Real Estate Investment & Services 2.29% (0.87%)		
	Travel & Leisure 1.29% (0.79%)			814,000	Sun Hung Kai Properties	10,269	2.29
1,566,800	Sands China	5,803	1.29		Financial Services 2.16% (0.89%)		
	Real Estate Investment & Services 1.13% (0.00%)			368,035	Hong Kong Exchanges and Clearing	9,685	2.16
1,721,184	China Resources Land	5,090	1.13		Total Hong Kong	69,534	15.50
	Software & Computer Services 5.75% (7.89%)			INDIA 7.36% (9.28%)			
749,480	Tencent Holdings	25,799	5.75		Oil & Gas Producers 1.69% (1.32%)		
	Total Cayman Islands	66,558	14.83	548,839	Reliance Industries	7,574	1.69
CHINA 13.19% (9.18%)					Construction & Materials 0.00% (1.00%)		
	Industrial Metals & Mining 1.04% (0.00%)				Industrial Engineering 0.75% (1.41%)		
5,314,273	Baoshan Iron & Steel	4,681	1.04	460,435	Mahindra & Mahindra	3,361	0.75
	Construction & Materials 1.38% (0.57%)				Industrial Transportation 0.00% (0.79%)		
1,408,500	Anhui Conch Cement	6,187	1.38		Automobiles & Parts 0.00% (0.66%)		
	Industrial Engineering 0.78% (0.00%)				Personal Goods 0.58% (0.60%)		
4,477,000	CRRC Corporation 'H' Shares	3,499	0.78	337,385	Godrej Consumer Products	2,591	0.58

Threadneedle Asia Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
INDIA 7.36% (9.28%) (continued)					SINGAPORE 3.84% (5.43%)				
		Banks 3.39% (2.33%)					Oil Equipment, Services & Distribution 0.00% (0.62%)		
	438,437	HDFC Bank	10,125	2.25			Banks 3.84% (3.71%)		
	1,273,477	ICICI Bank	5,124	1.14	618,924	DBS Group Holdings	8,790	1.96	
		Financial Services 0.00% (0.28%)			598,600	United Overseas Bank	8,441	1.88	
		Software & Computer Services 0.95% (0.89%)				Real Estate Investment & Services 0.00% (1.10%)			
	542,583	Infosys	4,264	0.95		Total Singapore	17,231	3.84	
		Total India	33,039	7.36					
INDONESIA 3.72% (1.47%)					SOUTH KOREA 9.41% (13.11%)				
		Fixed Line Telecommunications 1.45% (0.54%)					Chemicals 0.99% (1.05%)		
	31,584,700	Telekomunikasi Indonesia	6,495	1.45	18,051	LG Chemicals	4,455	0.99	
		Banks 2.27% (0.93%)				Industrial Metals & Mining 0.00% (0.96%)			
	48,608,700	Bank Rakyat Indonesia	10,204	2.27		Electronic & Electrical Equipment 2.34% (1.40%)			
		Total Indonesia	16,699	3.72	64,604	Samsung Elec Mech Krw5000	4,400	0.98	
					40,579	Samsung SDI	6,129	1.36	
LUXEMBOURG 0.00% (4.91%)					Leisure Goods 0.00% (6.01%)				
		Electronic & Electrical Equipment 0.00% (0.72%)					General Retailers 0.64% (0.80%)		
		Beverages 0.00% (1.49%)			14,936	Shinsegae	2,855	0.64	
		Food Producers 0.00% (1.11%)				Banks 0.97% (1.81%)			
		Household Goods & Home Construction 0.00% (1.59%)			149,894	KB Financial Group	4,356	0.97	
		Total Luxembourg	-	-		Life Insurance 0.00% (0.70%)			
MALAYSIA 0.32% (0.00%)					Software & Computer Services 0.00% (0.38%)				
		Banks 0.32% (0.00%)					Technology Hardware & Equipment 4.47% (0.00%)		
	312,500	Public Bank Berhad	1,426	0.32	669,480	Samsung Electronics	20,043	4.47	
		Total Malaysia	1,426	0.32		Total South Korea	42,238	9.41	
PAKISTAN 0.00% (0.24%)					TAIWAN 9.60% (8.20%)				
		Banks 0.00% (0.24%)					Electronic & Electrical Equipment 0.48% (0.40%)		
		Total Pakistan	-	-	666,000	Chroma Ate	2,135	0.48	
PHILIPPINES 3.54% (1.97%)					Leisure Goods 1.18% (0.45%)				
		Gas, Water & Multiutilities 0.77% (0.54%)			48,000	Largan Precision	5,303	1.18	
	47,379,100	Metro Pacific Investments	3,443	0.77		Banks 1.10% (0.58%)			
		Banks 1.26% (0.90%)			9,048,151	E.Sun Financial	4,954	1.10	
	4,886,420	Metropolitan Bank & Trust	5,651	1.26		Life Insurance 0.00% (0.63%)			
		Real Estate Investment & Services 1.51% (0.53%)				Financial Services 0.00% (0.38%)			
	10,747,800	Ayala Land	6,807	1.51		Technology Hardware & Equipment 6.84% (5.76%)			
		Total Philippines	15,901	3.54	975,000	MediaTek	6,576	1.47	
REPUBLIC OF IRELAND 0.00% (0.00%)					Manufacturing 24,085 5.37				
		Liquidity Funds 0.00% (0.00%)¹			4,182,408	Taiwan Semiconductor	24,085	5.37	
	4,719	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	4	-		Total Taiwan	43,053	9.60	
		Total Republic of Ireland	4	-					
					THAILAND 0.97% (1.09%)				
							Banks 0.97% (1.09%)		
					949,432	Kasikornbank	4,353	0.97	
						Total Thailand	4,353	0.97	

Threadneedle Asia Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 1.32% (4.82%)			
Collective Investment Schemes 1.32% (4.82%)			
1,615,158	Threadneedle China Opportunities Fund	5,925	1.32
	Total United Kingdom	5,925	1.32
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 686,000		
	Buy GBP 522,178 Bank of Scotland	–	–
	Total Derivatives	–	–
Total value of investments²		445,355	99.25
Net other assets (1.55%)		3,381	0.75
Net assets		448,736	100.00

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Latin America Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA 0.62% (3.50%)				Banks 19.31% (16.11%)			
	Construction & Materials 0.00% (0.74%)			4,124,605	Banco Bradesco	34,455	8.35
	Electricity 0.62% (1.00%)			1,024,874	Banco do Brasil	10,276	2.49
114,727	Pampa Energia ADR	2,571	0.62	5,059,852	Itau Unibanco Holding Preference Share	34,948	8.47
	Banks 0.00% (1.76%)			Nonlife Insurance 4.54% (1.40%)			
	Total Argentina	2,571	0.62	1,878,200	BB Seguridade Participacoes	9,901	2.40
				1,495,365	Sul America	8,820	2.14
BERMUDA 4.14% (2.29%)				Real Estate Investment & Services 1.30% (0.96%)			
	Banks 4.14% (2.29%)			1,182,272	Cyrela Brazil Realty	3,918	0.95
93,266	Credicorp	17,075	4.14	179,128	Iguatemi Empresa de Shopping Centers	1,434	0.35
	Total Bermuda	17,075	4.14	Financial Services 1.60% (4.34%)			
BRAZIL 61.77% (58.58%)				1,055,192	B3 SA Brasil Bolsa Balcao	6,610	1.60
	Oil & Gas Producers 9.36% (7.32%)			Total Brazil			
1,819,892	Petrol Brasileiros Preference share	9,645	2.34			254,789	61.77
3,287,887	Petroleo Brasileiro	19,158	4.64	BRITISH VIRGIN ISLANDS 0.22% (0.54%)			
929,136	Petroleo Brasileiro ADR	9,816	2.38	Travel & Leisure 0.22% (0.54%)			
	Forestry & Paper 1.84% (0.46%)			66,696	Despegar.Com	910	0.22
794,636	Suzano Papel e Celulose	7,589	1.84	Total British Virgin Islands			
	Industrial Metals & Mining 6.04% (6.68%)					910	0.22
790,935	Gerdau Preference Share	2,356	0.57	CANADA 0.75% (0.45%)			
1,418,870	Vale	13,512	3.28	Oil & Gas Producers 0.50% (0.45%)			
949,165	Vale ADR	9,016	2.19	182,337	Parex Resources	2,085	0.50
	Support Services 0.32% (0.00%)			Industrial Metals & Mining 0.25% (0.00%)			
55,103	StoneCo	1,300	0.32	121,232	First Quantum Minerals	1,024	0.25
	Beverages 1.45% (7.03%)			Total Canada			
1,848,222	Ambev	5,993	1.45			3,109	0.75
	Personal Goods 0.00% (1.44%)			CAYMAN ISLANDS 0.70% (1.70%)			
	Health Care Equipment & Services 1.88% (1.11%)			Support Services 0.70% (1.70%)			
275,008	Fleury SA	1,090	0.26	137,729	PagSeguro Digital	2,893	0.70
1,000,357	Notredame Intermedica	6,689	1.62	Total Cayman Islands			
	Pharmaceuticals & Biotechnology 1.31% (0.00%)					2,893	0.70
1,029,652	Hypermarcas	5,408	1.31	CHILE 2.98% (4.82%)			
	General Retailers 7.78% (1.12%)			Beverages 2.98% (2.34%)			
58,074	Arco Platform 'A' Shares	1,042	0.25	299,991	Cia Cervecerias ADR	6,460	1.57
508,329	B2W Digital	4,856	1.18	2,141,286	Embotelladora Andina	5,839	1.41
1,802,863	Localiza Rent a Car	12,055	2.92	General Retailers 0.00% (2.48%)			
2,825,851	Lojas Americanas	10,915	2.65	Total Chile			
371,526	Lojas Renner	3,202	0.78			12,299	2.98
	Travel & Leisure 0.78% (1.29%)			COLOMBIA 1.91% (0.79%)			
442,890	Azul	3,219	0.78	Banks 1.91% (0.79%)			
	Fixed Line Telecommunications 0.00% (2.96%)			211,893	Bancolombia ADR	7,887	1.91
	Mobile Telecommunications 0.76% (1.30%)			Total Colombia			
558,176	Linx	3,118	0.76			7,887	1.91
	Electricity 3.50% (3.87%)			LUXEMBOURG 0.54% (0.13%)			
895,746	Energisa	6,925	1.68	Food Producers 0.00% (0.13%)			
1,536,746	Transmissora Alianca de Energia Eletrica	7,523	1.82	Software & Computer Services 0.54% (0.00%)			
				42,336	Globant	2,227	0.54
				Total Luxembourg			
						2,227	0.54

Threadneedle Latin America Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
MEXICO	18.30%	(21.07%)			DERIVATIVES	0.00%	(0.00%)		
		Chemicals 0.90% (0.00%)					Forward Foreign Exchange Contracts 0.00% (0.00%)		
	2,058,921	Mexichem	3,719	0.90			Sell USD 1,482,000		
		Industrial Metals & Mining 1.15% (1.93%)					Buy GBP 1,128,087 Bank of Scotland	–	–
	2,541,249	Grupo Mexico	4,741	1.15			Total Derivatives	–	–
		Construction & Materials 0.00% (1.62%)					Total value of investments²	409,339	99.23
		General Industrials 1.10% (0.00%)					Net other assets (2.47%)	3,168	0.77
	5,609,795	Alfa	4,531	1.10			Net assets	412,507	100.00
		Industrial Transportation 1.90% (0.08%)							
	634,035	Grupo Aeroport Del Sureste	7,860	1.90					
		Beverages 4.28% (3.83%)							
	262,858	Fomento Economico Mexicano ADR	17,661	4.28					
		General Retailers 3.22% (2.89%)							
	6,746,347	Wal-Mart de Mexico	13,287	3.22					
		Travel & Leisure 0.67% (0.85%)							
	1,517,582	Alsea Sab de CV	2,747	0.67					
		Mobile Telecommunications 2.67% (4.83%)							
	1,053,729	America Movil ADR	11,020	2.67					
		Banks 2.41% (5.04%)							
	2,439,394	Grupo Financiero Banorte	9,927	2.41					
		Total Mexico	75,493	18.30					
PANAMA	0.78%	(0.00%)							
		Travel & Leisure 0.78% (0.00%)							
	49,724	Copa Holdings	3,208	0.78					
		Total Panama	3,208	0.78					
REPUBLIC OF IRELAND	0.41%	(0.75%)							
		Liquidity Funds 0.41% (0.75%)¹							
	2,199,192	BlackRock Institutional Cash Series							
		US Dollar Liquidity Platinum	1,674	0.41					
		Total Republic of Ireland	1,674	0.41					
UNITED STATES OF AMERICA	6.11%	(2.91%)							
		General Retailers 0.54% (0.00%)							
	6,357	Mercadolibre	2,233	0.54					
		Banks 2.75% (1.72%)							
	473,835	BCO Santander Chile ADR	11,325	2.75					
		Technology Hardware & Equipment 2.82% (1.19%)							
	414,631	Ituran Location and Control	11,646	2.82					
		Total United States of America	25,204	6.11					

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalent.

Threadneedle Emerging Market Bond Fund

Portfolio Statement

as at 7 March 2019

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value		
ANGOLA 0.61% (0.00%)					BRITISH VIRGIN ISLANDS 5.15% (2.95%)						
B3 0.61% (0.00%)					A+ 4.03% (1.95%)						
USD	1,400,000	Republic of Angola 8.25% 09/05/2028	1,092	0.61	USD	1,722,000	China Southern Power Grid 4.25% 18/09/2028	1,350	0.76		
Total Angola				1,092	0.61	USD	3,000,000	Sinopec Group Overseas Development (2018) 4.125% 12/09/2025	2,337	1.31	
ARGENTINA 6.61% (7.70%)					A- 0.00% (1.00%)						
B+ 0.00% (7.70%)					Ba3 1.12% (0.00%)						
B 5.91% (0.00%)					USD 2,715,000 Star Energy Geothermal 6.75% 24/04/2033						
USD	843,903	Provincia de Buenos Aires 9.95% 09/06/2021	616	0.34	Total British Virgin Islands				9,199	5.15	
USD	3,785,000	Provincia de Cordoba 7.125% 01/08/2027	2,140	1.20	CAYMAN ISLANDS 2.11% (1.42%)						
USD	419,000	Provincia de Cordoba 7.45% 01/09/2024	263	0.15	BBB- 0.71% (0.00%)						
USD	2,795,000	Republic of Argentina 6.625% 06/07/2028	1,673	0.94	USD	1,550,000	Vale Overseas 6.875% 10/11/2039	1,274	0.71		
USD	640,000	Republic of Argentina 6.875% 26/01/2027	393	0.22	Ba2 0.41% (1.00%)						
USD	2,650,000	Republic of Argentina 7.125% 06/07/2036	1,513	0.85	USD	1,000,000	Energuate Trust 5.875% 03/05/2027	729	0.41		
USD	2,547,000	Republic of Argentina 7.5% 22/04/2026	1,637	0.91	B+ 0.55% (0.42%)						
USD	2,100,000	Republic of Argentina International Bond 5.875% 11/01/2028	1,210	0.68	USD	1,354,000	Gran Tierra Energy International Holdings 6.25% 15/02/2025	980	0.55		
USD	2,015,000	Republic of Argentina International Bond 6.875% 11/01/2048	1,114	0.62	Not Rated 0.44% (0.00%)						
Not Rated 0.70% (0.00%)					USD	1,100,000	*Lenovo Group Perpetual Variable 16/09/2167	793	0.44		
ARS	55,200,000	Republic of Argentina 0% 30/04/2019	1,246	0.70	Total Cayman Islands				3,776	2.11	
Total Argentina				11,805	6.61	COLOMBIA 0.00% (1.78%)					
BAHRAIN 1.26% (0.00%)					BBB- 0.00% (1.78%)						
B+ 1.26% (0.00%)					Total Colombia					-	-
USD	291,000	CBB International Sukuk Six 5.25% 20/03/2025	219	0.13	COSTA RICA 0.00% (0.40%)						
USD	600,000	Kingdom of Bahrain 7% 12/10/2028	483	0.27	BB- 0.00% (0.40%)						
USD	1,900,000	Kingdom of Bahrain 7% Notes 26/01/2026	1,539	0.86	Total Costa Rica				-	-	
Total Bahrain				2,241	1.26	CROATIA 1.21% (1.52%)					
BELARUS 1.21% (1.89%)					BB+ 1.21% (0.00%)						
B 1.21% (1.89%)					USD 2,560,000 Croatia Government International Bond 6% 26/01/2024						
USD	2,370,000	Republic of Belarus 6.2% 28/02/2030	1,747	0.98	BB 0.00% (1.52%)						
USD	500,000	Republic of Belarus 7.625% 29/06/2027	407	0.23	Total Croatia				2,153	1.21	
Total Belarus				2,154	1.21	DOMINICAN REPUBLIC 5.76% (6.02%)					
BRAZIL 5.57% (3.14%)					BB- 2.49% (4.48%)						
BB- 4.40% (3.14%)					USD 1,628,000 Dominican Republic International Bond 6% 19/07/2028						
USD	6,000,000	Brazil Government International Bond 5% 27/01/2045	4,119	2.31	USD	1,475,000	Dominican Republic International Bond 6.85% 27/01/2045	1,165	0.65		
USD	4,877,000	Brazil Government International Bond 5.625% 07/01/2041	3,684	2.06	USD	2,382,000	Dominican Republic International Bond 7.45% 30/04/2044	1,993	1.12		
BRL	27,745	Brazil Government International Bond 10% 01/01/2027	59	0.03	Not Rated 3.27% (1.54%)						
Ba3 1.17% (0.00%)					DOP	155,000,000	Dominican Republic International Bond 11.25% 05/02/2027	2,474	1.39		
USD	2,675,000	Light Servicios Energia 7.25% 03/05/2023	2,079	1.17	DOP	85,400,000	Dominican Republic International Bond 11.5% 10/05/2024	1,371	0.77		
Total Brazil				9,941	5.57	DOP	112,000,000	Dominican Republic International Bond 16.95% 04/12/2022	1,992	1.11	
Total British Virgin Islands					Total Dominican Republic				10,284	5.76	

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
ECUADOR 2.03% (1.80%)									
		B- 1.41% (1.34%)							
USD	1,370,000	Republic of Ecuador 9.65% 13/12/2026	1,063	0.60					
USD	1,850,000	Republic of Ecuador 10.5% 24/03/2020	1,452	0.81					
		Not Rated 0.62% (0.46%)							
USD	1,500,000	Petroamazonas 4.625% 06/11/2020	1,110	0.62					
		Total Ecuador	3,625	2.03					
EGYPT 4.45% (5.91%)									
		B 1.82% (0.00%)							
USD	1,385,000	Arab Republic of Egypt 6.588% 21/02/2028	1,023	0.57					
USD	720,000	Arab Republic of Egypt 7.6003% 01/03/2029	559	0.31					
USD	1,500,000	Arab Republic of Egypt 7.903% 21/02/2048	1,102	0.62					
USD	718,000	Arab Republic of Egypt 8.7002% 01/03/2049	561	0.32					
		B- 0.00% (1.55%)							
		B3 0.44% (1.74%)							
USD	1,025,000	Arab Republic of Egypt 8.5% 31/01/2047	788	0.44					
		Not Rated 2.19% (2.62%)							
EGP	42,050,000	Egypt Treasury Bill 0% 09/04/2019	1,804	1.01					
EGP	49,150,000	Egypt Treasury Bill 0% 16/04/2019	2,104	1.18					
		Total Egypt	7,941	4.45					
EL SALVADOR 0.00% (0.84%)									
		CCC+ 0.00% (0.84%)							
		Total El Salvador	-	-					
ETHIOPIA 0.00% (0.36%)									
		B 0.00% (0.36%)							
		Total Ethiopia	-	-					
HONDURAS 1.38% (2.04%)									
		BB- 1.38% (2.04%)							
USD	2,330,000	Republic of Honduras 6.25% 19/01/2027	1,836	1.03					
USD	759,000	Republic of Honduras 7.5% 15/03/2024	626	0.35					
		Total Honduras	2,462	1.38					
HONG KONG 0.91% (0.00%)									
		Not Rated 0.91% (0.00%)							
USD	2,174,000	Lenovo Group 4.75% 29/03/2023	1,627	0.91					
		Total Hong Kong	1,627	0.91					
INDONESIA 8.31% (3.33%)									
		Baa2 2.05% (0.00%)							
USD	2,250,000	Indonesia Asahan Aluminium 5.71% 15/11/2023	1,812	1.02					
USD	2,225,000	Indonesia Asahan Aluminium 6.757% 15/11/2048	1,844	1.03					
		BBB- 3.95% (2.38%)							
USD	2,200,000	Indonesia Government International Bond 4.75% 11/02/2029	1,750	0.98					
USD	2,500,000	Indonesia Government International Bond 5.125% 15/01/2045	1,950	1.09					
USD	2,350,000	Pertamina Persero 6% 03/05/2042	1,887	1.06					
USD	1,750,000	Pertamina Persero 6.45% 30/05/2044	1,472	0.82					
		BB+ 2.31% (0.00%)							
USD	5,560,000	Saka Energi Indonesia 4.45% 05/05/2024	4,118	2.31					
		BB 0.00% (0.95%)							
		Total Indonesia	14,833	8.31					
IVORY COAST 1.38% (2.30%)									
		Ba3 0.60% (1.39%)							
USD	1,450,000	Ivory Coast 6.375% 03/03/2028	1,070	0.60					
		Not Rated 0.78% (0.91%)							
USD	2,168,000	*Ivory Coast 2.5% 31/12/2032	1,402	0.78					
		Total Ivory Coast	2,472	1.38					
JAMAICA 0.00% (0.72%)									
		B 0.00% (0.72%)							
		Total Jamaica	-	-					
KAZAKHSTAN 1.37% (1.04%)									
		Baa3 1.37% (1.04%)							
USD	3,113,000	KazMunayGas 5.375% 24/04/2030	2,443	1.37					
		Total Kazakhstan	2,443	1.37					
KENYA 0.00% (0.69%)									
		B+ 0.00% (0.69%)							
		Total Kenya	-	-					
LUXEMBOURG 1.10% (1.89%)									
		BBB- 1.10% (1.89%)							
USD	1,039,000	Gaz Capital 6.51% 07/03/2022	835	0.47					
USD	1,490,000	GPN Capital 4.375% 19/09/2022	1,125	0.63					
		Total Luxembourg	1,960	1.10					
MEXICO 4.05% (11.23%)									
		A- 0.00% (1.91%)							
		BBB+ 4.05% (7.59%)							
USD	2,741,000	Petroleos Mexicanos 6.375% 23/01/2045	1,754	0.98					
USD	2,500,000	Petroleos Mexicanos 6.5% 23/01/2029	1,813	1.02					
USD	2,093,000	Petroleos Mexicanos 6.5% 02/06/2041	1,383	0.77					
USD	2,092,000	Petroleos Mexicanos 6.625% 15/06/2035	1,442	0.81					
USD	1,265,000	Petroleos Mexicanos 6.75% 21/09/2047	837	0.47					
		BB 0.00% (0.75%)							
		B+ 0.00% (0.98%)							
		Total Mexico	7,229	4.05					

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
MOROCCO 1.11% (0.00%)					PERU 1.30% (2.13%)				
		BBB- 1.11% (0.00%)					A- 1.30% (1.05%)		
USD	1,300,000	OCP Group 5.625% 25/04/2024	1,038	0.58	PEN	9,100,000	Peruvian Government International Bond 6.95% 12/08/2031	2,313	1.30
USD	1,150,000	OCP Group 6.875% 25/04/2044	953	0.53					
		Total Morocco	1,991	1.11			A3 0.00% (0.55%)		
NETHERLANDS 5.01% (5.20%)					BBB+ 0.00% (0.24%)				
		BBB- 3.06% (0.00%)					BBB- 0.00% (0.29%)		
USD	6,180,000	Syngenta Finance 5.182% 24/04/2028	4,592	2.57			Total Peru	2,313	1.30
USD	1,250,000	Syngenta Finance 5.676% 24/04/2048	862	0.49					
		BB- 1.95% (4.48%)			QATAR 2.04% (0.00%)				
USD	2,938,000	Kazakhstan Temir Zholy Finance 6.95% 10/07/2042	2,553	1.43	USD	600,000	Qatar Government International Bond 4.5% 23/04/2028	478	0.27
USD	1,220,000	Petrobras Global Finance 5.299% 27/01/2025	929	0.52	USD	1,250,000	Qatar Government International Bond 5.103% 23/04/2048	1,006	0.56
		Ba3 0.00% (0.72%)					Aa3 1.21% (0.00%)		
		Total Netherlands	8,936	5.01	USD	575,000	Qatar Government International Bond 4% 14/03/2029	436	0.25
NIGERIA 3.35% (1.99%)							Total Qatar	3,638	2.04
		B 1.76% (1.09%)			USD	2,257,000	Qatar Government International Bond 4.817% 14/03/2049	1,718	0.96
USD	1,845,000	Nigeria Government International Bond 6.5% 28/11/2027	1,369	0.76			Total Republic of Ireland	6,124	3.43
USD	2,316,000	Nigeria Government International Bond 7.875% 16/02/2032	1,792	1.00	USD	8,046,333	Liquidity Funds 3.43% (0.00%)* BlackRock Institutional Cash Series US Dollar Liquidity Platinum	6,124	3.43
		Not Rated 1.59% (0.90%)					Total Republic of Ireland	6,124	3.43
NGN	1,520,000,000	Nigeria Government Treasury Bill 0% 16/01/2020	2,846	1.59	RUSSIA 0.00% (3.68%)				
		Total Nigeria	6,007	3.35			BBB 0.00% (2.93%)		
OMAN 2.52% (1.74%)							BBB- 0.00% (0.75%)		
		Baa2 0.00% (1.74%)					Total Russia	-	-
USD	2,463,000	Oman Government International 5.625% 17/01/2028	1,737	0.97	SAUDI ARABIA 1.28% (0.00%)				
USD	2,999,000	Oman Government International 6.75% 17/01/2048	2,000	1.12			A1 1.28% (0.00%)		
USD	1,000,000	Oman Sovereign 5.932% 31/10/2025	756	0.43	USD	2,400,000	Saudi International Bond 4.375% 16/04/2029	1,852	1.04
		Total Oman	4,493	2.52	USD	600,000	Saudi International Bond 4.625% 04/10/2047	436	0.24
PAKISTAN 0.58% (1.25%)							Total Saudi Arabia	2,288	1.28
		B 0.00% (1.25%)			SENEGAL 1.35% (1.31%)				
		B- 0.58% (0.00%)					B+ 1.35% (1.31%)		
USD	1,300,000	Islamic Republic of Pakistan 8.25% 15/04/2024	1,042	0.58	USD	1,463,000	Senegal Government International Bond 6.25% 23/05/2033	1,046	0.58
		Total Pakistan	1,042	0.58	USD	2,000,000	Senegal Government International Bond 6.75% 13/03/2048	1,368	0.77
PANAMA 0.00% (1.10%)							Total Senegal	2,414	1.35
		A- 0.00% (0.80%)			SINGAPORE 1.20% (0.00%)				
		BBB- 0.00% (0.30%)					B 1.20% (0.00%)		
		Total Panama	-	-	USD	3,155,000	Geo Coal International 8% 04/10/2022	2,142	1.20
PARAGUAY 1.24% (0.48%)							Total Singapore	2,142	1.20
		BB 1.24% (0.48%)							
USD	1,340,000	Republic of Paraguay 5.6% 13/03/2048	1,058	0.59					
USD	1,380,000	Republic of Paraguay 6.1% 11/08/2044	1,152	0.65					
		Total Paraguay	2,210	1.24					

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

				Value	% of					Value	% of
				£000	Net Asset Value					£000	Net Asset Value
Holding	Investment					Holding	Investment				
SOUTH AFRICA 3.13% (4.72%)						UNITED KINGDOM 2.42% (1.53%)					
	BB+ 0.00% (3.91%)					USD	3,025,000	Liquid Telecom 8.5% 13/07/2022		2,400	1.35
USD	4,780,000	Republic of South Africa 5.875% 22/06/2030		3,698	2.07	USD	2,510,000	B+ 1.07% (0.52%) Tullow Oil 7% 01/03/2025		1,912	1.07
	CCC+ 1.06% (0.00%)					Total United Kingdom					
USD	2,500,000	Eskom Holdings 5.75% 26/01/2021		1,883	1.06					4,312	2.42
	Total South Africa			5,581	3.13	VENEZUELA 2.00% (2.24%)					
SRI LANKA 1.56% (1.20%)						USD	8,692,931	D 2.00% (2.24%) Petroleos de Venezuela 6% 15/11/2026 (Defaulted)		1,639	0.92
	B+ 0.00% (1.20%)					USD	8,677,700	Venezuela Government International Bond 8.25% 13/10/2024 (Defaulted)		1,932	1.08
USD	859,000	Republic of Sri Lanka 5.75% 18/04/2023		635	0.35	Total Venezuela					
USD	1,010,000	Republic of Sri Lanka 6.75% 18/04/2028		728	0.41					3,571	2.00
USD	1,900,000	Republic of Sri Lanka 6.85% 03/11/2025		1,424	0.80	DERIVATIVES 0.25% (0.02%)					
	Total Sri Lanka			2,787	1.56	Forward Foreign Exchange Contracts 0.25% (0.02%)					
SUPRANATIONAL 0.00% (0.56%)						Sell USD 2,557					
	BB 0.00% (0.56%)					Buy GBP 1,927 Bank of Scotland					
	Total Supranational					Sell USD 14,300					
						Buy GBP 10,885 Bank of Scotland					
TRINIDAD AND TOBAGO 1.21% (0.97%)						Sell BRL 10,009,155					
	BB 1.21% (0.97%)					Buy USD 2,686,228 Goldman Sachs					
USD	2,895,000	Petroleum of Trinidad & Tobago 9.75% 14/08/2019		2,161	1.21	Sell GBP 200,000					
	Total Trinidad And Tobago			2,161	1.21	Buy USD 258,643 UBS					
TURKEY 4.92% (4.43%)						Sell GBP 28,177					
	Ba2 0.00% (4.43%)					Buy USD 37,000 UBS					
USD	1,250,000	Turkey Government International Bond 5.75% 22/03/2024		925	0.52	Sell BRL 19,917,922					
USD	4,360,000	Turkey Government International Bond 6% 25/03/2027		3,133	1.75	Buy USD 5,386,716 HSBC					
USD	2,400,000	Turkey Government International Bond 6.625% 17/02/2045		1,638	0.92	Sell ZAR 76,298,272					
USD	1,900,000	Turkey Government International Bond 6.875% 17/03/2036		1,357	0.76	Buy USD 5,657,039 HSBC					
USD	2,201,000	Turkey Government International Bond 7.375% 05/02/2025		1,734	0.97	Sell USD 2,448,161					
	Total Turkey			8,787	4.92	Buy ZAR 34,837,353 Goldman Sachs					
UKRAINE 1.92% (3.25%)						Sell USD 2,928,267					
	B- 1.92% (3.25%)					Buy ZAR 41,460,919 HSBC					
USD	955,000	Ukraine Government 7.75% 01/09/2024		681	0.38	Total Derivatives					
USD	3,950,000	Ukraine Government 7.75% 01/09/2026		2,739	1.54					445	0.25
	Total Ukraine			3,420	1.92	Total value of investments²					
UNITED ARAB EMIRATES 0.62% (0.00%)						173,009					
	AA 0.62% (0.00%)					Net other assets (3.23%)					
USD	1,500,000	Abu Dhabi Government International 3.125% 11/10/2027		1,110	0.62	5,507					
	Total United Arab Emirates			1,110	0.62	Net assets					
						178,516					
						100.00					

March 2018 comparatives in brackets.

^{*}Variable rate bonds.¹Cash equivalents.²Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value	% of
	£000	Investment
Fixed interest	170,369	98.47
Floating rate notes	2,195	1.27
Derivatives	445	0.26
Total value of investments²	175,234	100.00

Threadneedle High Yield Bond Fund

Portfolio Statement

as at 7 March 2019

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.76% (0.64%)					EUR	1,800,000	Orano 3.5% 22/03/2021	1,632	0.22
BB 0.76% (0.64%)					EUR	2,011,000	*Solvay Finance 5.118% 29/06/2049	1,864	0.25
EUR	6,467,000	*Origin Energy Finance 4% 16/09/2074	5,642	0.76	EUR	3,981,000	*Solvay Finance 5.869% 29/06/2049	3,868	0.52
Total Australia			5,642	0.76	EUR	3,354,000	SPCM 2.875% 15/06/2023	2,921	0.39
AUSTRIA 0.00% (0.23%)					BB 1.98% (2.08%)				
Caa1 0.00% (0.23%)					EUR	2,600,000	Casino Guichard 2.798% 05/08/2026	2,108	0.28
Total Austria			–	–	EUR	2,800,000	Casino Guichard 4.498% 07/03/2024	2,432	0.33
BELGIUM 0.77% (0.81%)					EUR	2,900,000	Casino Guichard-Perrachon 1.865% 13/06/2022	2,369	0.32
BB+ 0.30% (0.00%)					EUR	4,800,000	Casino Guichard-Perrachon 3.311% 25/01/2023	4,230	0.57
EUR	2,647,000	*KBC Groep 5.625% 19/12/2049	2,280	0.30	EUR	200,000	Casino Guichard-Perrachon 3.58% 07/02/2025	163	0.02
BB 0.00% (0.32%)					EUR	1,986,000	Getlink 3.625% 01/10/2023	1,766	0.24
Not Rated 0.47% (0.49%)					EUR	1,900,000	SPIE 3.125% 22/03/2024	1,674	0.22
EUR	3,900,000	*Belfius Bank 4.609% 29/12/2165	3,479	0.47	Ba2 0.48% (0.56%)				
Total Belgium			5,759	0.77	EUR	1,900,000	Elis 1.875% 15/02/2023	1,655	0.22
CANADA 0.90% (1.70%)					EUR	2,200,000	Elis 2.875% 15/02/2026	1,919	0.26
BB– 0.00% (0.44%)					BB– 0.96% (0.39%)				
B 0.46% (0.66%)					EUR	1,420,000	*Louvre Bidco SAS FRN 30/09/2024	1,225	0.16
EUR	3,823,000	Cott Finance 5.5% 01/07/2024	3,459	0.46	EUR	2,245,000	Rexel 2.125% 15/06/2025	1,904	0.26
B– 0.44% (0.60%)					EUR	3,287,000	Rexel 2.75% 15/06/2026	2,820	0.38
EUR	920,000	Bombardier 6.125% 15/05/2021	862	0.12	EUR	1,321,000	Rexel 3.5% 15/06/2023	1,164	0.16
EUR	2,736,000	Valeant Pharmaceuticals 4.5% 15/05/2023	2,370	0.32	B+ 0.00% (1.42%)				
Total Canada			6,691	0.90	B 2.17% (0.52%)				
CAYMAN ISLANDS 0.27% (0.25%)					EUR	8,701,000	Altice France 5.875% 01/02/2027	7,644	1.03
BB 0.27% (0.25%)					EUR	3,605,000	La Financiere Atalian 4% 15/05/2024	2,451	0.33
EUR	2,220,000	UPCB Finance VII 3.625% 15/06/2029	1,977	0.27	EUR	2,811,000	Numericable-SFR 5.625% 15/05/2024	2,494	0.34
Total Cayman Islands			1,977	0.27	EUR	3,975,000	Paprec Holding 4% 31/03/2025	2,909	0.39
FINLAND 0.19% (0.00%)					EUR	820,000	*Paprec Holding FRN 31/03/2025	583	0.08
BB+ 0.19% (0.00%)					B– 0.00% (0.42%)				
EUR	1,627,000	Nokia 2% 11/03/2026	1,392	0.19	CCC+ 0.08% (0.42%)				
Total Finland			1,392	0.19	EUR	675,000	Newco Sab Midco 5.375% 15/04/2025	563	0.08
FRANCE 9.17% (8.02%)					GERMANY 8.06% (6.79%)				
BBB 0.00% (0.32%)					BB+ 3.10% (0.93%)				
BBB– 0.63% (0.53%)					EUR	2,335,000	ADLER Real Estate 1.5% 06/12/2021	2,009	0.27
EUR	1,166,000	*Credit Agricole Perpetual 6.5% 23/12/2049	1,078	0.14	EUR	3,800,000	ADLER Real Estate 1.875% 27/04/2023	3,234	0.44
EUR	4,024,000	*Orange 4% 26/10/2049	3,679	0.49	EUR	3,860,000	ADLER Real Estate 2.125% 06/02/2024	3,293	0.44
BB+ 2.87% (1.36%)					EUR	900,000	ADLER Real Estate 3% 27/04/2026	764	0.10
EUR	575,000	Crown European Holdings 2.25% 01/02/2023	511	0.07	EUR	2,932,000	Demire Deutsche Mittelstand 2.875% 15/07/2022	2,527	0.34
EUR	5,025,000	Crown European Holdings 2.625% 30/09/2024	4,479	0.60	EUR	3,456,000	IHO Verwaltungs 3.25% 15/09/2023	2,995	0.40
EUR	1,435,000	Crown European Holdings 2.875% 01/02/2026	1,274	0.17	EUR	5,132,000	IHO Verwaltungs PIK 2.75% 15/09/2021	4,450	0.60
EUR	300,000	Crown European Holdings 3.375% 15/05/2025	275	0.04	EUR	2,284,754	IHO Verwaltungs PIK 3.75% 15/09/2026	1,958	0.26
EUR	212,000	Crown European Holdings 4% 15/07/2022	199	0.03	EUR	2,022,000	*Lanxess Finance 4.5% 06/12/2076	1,844	0.25
EUR	3,382,000	Elis 3% 30/04/2022	2,939	0.39	BB 0.99% (0.55%)				
EUR	1,600,000	Orano 3.125% 20/03/2023	1,418	0.19	EUR	3,956,000	Thyssenkrupp 2.75% 08/03/2021	3,487	0.47
					EUR	4,512,000	Thyssenkrupp 2.875% 22/02/2024	3,873	0.52
					Ba2 0.65% (0.66%)				
					GBP	4,800,000	*RWEE 7% 29/03/2049	4,806	0.65
Total France			68,210	9.17					

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GERMANY 8.06% (6.79%) (continued)					JERSEY 2.34% (3.03%)				
		BB- 1.69% (3.44%)					BB+ 0.54% (0.55%)		
EUR	1,135,000	Progroup 3% 31/03/2026	994	0.13	EUR	4,568,000	Lincoln Finance 6.875% 15/04/2021	4,028	0.54
EUR	2,000,000	Unitymedia Hessen 4% 15/01/2025	1,794	0.24			BB 0.49% (0.00%)		
EUR	2,250,000	Unitymedia Hessen 6.25% 15/01/2029	1,927	0.26	EUR	4,139,000	Avis Budget Finance 4.75% 30/01/2026	3,628	0.49
EUR	3,107,000	Unitymedia NRW 3.5% 15/01/2027	2,809	0.38			(P)Ba2 0.61% (0.62%)		
USD	3,980,000	Unitymedia NRW 5% 15/01/2025	3,112	0.42	EUR	5,217,904	LHC Three PIK 4.125% 15/08/2024	4,528	0.61
EUR	2,236,000	WEPA Hygieneprodukte 3.75% 15/05/2024	1,949	0.26			B 0.30% (1.47%)		
		B 1.14% (0.84%)			GBP	1,470,000	CPUK Finance 4.25% 28/08/2022	1,458	0.20
EUR	3,164,000	Kirk Beauty Zero 6.25% 15/07/2022	2,489	0.33	GBP	790,000	CPUK Finance 4.875% 28/08/2025	772	0.10
EUR	1,300,000	Platin 5.375% 15/06/2023	1,071	0.14			B- 0.40% (0.39%)		
EUR	2,730,000	Safari Holdings 5.375% 30/11/2022	2,217	0.30	GBP	3,599,000	TVL Finance 8.5% 15/05/2023	3,011	0.40
EUR	3,025,000	Unitymedia 3.75% 15/01/2027	2,730	0.37			Total Jersey	17,425	2.34
		B- 0.41% (0.00%)			LUXEMBOURG 10.52% (12.74%)				
EUR	3,524,000	Blitz 6% 30/07/2026	3,085	0.41			BBB- 0.53% (2.21%)		
		CCC+ 0.08% (0.37%)			EUR	4,500,000	*Grand City Properties 3.75% 29/12/2049	3,956	0.53
EUR	969,000	Kirk Beauty One 8.75% 15/07/2023	568	0.08			BB+ 1.60% (1.73%)		
		Total Germany	59,985	8.06	EUR	655,000	BMBG Bond Finance 3% 15/06/2021	571	0.08
ISLE OF MAN 0.44% (0.00%)					EUR	1,632,000	*CPI Property Group Variable 09/05/2167	1,363	0.18
		BB 0.44% (0.00%)			EUR	3,213,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	3,046	0.41
EUR	2,100,000	Playtech 3.75% 12/10/2023	1,830	0.25	EUR	140,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	125	0.02
EUR	1,651,000	Playtech 4.25% 07/03/2026	1,435	0.19	EUR	2,608,000	Fiat Finance & Trade 4.75% 22/03/2021	2,418	0.32
		Total Isle of Man	3,265	0.44	EUR	1,504,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	1,304	0.17
ITALY 6.19% (6.12%)					GBP	896,000	Leonardo 8% 16/12/2019	933	0.12
		BBB- 0.51% (0.66%)			EUR	2,069,000	Telecom Italia Finance 7.75% 24/01/2033	2,245	0.30
EUR	1,543,000	*Enel 5.451% 10/01/2074	1,448	0.20			BB 1.12% (1.33%)		
GBP	2,180,000	*Enel 6.625% 15/09/2076	2,326	0.31	EUR	1,635,000	Aramark International Finance 3.125% 01/04/2025	1,463	0.20
		BB+ 3.15% (3.97%)			EUR	400,000	*Arena Luxembourg Finance FRN 01/11/2023	345	0.05
EUR	1,006,000	Leonardo 1.5% 07/06/2024	841	0.11	EUR	2,268,000	Dufry Finance 4.55% 01/08/2023	2,019	0.27
EUR	5,961,000	Leonardo 4.5% 19/01/2021	5,500	0.74	EUR	4,875,000	Hanesbrands 3.5% 15/06/2024	4,430	0.60
EUR	3,370,000	Telecom Italia 3.625% 25/05/2026	2,917	0.39			BB- 0.39% (0.77%)		
EUR	5,758,000	Telecom Italia 4.5% 25/01/2021	5,275	0.71	EUR	100,000	Telenet Finance VI Luxembourg 3.5% 01/03/2028	86	0.01
EUR	5,450,000	Telecom Italia 5.25% 10/02/2022	5,175	0.70	EUR	3,388,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	2,815	0.38
EUR	1,300,000	Telecom Italia 5.25% 17/03/2055	1,070	0.14			B+ 1.74% (1.00%)		
EUR	3,005,000	TIM 4% 11/04/2024	2,643	0.36	EUR	1,102,000	Altice Financing 5.25% 15/02/2023	973	0.13
		BB 0.45% (0.46%)			USD	1,322,000	Altice Financing 6.625% 15/02/2025	1,029	0.14
EUR	3,680,000	LKQ Italia Bondco 3.875% 01/04/2024	3,362	0.45	EUR	4,139,000	Garfunkelux 7.5% 01/08/2022	3,169	0.43
		BB- 1.02% (0.76%)			GBP	4,227,000	Garfunkelux 8.5% 01/11/2022	3,706	0.50
EUR	4,572,000	Wind Tre 2.625% 20/01/2023	3,653	0.49	EUR	1,929,000	Cirsa Finance International 6.25% 20/12/2023	1,745	0.23
EUR	5,112,000	Wind Tre 3.125% 20/01/2025	3,938	0.53	EUR	2,688,000	Matterhorn Telecom 3.875% 01/05/2022	2,308	0.31
		B+ 0.67% (0.00%)					B 0.39% (0.27%)		
EUR	5,625,000	Nexi Capital 4.125% 01/11/2023	4,993	0.67			Total Italy	46,033	6.19
		B 0.39% (0.27%)			JAPAN 1.33% (2.41%)				
EUR	3,434,000	International Design Group 6.5% 15/11/2025	2,892	0.39			BB+ 1.33% (2.41%)		
		Total Italy	46,033	6.19	EUR	1,643,000	SoftBank Group 4% 20/04/2023	1,496	0.20
JAPAN 1.33% (2.41%)					EUR	246,000	SoftBank Group 4% 19/09/2029	201	0.03
		BB+ 1.33% (2.41%)			EUR	9,175,000	SoftBank Group 5% 15/04/2028	8,191	1.10
EUR	1,643,000	SoftBank Group 4% 20/04/2023	1,496	0.20			Total Japan	9,888	1.33
EUR	246,000	SoftBank Group 4% 19/09/2029	201	0.03					
EUR	9,175,000	SoftBank Group 5% 15/04/2028	8,191	1.10					
		Total Japan	9,888	1.33					

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG 10.52% (12.74%) (continued)									
		B 1.72% (4.08%)			GBP	5,100,000	*Telefonica Europe 6.75% Perpetual	5,378	0.72
EUR	1,707,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	1,445	0.19	EUR	900,000	*Telefonica Europe Perpetual 3% 04/12/2066	736	0.10
EUR	3,338,000	Crystal Almond 10% 01/11/2021	3,066	0.41	EUR	7,400,000	*Telefonica Europe Perpetual 3.875% 22/09/2066	5,921	0.80
EUR	3,045,000	*Group Ecore Holdings SAS FRN 15/11/2023	2,507	0.34	EUR	5,175,000	*Tennet Holding Variable 2.995% 01/06/2167	4,487	0.60
EUR	1,097,000	Lecta 6.5% 01/08/2023	889	0.12					
EUR	1,379,000	LSF 10 Wolverine Investments 5% 15/03/2024	1,191	0.16			BB 3.26% (1.77%)		
EUR	905,000	*LSF 10 Wolverine Investments FRN 15/03/2024	779	0.10	EUR	2,316,000	Dufry One 2.5% 15/10/2024	2,020	0.27
EUR	3,334,000	Rossini 6.75% 30/10/2025	2,961	0.40	GBP	3,532,000	*Koninklijke KPN 6.875% 14/03/2073	3,662	0.49
		B- 2.30% (0.69%)			EUR	3,659,000	LKQ European Holdings 3.625% 01/04/2026	3,221	0.43
EUR	3,602,000	Aguila 3 6.75% 15/12/2021	3,202	0.43	EUR	100,000	OI European Group 3.125% 15/11/2024	90	0.01
EUR	2,200,000	Altice 6.25% 15/02/2025	1,690	0.23	EUR	7,689,000	Teva Pharmaceutical Finance 1.125% 15/10/2024	5,778	0.78
EUR	7,726,000	Altice 7.25% 15/05/2022	6,645	0.89	EUR	3,606,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	2,892	0.39
USD	1,500,000	Altice 7.75% 15/05/2022	1,129	0.15	EUR	2,554,000	Teva Pharmaceutical Finance 1.875% 31/03/2027	1,859	0.25
EUR	1,340,000	ARD Finance PIK 6.625% 15/09/2023	1,170	0.16	EUR	2,375,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	2,086	0.28
EUR	2,193,000	Intralot Capital 5.25% 15/09/2024	1,036	0.14	EUR	2,985,000	Teva Pharmaceutical Finance Netherlands 4.5% 01/03/2025	2,658	0.36
EUR	1,590,000	Intralot Capital 6.75% 15/09/2021	955	0.13					
EUR	869,000	Matterhorn Telecom 4.875% 01/05/2023	722	0.10			BB- 1.97% (3.05%)		
EUR	805,000	Takko Luxembourg 2 5.375% 15/11/2023	530	0.07	EUR	2,075,000	Axalta Coating Systems 3.75% 15/01/2025	1,854	0.25
		CCC+ 1.12% (0.93%)			EUR	6,767,000	InterXion Holding 4.75% 15/06/2025	6,136	0.82
USD	2,900,000	Altice Finco 8.125% 15/01/2024	2,235	0.30	EUR	2,940,000	Petrobras Global Finance 4.75% 14/01/2025	2,775	0.37
EUR	1,084,000	Altice Finco 9% 15/06/2023	975	0.13	GBP	1,688,000	Petrobras Global Finance 6.625% 16/01/2034	1,823	0.25
EUR	4,964,000	Horizon Parent Holdings 8.25% 15/02/2022	4,383	0.59	GBP	1,921,000	Petrobras International Finance 6.25% 14/12/2026	2,105	0.28
EUR	920,000	Picard Bondco 5.5% 30/11/2024	741	0.10					
		Total Luxembourg	78,300	10.52					
MEXICO 0.22% (0.55%)									
		BB 0.22% (0.55%)			GBP	3,989,000	InterGen 7.5% 30/06/2021	3,846	0.52
EUR	1,019,000	Cemex 4.375% 05/03/2023	897	0.12	EUR	621,000	Ziggo Secured Finance 3.75% 15/01/2025	545	0.07
USD	902,000	Cemex 7.75% 16/04/2026	744	0.10	EUR	2,235,000	Ziggo Secured Finance 4.25% 15/01/2027	1,977	0.27
		Total Mexico	1,641	0.22					
NETHERLANDS 14.44% (12.67%)									
		BBB- 1.13% (0.00%)					B 0.28% (1.87%)		
EUR	4,143,000	Schaeffler Holding Finance 2.5% 15/05/2020	3,576	0.48	EUR	290,000	United Group 4.875% 01/07/2024	254	0.03
EUR	2,227,000	Schaeffler Holding Finance 3.25% 15/05/2025	1,965	0.26	EUR	2,095,000	UPC Holding 3.875% 15/06/2029	1,848	0.25
EUR	3,330,000	Schaeffler Holding Finance 3.5% 15/05/2022	2,877	0.39			B- 1.12% (0.40%)		
		BB+ 5.55% (5.29%)			EUR	1,460,000	Constellium 4.25% 15/02/2026	1,263	0.17
EUR	5,525,000	Darling Global Finance 3.625% 15/05/2026	4,898	0.66	EUR	3,811,000	LGE HoldCo VI 7.125% 15/05/2024	3,429	0.46
EUR	4,242,000	Intertrust Group 3.375% 15/11/2025	3,710	0.50	EUR	4,161,000	Ziggo Bond Finance 4.625% 15/01/2025	3,677	0.49
EUR	775,000	*Repsol International Finance 4.5% 25/03/2075	714	0.10			Not Rated 0.27% (0.29%)		
EUR	3,800,000	*Telefonica Europe 14/03/2168	3,269	0.44	EUR	1,590,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	1,118	0.15
EUR	7,900,000	*Telefonica Europe 3.75% 31/12/2049	6,928	0.93	USD	4,726,969	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	900	0.12
EUR	2,400,000	*Telefonica Europe 4.2% 29/12/2049	2,122	0.29	USD	153,626	OSX 3 Leasing (2012/14) Perpetual	-	-
EUR	1,500,000	*Telefonica Europe 5% 31/03/2049	1,349	0.18	USD	153,626	OSX 3 Leasing (2003/15) Perpetual	-	-
EUR	1,800,000	*Telefonica Europe 5.875% 31/03/2049	1,677	0.23			Total Netherlands	107,423	14.44

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
PORTUGAL 0.36% (0.40%)					SWEDEN 0.84% (1.24%)					
Not Rated 0.36% (0.40%)					BBB- 0.00% (0.06%)					
EUR	1,100,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	279	0.04	EUR	5,673,000	*Akelius Residential FRN 05/10/2078	4,924	0.66	
EUR	8,600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	1,999	0.27	EUR	1,545,000	Volvo Car 2% 24/01/2025	1,305	0.18	
EUR	1,600,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	396	0.05	Total Sweden					
Total Portugal				2,674	0.36	6,229				
REPUBLIC OF IRELAND 9.49% (2.91%)					SWITZERLAND 1.66% (2.71%)					
BB+ 0.49% (0.02%)					BBB+ 0.17% (0.60%)					
EUR	209,000	Smurfit Kappa 3.25% 01/06/2021	190	0.03	EUR	885,000	*UBS 4.75% 12/02/2026	811	0.11	
EUR	1,353,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026 (Berlin Exchange)	1,207	0.16	USD	620,000	UBS 5.125% 15/05/2024	480	0.06	
EUR	2,535,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026 (Frankfurt Exchange)	2,261	0.30	BBB 0.79% (1.37%)					
BB 0.78% (0.55%)					EUR	3,053,000	*Credit Suisse 5.75% 18/09/2025	2,819	0.38	
EUR	3,654,000	Ardagh Packaging Finance 2.75% 15/03/2024	3,212	0.43	USD	3,700,000	Credit Suisse 6.5% 08/08/2023	3,014	0.41	
EUR	3,010,000	James Hardie International Finance 3.625% 01/10/2026	2,622	0.35	BB+ 0.67% (0.71%)					
BB- 0.33% (0.36%)					EUR	5,360,000	*UBS Group 5.75% 29/12/2049	5,019	0.67	
EUR	2,722,000	*Bank of Ireland 7.375% 29/12/2049	2,483	0.33	BB 0.03% (0.03%)					
B+ 0.36% (0.34%)					USD	250,000	*Credit Suisse 7.5% 11/12/2049	203	0.03	
EUR	3,015,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	2,646	0.36	Total Switzerland					
B1u 0.00% (0.10%)						12,346				
B 1.08% (1.12%)					UNITED KINGDOM 17.19% (19.88%)					
GBP	1,390,000	Ardagh Packaging Finance 4.75% 15/07/2027	1,284	0.17	Baa2 0.55% (0.55%)					
EUR	5,427,000	Ardagh Packaging Finance 6.75% 15/05/2024	4,953	0.67	GBP	2,574,000	Santander UK 10.0625% 29/10/2049	4,074	0.55	
GBP	1,782,000	Virgin Media 5.5% 15/09/2024	1,781	0.24	BB+ 3.94% (5.33%)					
B- 0.00% (0.42%)					GBP	882,000	Drax Finco 4.25% 01/05/2022	883	0.12	
Liquidity Funds 6.45% (0.00%)					EUR	5,094,000	Ineos Finance 4% 01/05/2023	4,441	0.60	
EUR	21,983,742	BlackRock Institutional Cash Series Euro Liquidity Platinum	18,922	2.54	EUR	2,155,000	International Game Technology 3.5% 15/07/2024	1,908	0.26	
GBP	29,053,181	BlackRock Institutional Cash Series Sterling Liquidity Platinum	29,053	3.91	EUR	1,380,000	International Game Technology 4.75% 15/02/2023	1,294	0.17	
Total Republic of Ireland				70,614	9.49	GBP	2,000,000	*Lloyds Bank 13% 29/01/2049	3,361	0.45
RUSSIA 0.00% (0.14%)					EUR	1,420,000	OTE 3.5% 09/07/2020	1,264	0.17	
BBB- 0.00% (0.14%)					EUR	1,470,000	OTE 4.375% 02/12/2019	1,301	0.18	
Total Russia				-	-	EUR	2,000,000	Tesco Corporate Treasury Services 1.375% 24/10/2023	1,716	0.23
SPAIN 1.10% (0.92%)					GBP	3,795,000	Tesco Property Finance 1 7.6227% 13/07/2039	4,550	0.61	
BB+ 0.56% (0.64%)					GBP	2,603,000	Tesco Property Finance 3 5.744% 13/04/2040	2,994	0.40	
EUR	4,700,000	Cellnex Telecom 2.375% 16/01/2024	4,134	0.56	GBP	916,000	Tesco Property Finance 5.5% 13/10/2041	1,055	0.14	
B+ 0.33% (0.28%)					GBP	1,620,000	Travis Perkins 4.5% 07/09/2023	1,645	0.22	
EUR	2,860,000	Grifols 3.2% 01/05/2025	2,486	0.33	GBP	2,813,000	William Hill 4.875% 07/09/2023	2,882	0.39	
CCC 0.21% (0.00%)					BB 2.84% (3.02%)					
EUR	2,500,000	Distribuidora Internacional de Alimentación 1% 28/04/2021	1,571	0.21	GBP	4,918,000	Arrow Global Finance 5.125% 15/09/2024 Callable	4,738	0.64	
Total Spain				8,191	1.10	GBP	3,347,000	*Barclays Bank 14% 29/11/2049	3,447	0.46
					GBP	1,668,000	*Co-operative Group 6.25% 08/07/2026	1,855	0.25	
					GBP	4,898,000	*Co-operative Group FRN 08/07/2020	5,091	0.68	
					EUR	4,191,000	Merlin Entertainments 2.75% 15/03/2022	3,753	0.51	
					GBP	2,206,000	Pinewood 3.75% 01/12/2023	2,214	0.30	
					BB- 3.72% (3.12%)					
					EUR	2,489,000	EC Finance 2.375% 15/11/2022 (FWB)	2,156	0.29	
					EUR	310,000	EC Finance 2.375% 15/11/2022 (Lux)	269	0.04	
					GBP	1,460,000	EI Group 6.875% 15/02/2021	1,547	0.21	
					GBP	6,290,000	Iron Mountain UK 3.875% 15/11/2025	5,975	0.80	

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Value £000	% of Net Asset Value		Value £000	% of Net Asset Value
UNITED KINGDOM 17.19% (19.88%) (continued)			UNITED STATES OF AMERICA 10.32% (9.71%)		
GBP	1,465,000		Jaguar Land Rover Automotive 2.75% 24/01/2021	1,379	0.19
GBP	5,546,000		Jaguar Land Rover Automotive 3.875% 01/03/2023	4,784	0.64
GBP	2,034,000		*Lloyds Banking Group 7% 29/12/2049	2,041	0.27
GBP	345,000		Miller Homes Group Holdings 5.5% 15/10/2024	326	0.04
USD	2,530,000		Neptune Energy Bondco 6.625% 15/05/2025	1,897	0.26
GBP	4,815,000		Virgin Media 4.875% 15/01/2027	4,723	0.64
GBP	2,420,000		Virgin Media Secured Finance 5.125% 15/01/2025	2,461	0.33
GBP	100,000		Virgin Media Secured Finance 5.5% 15/01/2025	92	0.01
			B+ 0.70% (1.50%)		
GBP	1,205,000		Southern Water Greensands Financing 8.5% 15/04/2019	1,212	0.16
EUR	4,543,000		Synlab 6.25% 01/07/2022	4,044	0.54
			B1 0.63% (0.79%)		
GBP	4,711,000		Thames Water Kemble Finance 7.75% 01/04/2019	4,718	0.63
			B 1.98% (1.91%)		
GBP	2,090,000		Ei Group 7.5% 15/03/2024	2,142	0.29
GBP	2,679,000		Pinnacle Bidco 6.375% 15/02/2025	2,707	0.36
USD	1,660,000		*Royal Bank of Scotland Group 8.625% 29/12/2049	1,340	0.18
EUR	2,115,000		Thomas Cook Finance 3.875% 15/07/2023	1,305	0.18
EUR	1,975,000		Thomas Cook Group 6.25% 15/06/2022	1,405	0.19
EUR	700,000		Virgin Media Finance 4.5% 15/01/2025	623	0.08
GBP	5,015,000		Virgin Media Finance 6.375% 15/10/2024	5,199	0.70
			B2 0.76% (0.46%)		
GBP	2,745,000		Arqiva Broadcast Finance 6.75% 30/09/2023	2,888	0.39
GBP	3,065,000		Shop Direct Funding 7.75% 15/11/2022	2,741	0.37
			B- 1.23% (2.26%)		
EUR	1,855,000		Algeco Scotsman 6.5% 15/02/2023	1,636	0.22
USD	2,769,422		EnQuest PIK 7% 15/04/2022	1,737	0.23
GBP	2,831,000		*Stonegate Pub Company Financing FRN 15/03/2022	2,840	0.38
EUR	2,940,000		Synlab 8.25% 01/07/2023	2,690	0.36
GBP	290,000		Vougeot Bidco 7.875% 15/07/2020	288	0.04
			B3 0.67% (0.75%)		
GBP	5,720,000		KIRS Midco 3 8.375% 15/07/2023	4,959	0.67
			CCC+ 0.17% (0.00%)		
GBP	1,736,000		Boparan Finance 5.5% 15/07/2021	1,293	0.17
			CCC 0.00% (0.08%)		
			Not Rated 0.00% (0.11%)		
USD	651		NV Profit Share Preference Share	-	-
			Total United Kingdom	127,883	17.19
			BBB- 1.72% (0.00%)		
EUR	5,975,000		Equinix 2.875% 01/02/2026	5,248	0.71
EUR	7,315,000		Equinix 2.875% 01/10/2025	6,465	0.87
USD	1,375,000		Equinix 5.375% 15/05/2027	1,079	0.14
			BB+ 0.96% (4.26%)		
EUR	2,295,000		Ball Corporation 4.375% 15/12/2023	2,250	0.30
EUR	2,378,000		Colfax 3.25% 15/05/2025	2,062	0.28
EUR	2,950,000		Sealed Air 4.5% 15/09/2023	2,819	0.38
			Ba1 0.35% (0.00%)		
EUR	2,943,000		UGI International 3.25% 01/11/2025	2,609	0.35
			BB 2.73% (0.90%)		
EUR	3,672,000		Cemex Finance 4.625% 15/06/2024	3,322	0.45
EUR	7,430,000		Quintiles IMS 3.25% 15/03/2025	6,516	0.88
EUR	6,117,000		Quintiles IMS 3.5% 15/10/2024	5,389	0.72
GBP	5,198,000		Vantiv 3.875% 15/11/2025	5,090	0.68
			BB- 1.95% (1.75%)		
EUR	2,070,000		Axalta Coating Systems 4.25% 15/08/2024	1,855	0.25
EUR	1,138,000		Kronos International 3.75% 15/09/2025	910	0.12
EUR	3,680,000		Netflix 3.625% 15/05/2027	3,170	0.43
EUR	4,730,000		Netflix 4.625% 15/05/2029	4,230	0.57
EUR	4,855,000		Silgan Holdings 3.25% 15/03/2025	4,295	0.58
			B+ 1.14% (1.33%)		
EUR	4,076,000		Catalent Pharma Solution 4.75% 15/12/2024	3,664	0.49
EUR	5,580,000		Spectrum Brands 4% 01/10/2026	4,809	0.65
			B 1.28% (0.94%)		
EUR	5,508,000		Avantor 4.75% 01/10/2024	4,874	0.65
USD	1,000,000		Cott Holdings 5.5% 01/04/2025	756	0.10
EUR	4,576,000		Financial & Risk US Holdings 4.5% 15/05/2026	3,909	0.53
			B- 0.19% (0.53%)		
EUR	1,760,000		Financial & Risk US Holdings 6.875% 15/11/2026	1,453	0.19
			Total United States of America	76,774	10.32
			DERIVATIVES 2.11% (-1.09%)		
			Credit Default Swaps 0.16% (0.03%)		
EUR	11,839,920		Citigroup Itraxx Crossover Credit Default Swap Index Sell Protection 20/12/2023 Spread 500	986	0.13
EUR	2,959,980		J.P. Morgan Itraxx Crossover Credit Default Swap Index Sell Protection 20/12/2023 Spread 500	246	0.03
			Forward Foreign Exchange Contracts 1.95% (-1.12%)		
			Sell USD 1,439,930		
			Buy GBP 1,092,926 HSBC	(2)	-
			Sell EUR 1,618,491		
			Buy GBP 1,393,072 Bank of Scotland	(1)	-
			Sell EUR 2,000,000		
			Buy GBP 1,716,510 Barclays	(6)	-

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 2.11% (-1.09%) (continued)			
	Sell EUR 2,255,645		
	Buy GBP 1,935,692 Goldman Sachs	(7)	-
	Sell EUR 200,000,000		
	Buy GBP 176,848,600 Goldman Sachs	4,625	0.62
	Sell EUR 200,000,000		
	Buy GBP 176,853,300 Barclays	4,630	0.62
	Sell USD 24,000,000		
	Buy GBP 18,691,509 J.P. Morgan	435	0.06
	Sell EUR 204,000,000		
	Buy GBP 180,401,688 Lloyds	4,734	0.64
	Sell EUR 2,895,703		
	Buy GBP 2,495,668 Lloyds	2	-
	Sell EUR 3,000,000		
	Buy GBP 2,614,032 Lloyds	31	0.01
	Sell EUR 3,000,000		
	Buy GBP 2,627,065 HSBC	44	0.01
	Sell EUR 3,029,789		
	Buy GBP 2,639,961 Barclays	31	-
	Sell USD 431,527		
	Buy GBP 328,456 Citigroup	-	-
	Sell EUR 500,000		
	Buy GBP 435,705 Lloyds	5	-
	Sell USD 66,050		
	Buy GBP 50,133 HSBC	-	-
	Sell USD 65,021		
	Buy GBP 50,233 HSBC	1	-
	Sell USD 73,310		
	Buy GBP 55,322 Bank of Scotland	-	-
	Sell USD 83,872		
	Buy GBP 64,335 Citigroup	-	-
	Sell EUR 1,000,000		
	Buy GBP 857,928 Lloyds	(3)	-
	Sell USD 124,559		
	Buy GBP 95,156 Barclays	-	-
	Sell GBP 1,033,463		
	Buy USD 1,364,337 J.P. Morgan	4	-
	Sell GBP 4,325,053		
	Buy USD 5,626,448 J.P. Morgan	(47)	(0.01)
	Total Derivatives	15,708	2.11
Total value of investments		734,050	98.67
Net other assets (7.22%)		9,887	1.33
Net assets		743,937	100.00

March 2018 comparatives in brackets.

*Variable rate bonds.

(P) refers to provisional rating

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	602,793	82.12
Floating rate notes	115,549	15.74
Derivatives	15,708	2.14
Total value of investments	734,050	100.00

Threadneedle Global Select Fund

Portfolio Statement

as at 7 March 2019

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
BELGIUM 0.79% (1.35%)				HONG KONG 1.99% (1.54%)			
	Beverages 0.79% (1.35%)				Life Insurance 1.99% (1.54%)		
111,792	Anheuser-Busch InBev	6,907	0.79	2,343,600	AIA Group	17,396	1.99
	Total Belgium	6,907	0.79		Total Hong Kong	17,396	1.99
BERMUDA 1.04% (1.30%)				INDIA 1.90% (1.69%)			
	Financial Services 1.04% (1.30%)				Banks 1.90% (1.69%)		
224,430	Ihs Markit	9,061	1.04	718,079	HDFC Bank	16,584	1.90
	Total Bermuda	9,061	1.04		Total India	16,584	1.90
CANADA 1.51% (1.36%)				INDONESIA 2.21% (2.22%)			
	Oil & Gas Producers 1.51% (1.36%)				Banks 2.21% (2.22%)		
513,780	Suncor Energy (USD)	13,155	1.51	91,739,400	Bank Rakyat Indonesia	19,259	2.21
	Total Canada	13,155	1.51		Total Indonesia	19,259	2.21
CAYMAN ISLANDS 6.59% (4.28%)				JAPAN 1.90% (5.91%)			
	Support Services 0.85% (1.01%)				Electronic & Electrical Equipment 0.93% (0.00%)		
352,391	PagSeguro Digital	7,403	0.85	17,700	Keyence	8,100	0.93
	General Retailers 3.41% (3.27%)				Industrial Engineering 0.00% (1.88%)		
212,379	Alibaba Group ADR	29,768	3.41		Automobiles & Parts 0.00% (1.17%)		
	Software & Computer Services 2.33% (0.00%)				Household Goods & Home Construction 0.00% (1.40%)		
589,500	Tencent Holdings	20,292	2.33		Leisure Goods 0.97% (1.46%)		
	Total Cayman Islands	57,463	6.59	40,700	Nintendo	8,441	0.97
CHINA 2.60% (1.83%)					Total Japan	16,541	1.90
	Life Insurance 2.60% (1.83%)			JERSEY 0.00% (1.45%)			
2,805,000	Ping An Insurance Group	22,656	2.60		Support Services 0.00% (1.45%)		
	Total China	22,656	2.60		Total Jersey	-	-
DENMARK 0.97% (0.93%)				MEXICO 0.00% (0.71%)			
	Pharmaceuticals & Biotechnology 0.97% (0.93%)				Beverages 0.00% (0.71%)		
224,391	Novo Nordisk	8,451	0.97		Total Mexico	-	-
	Total Denmark	8,451	0.97	NETHERLANDS 0.00% (1.53%)			
FRANCE 3.25% (0.00%)					Media 0.00% (1.53%)		
	Beverages 1.03% (0.00%)				Total Netherlands	-	-
67,369	Pernod Ricard	8,988	1.03	REPUBLIC OF IRELAND 4.17% (4.16%)			
	Personal Goods 1.02% (0.00%)				Construction & Materials 1.56% (2.44%)		
33,799	LVMH Moet Hennessy Vuitton	8,885	1.02	579,470	CRH (Dublin Listing)	13,642	1.56
	Health Care Equipment & Services 1.20% (0.00%)				Industrial Engineering 1.56% (1.20%)		
112,193	Essilor International	10,516	1.20	168,240	Ingersoll-Rand	13,621	1.56
	Total France	28,389	3.25		Pharmaceuticals & Biotechnology 0.00% (0.51%)		
GERMANY 2.47% (2.41%)					Liquidity Funds 1.05% (0.01%)¹		
	Electronic & Electrical Equipment 0.54% (0.00%)			12,013,122	BlackRock Institutional Cash Series		
147,343	Osram	4,733	0.54		US Dollar Liquidity Platinum	9,144	1.05
	Household Goods & Home Construction 0.00% (0.96%)				Total Republic of Ireland	36,407	4.17
	Personal Goods 1.93% (0.00%)			SPAIN 1.13% (0.45%)			
90,251	Adidas	16,811	1.93		General Retailers 1.13% (0.45%)		
	Mobile Telecommunications 0.00% (1.45%)			425,663	Inditex	9,849	1.13
	Total Germany	21,544	2.47		Total Spain	9,849	1.13

Threadneedle Global Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
SWITZERLAND 2.18% (3.06%)				Health Care Equipment & Services 7.86% (5.30%)			
	Electronic & Electrical Equipment 0.99% (1.68%)			154,424	Baxter International	8,784	1.01
139,926	TE Connectivity	8,693	0.99	72,183	Becton Dickinson	13,658	1.56
	Support Services 1.19% (0.00%)			419,560	Centene	18,165	2.08
198,205	Ferguson	10,372	1.19	62,485	Cooper Cos	13,448	1.54
	Banks 0.00% (1.38%)			101,626	Stryker	14,568	1.67
	Total Switzerland	19,065	2.18		Pharmaceuticals & Biotechnology 4.81% (7.06%)		
				65,998	Alexion Pharmaceuticals	6,584	0.75
				255,487	Gilead Sciences	12,234	1.40
				50,510	Illumina	11,482	1.32
				84,671	Vertex Pharmaceuticals	11,669	1.34
THAILAND 0.00% (0.73%)					General Retailers 3.45% (3.22%)		
	Banks 0.00% (0.73%)			23,679	Amazon.com	30,080	3.45
	Total Thailand	-	-		Media 1.14% (1.28%)		
				337,272	Comcast Corporation	9,912	1.14
UNITED KINGDOM 7.51% (5.89%)					Banks 2.41% (6.94%)		
	Mining 1.72% (2.36%)			266,689	JPMorgan Chase	21,058	2.41
361,500	Rio Tinto	15,009	1.72		Real Estate Investment Trusts 1.73% (0.00%)		
	Personal Goods 2.14% (1.96%)			46,593	Equinix	15,057	1.73
458,473	Unilever	18,703	2.14		Financial Services 8.40% (9.52%)		
	Tobacco 0.00% (0.40%)			246,307	Charles Schwab	8,483	0.97
	Media 2.22% (0.00%)			70,405	CME Group	9,337	1.07
1,164,032	RELX (Amsterdam Listing)	19,372	2.22	137,294	MasterCard Class A	23,460	2.69
	Nonlife Insurance 1.43% (1.17%)			62,374	S&P Global	9,367	1.07
99,845	Aon	12,458	1.43	201,718	Visa 'A' Shares	22,701	2.60
	Total United Kingdom	65,542	7.51		Software & Computer Services 11.80% (6.77%)		
				36,047	Adobe Systems	7,035	0.81
UNITED STATES OF AMERICA 56.89% (56.43%)				41,233	Alphabet Class A	36,554	4.19
	Oil & Gas Producers 2.64% (3.57%)			5,804	Alphabet Class C	5,114	0.59
161,908	Diamondback Energy	12,330	1.41	175,523	Facebook	23,046	2.64
153,132	EOG Resources	10,715	1.23	329,039	Microsoft	27,985	3.21
	Oil Equipment, Services & Distribution 2.25% (2.01%)			20,533	Tyler Technologies	3,117	0.36
521,280	Halliburton	11,439	1.31		Technology Hardware & Equipment 2.44% (0.00%)		
248,510	Schlumberger	8,202	0.94	117,599	Lam Research	15,142	1.73
	Chemicals 1.82% (0.71%)			53,649	Nvidia	6,207	0.71
122,362	ECOLAB	15,866	1.82		Total United States of America	496,301	56.89
	Electronic & Electrical Equipment 1.11% (1.79%)						
135,071	Amphenol	9,667	1.11	DERIVATIVES 0.00% (0.00%)			
	Industrial Transportation 2.18% (1.63%)			Forward Foreign Exchange Contracts 0.00% (0.00%)			
150,574	Union Pacific	19,014	2.18	Sell USD 400,000			
	Support Services 0.58% (0.81%)			Buy GBP 303,046 Barclays			
103,582	TransUnion	5,051	0.58	Sell USD 6,359,000			
	Beverages 0.00% (0.97%)			Buy GBP 4,840,424 Bank of Scotland			
	Leisure Goods 0.67% (1.16%)			Total Derivatives			
180,048	Activision Blizzard	5,831	0.67	-			
	Personal Goods 1.60% (3.69%)			Total value of investments²			
119,020	Estee Lauder Companies Class A	13,939	1.60	864,570			
				Net other assets (0.77%)			
				7,808			
				Net assets			
				872,378			
				100.00			

March 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalent.

Threadneedle Global Bond Fund

Portfolio Statement

as at 7 March 2019

				Value	% of					Value	% of	
				£000	Net Asset Value					£000	Net Asset Value	
Holding	Investment					Holding	Investment					
AUSTRALIA 1.62% (4.95%)						HONG KONG 0.00% (0.34%)						
Aaa 0.71% (4.95%)						A 0.00% (0.34%)						
AUD	5,000,000	Australia Government Bond 1.75%	21/11/2020	2,684	0.71	Total Hong Kong						
						<hr/>						
						<hr/>						
AA+ 0.91% (0.00%)						ITALY 4.44% (4.72%)						
AUD	4,500,000	Queensland Treasury 6.5% 14/03/2033		3,439	0.91	Baa2u 0.00% (4.72%)						
Total Australia						Baa3u 3.41% (0.00%)						
				6,123	1.62	EUR	2,046,000	Buoni Poliennali Del Tesoro 2.95%	01/09/2038	1,655	0.44	
						EUR	2,250,000	Italy Government Bond 2.7%	01/03/2047	1,676	0.44	
						EUR	9,045,000	Italy Government Bond 5.25%	1/11/2029	9,562	2.53	
BELGIUM 0.71% (0.78%)						Not Rated 1.03% (0.00%)						
Not Rated 0.71% (0.78%)						Buoni Poliennali Del Tesoro 3%						
EUR	3,125,000	Belgium Government Bond 1.7%	22/06/2050	2,695	0.71	EUR	4,450,000	01/08/2029	3,909	1.03		
Total Belgium						Total Italy						
				2,695	0.71					16,802	4.44	
						<hr/>						
BRITISH VIRGIN ISLANDS 0.58% (0.50%)						JAPAN 8.74% (11.30%)						
A+ 0.58% (0.50%)						AA- 0.30% (0.26%)						
USD	3,000,000	Sinopec Group 2% 29/09/2021		2,205	0.58	USD	1,550,000	Japan Tobacco 2% 13/04/2021		1,150	0.30	
Total British Virgin Islands						A+ 0.00% (0.38%)						
				2,205	0.58	A1 6.77% (10.66%)						
						JPY	2,091,850,000	Japan Government 0.2%	20/06/2036	13,943	3.69	
CANADA 6.92% (5.97%)						JPY	1,066,300,000	Japan Government 0.4%	20/03/2056	6,580	1.74	
AAA 5.48% (4.19%)						JPY	630,000,000	Japan Government 2.1%	20/03/2027	5,060	1.34	
USD	3,020,000	Canada Government 2.625%	25/01/2022	2,303	0.61	Not Rated 1.67% (0.00%)						
USD	4,500,000	CPPIB Capital 2.25%	25/01/2022	3,378	0.89	JPY	910,100,000	Japan Government 0.7%	20/12/2048	6,326	1.67	
USD	11,450,000	Export Development Canada 2.3%	10/02/2020	8,685	2.30	Total Japan						
CAD	2,700,000	Province of British Columbia 3.25%	18/12/2021	1,586	0.42					33,059	8.74	
CAD	8,100,000	PSP Capital 3% 05/11/2025		4,773	1.26	<hr/>						
						<hr/>						
A+ 1.21% (1.58%)						NETHERLANDS 2.53% (2.86%)						
USD	3,425,000	Province of Ontario Canada 2.5%	10/09/2021	2,592	0.68	A+ 1.65% (1.46%)						
USD	2,575,000	Province of Ontario Canada 3.2%	16/05/2024	1,990	0.53	AUD	3,400,000	BMW Finance 2.5%	24/08/2020	1,836	0.48	
						USD	6,000,000	Siemens Financieringsmaatschappij	1.7%	15/09/2021	4,428	1.17
A 0.23% (0.20%)						BBB+ 0.88% (0.75%)						
USD	1,150,000	Canadian National Railway 2.4%	03/02/2020	872	0.23	USD	4,500,000	Deutsche Telekom 1.95%	19/09/2021	3,324	0.88	
Total Canada						Not Rated 0.00% (0.65%)						
				26,179	6.92					9,588	2.53	
						<hr/>						
CAYMAN ISLANDS 0.00% (0.15%)						REPUBLIC OF IRELAND 0.20% (0.00%)						
BBB+ 0.00% (0.15%)						Liquidity Funds 0.20% (0.00%)¹						
Total Cayman Islands						BlackRock Institutional Cash Series						
				-	-	EUR	796,143	Euro Liquidity Platinum		685	0.18	
						GBP	51,766	BlackRock Institutional Cash Series	Sterling Liquidity Platinum	52	0.02	
FRANCE 4.20% (0.65%)						USD	15,235	BlackRock Institutional Cash Series	US Dollar Liquidity Platinum	12	-	
Aa2u 1.74% (0.65%)						Total Republic of Ireland						
EUR	7,050,000	France Government Bond 1.5%	25/05/2031	6,595	1.74					749	0.20	
						<hr/>						
Not Rated 2.46% (0.00%)						SOUTH AFRICA 0.00% (2.98%)						
EUR	11,060,000	France Government Bond 1.5%	25/05/2050	9,306	2.46	BB+ 0.00% (2.98%)						
Total France						Total South Africa						
				15,901	4.20					-	-	
						<hr/>						
GERMANY 0.99% (3.27%)						GERMANY 0.99% (3.27%)						
Aaau 0.99% (3.27%)						Aaau 0.99% (3.27%)						
EUR	3,875,000	Bundesrepublik Deutschland 1.25%	15/08/2048	3,749	0.99							
Total Germany												
				3,749	0.99							
						<hr/>						

Threadneedle Global Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
SOUTH KOREA 2.05% (2.57%)						A 0.56% (0.48%)				
		AA 2.05% (2.16%)			USD	2,800,000	*HSBC Holdings 3.262% 13/03/2023	2,116	0.56	
USD	4,275,000	Doosan Infracore 2.375% 21/11/2019	3,238	0.86						
USD	6,000,000	Export-Import Bank of Korea 2.75% 25/01/2022	4,523	1.19						
		Aa2 0.00% (0.41%)			GBP	2,825,000	United Kingdom Gilt 1.625% 22/10/2071	2,860	0.76	
		Total South Korea	7,761	2.05	GBP	4,425,000	United Kingdom Gilt 1.75% 22/01/2049	4,479	1.18	
							Total United Kingdom	23,950	6.33	
SPAIN 5.97% (0.67%)						UNITED STATES OF AMERICA 49.97% (42.91%)				
		Baa1 3.85% (0.00%)					AAA 0.55% (0.46%)			
EUR	5,075,000	Spain Government Bond 1.4% 30/07/2028	4,472	1.18	USD	1,730,000	Microsoft 1.55% 08/08/2021	1,283	0.34	
EUR	1,965,000	Spain Government Bond 2.35% 30/07/2033	1,834	0.48	USD	1,025,000	Microsoft 2.875% 06/02/2024	778	0.21	
EUR	2,200,000	Spain Government Bond 2.7% 31/10/2048	2,019	0.53						
EUR	3,950,000	Spain Government Bond 2.9% 31/10/2046	3,804	1.01						
EUR	1,963,000	Spain Government Bond 4.7% 30/07/2041	2,468	0.65						
		Baa2 0.00% (0.67%)								
		Not Rated 2.12% (0.00%)								
EUR	6,850,000	Spain Government Bond 1.45% 30/04/2029	6,015	1.59	USD	18,875,000	United States Treasury Note/Bond 1.875% 30/06/2020	14,239	3.76	
EUR	2,310,000	Spain Government Bond 1.85% 30/07/2035	1,986	0.53	USD	4,150,000	United States Treasury Note/Bond 2% 15/11/2026	3,023	0.80	
		Total Spain	22,598	5.97	USD	35,350,000	United States Treasury Note/Bond 2.125% 15/05/2025	26,226	6.93	
					USD	13,500,000	United States Treasury Note/Bond 2.5% 15/08/2023	10,277	2.72	
SUPRANATIONAL 2.14% (2.50%)										
		AAA 0.59% (0.00%)			USD	3,353,000	United States Treasury Note/Bond 2.5% 15/02/2045	2,295	0.61	
USD	2,850,000	European Investment Bank 3.25% 29/01/2024	2,231	0.59	USD	6,275,000	United States Treasury Note/Bond 2.5% 15/02/2046	4,277	1.13	
		Aaa 0.00% (1.10%)			USD	13,075,000	United States Treasury Note/Bond 2.5% 15/05/2046	8,905	2.35	
		AA+ 1.55% (1.40%)			USD	6,975,000	United States Treasury Note/Bond 2.75% 15/08/2047	4,985	1.32	
USD	7,511,000	African Development Bank 8.8% 01/09/2019	5,876	1.55	USD	34,225,000	United States Treasury Note/Bond 2.875% 15/05/2028	26,472	6.99	
		Total Supranational	8,107	2.14	USD	17,725,000	United States Treasury Note/Bond 2.875% 15/08/2028	13,710	3.62	
					USD	6,800,000	United States Treasury Note/Bond 2.875% 15/08/2045	5,002	1.32	
SWEDEN 0.76% (0.66%)										
		AAA 0.76% (0.00%)			USD	1,500,000	United States Treasury Note/Bond 3.375% 15/11/2019	1,148	0.30	
USD	3,800,000	Kommuninvest I 2% 12/11/2019	2,880	0.76	USD	1,075,000	United States Treasury Note/Bond 3.625% 15/02/2044	900	0.24	
		Aaa 0.00% (0.66%)			USD	14,570,000	United States Treasury Note/Bond 4.5% 15/02/2036	13,616	3.60	
		Total Sweden	2,880	0.76	USD	564,500	United States Treasury Note/Bond 4.63% 15/02/2040	543	0.14	
UNITED ARAB EMIRATES 0.50% (0.43%)										
		A3 0.50% (0.43%)								
USD	2,485,000	Emirates NBD 3.25% 19/11/2019	1,889	0.50						
		Total United Arab Emirates	1,889	0.50	USD	6,650,000	Federal Home Loan Bank 5.5% 15/07/2036	6,482	1.71	
UNITED KINGDOM 6.33% (8.62%)										
		Aa2u 3.83% (7.19%)								
GBP	9,000,000	United Kingdom Gilt 1.75% 22/07/2019	9,034	2.39	USD	2,900,000	Federal National Mortgage Association 0% 09/10/2019	2,174	0.57	
GBP	4,395,000	United Kingdom Gilt 1.75% 07/09/2037	4,472	1.18						
GBP	700,000	United Kingdom Gilt 4.5% 07/09/2034	989	0.26						

Threadneedle Global 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 49.97% (42.91%) (continued)											
AA– 1.51% (2.01%)											
USD	2,750,000	Oracle 2.625% 15/02/2023	2,069	0.55	Sell USD 9,645,182						
USD	4,475,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	3,637	0.96	Buy GBP 7,474,411 Bank of Scotland						
A 0.16% (0.63%)					Sell USD 12,621,930						
USD	800,000	Gilead Sciences 0% 01/03/2022	593	0.16	Buy GBP 9,560,120 Lloyds						
A– 1.33% (0.35%)					Sell USD 63,981,680						
USD	2,080,000	ERAC USA Finance 2.6% 01/12/2021	1,547	0.41	Buy JPY 6,983,870,369 J.P. Morgan						
USD	1,650,000	Huntington National Bank 2.2% 01/04/2019	1,256	0.33	Sell USD 9,132,456						
USD	3,000,000	Qualcomm 2.6% 30/01/2023	2,223	0.59	Buy JPY 995,854,038 J.P. Morgan						
BBB+ 0.79% (1.68%)					Sell EUR 891,912						
USD	2,000,000	Citigroup 2.5% 29/07/2019	1,521	0.40	Buy USD 1,018,649 J.P. Morgan						
USD	1,625,000	McKesson 2.284% 15/03/2019	1,237	0.33	Sell AUD 2,170,591						
USD	330,000	NiSource Finance 2.65% 17/11/2022	245	0.06	Buy USD 1,553,652 Citigroup						
BBB 0.98% (0.74%)					Sell JPY 196,969,899						
CAD	700,000	AT&T 3.825% 25/11/2020	405	0.11	Buy USD 1,762,838 J.P. Morgan						
USD	903,000	DTE Energy 2.4% 01/12/2019	685	0.18	Sell GBP 10,000,000						
USD	1,450,000	FedEx 2.3% 01/02/2020	1,100	0.29	Buy USD 13,080,600 Bank of Scotland						
USD	2,000,000	Northrop Grumman 2.55% 15/10/2022	1,495	0.40	Sell CAD 2,756,700						
BBB– 0.96% (0.82%)					Buy USD 2,076,687 HSBC						
USD	5,000,000	Broadcom 2.65% 15/01/2023	3,646	0.96	Sell JPY 408,476,882						
Not Rated 2.08% (0.00%)					Buy USD 3,704,607 Citigroup						
USD	10,500,000	RFCSF 0% 15/10/2019	7,872	2.08	Sell JPY 464,493,779						
Total United States of America					189,116	49.97	Buy USD 4,159,898 UBS				
DERIVATIVES –0.35% (0.49%)					Sell JPY 457,120,036						
Futures and Options 0.01% (0.01%)					Buy USD 4,195,194 Bank of Scotland						
EUR	(57)	UBS EURO Bond Future Expiring June 2019	(49)	(0.01)	Sell GBP 3,365,413						
USD	(44)	UBS US Ultra Bond Future Expiring June 2019	94	0.02	Buy USD 4,412,033 Citigroup						
Forward Foreign Exchange Contracts –0.36% (0.48%)					Sell GBP 3,932,594						
Sell USD 1,301,285					Buy USD 5,144,072 HSBC						
Buy EUR 1,150,127 J.P. Morgan					Sell JPY 72,753,126						
Sell GBP 4,472,536					Buy USD 650,945 Credit Suisse						
Buy EUR 5,219,004 J.P. Morgan					Sell GBP 550,000						
Sell USD 59,660,496					Buy USD 711,518 HSBC						
Buy EUR 52,247,423 Bank of Scotland					Sell AUD 1,280,191						
Sell USD 6,824,503					Buy USD 909,991 Citigroup						
Buy EUR 6,027,909 Lloyds					Sell JPY 99,790,909						
Sell USD 7,117,729					Buy USD 915,990 Bank of Scotland						
Buy EUR 6,250,000 J.P. Morgan					Total Derivatives						
Sell GBP 686,812					(1,336)						
Buy EUR 798,101 HSBC					(0.35)						
Sell EUR 1,420,577					Total value of investments²						
Buy GBP 1,220,822 UBS					372,015						
Sell EUR 1,475,807					98.30						
Buy GBP 1,295,821 Lloyds					Net other assets (2.68%)						
Sell USD 2,452,014					6,429						
Buy GBP 1,885,786 Bank of Scotland					Net assets						
Sell USD 4,030,337					378,444						
Buy GBP 3,041,869 Barclays					100.00						
Sell EUR 6,288,555											
Buy GBP 5,460,749 UBS											
					<i>March 2018 comparatives in brackets.</i>						
					<i>*Variable rate bonds.</i>						
					<i>¹Cash equivalents.</i>						
					<i>²Includes Cash equivalents.</i>						
ANALYSIS OF INVESTMENTS BY ASSET CLASS											
			Value	% of							
			£000	Investment							
Fixed interest			371,235	99.79							
Floating rate notes			2,116	0.57							
Derivatives			(1,336)	(0.36)							
Total value of investments			372,015	100.00							
ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS											
			Value								
			£000								
UBS EURO Bond Future Expiring June 2019			(8,034)								
UBS US Ultra Bond Future Expiring June 2019			(5,373)								
Total net exposure			(13,407)								

Threadneedle UK Institutional Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 7.81% (8.12%)				Support Services 5.34% (5.28%)			
	Oil & Gas Producers 6.38% (6.37%)			622,481	Essentra	2,397	0.21
1,668,577	Cairn Energy	3,384	0.29	227,302	Ferguson	11,895	1.02
3,871,804	EnQuest	726	0.06	5,061,210	Hays	7,718	0.66
1,499,105	Premier Oil	1,173	0.10	2,048,012	Howden Joinery Group	10,009	0.86
2,920,518	Royal Dutch Shell 'B' Shares	69,362	5.93	716,753	Mears Group	2,086	0.18
	Oil Equipment, Services & Distribution 1.43% (1.75%)			482,108	Northgate	1,801	0.15
3,023,577	John Wood Group	16,678	1.43	261,128	PageGroup	1,156	0.10
	Total Oil & Gas	91,323	7.81	244,273	PayPoint	2,120	0.18
BASIC MATERIALS 2.97% (3.24%)				5,066,285	Rentokil Initial	17,575	1.50
	Chemicals 2.95% (3.21%)			260,460	Ricardo	1,714	0.15
1,731,702	Elementis	2,843	0.24	1,188,479	RPS Group	2,149	0.18
736,341	Johnson Matthey	23,055	1.97	335,706	Sanne Group IPO	1,742	0.15
194,077	¹ Scapa Group	561	0.05		Total Industrials	209,785	17.94
346,855	Victrex	8,019	0.69	CONSUMER GOODS 17.02% (15.04%)			
	Mining 0.02% (0.03%)			Automobiles & Parts 0.00% (1.42%)			
988,176	Petra Diamonds	208	0.02	1,277,301	Britvic	11,924	1.02
	Total Basic Materials	34,686	2.97	1,439,173	Diageo	43,729	3.74
INDUSTRIALS 17.94% (17.24%)				1,345,415	Stock Spirits Group	3,148	0.27
	Construction & Materials 3.41% (3.27%)			Beverages 5.03% (3.20%)			
12,726,830	¹ Breedon Aggregates	8,680	0.74	384,294	¹ Hotel Chocolat Group	1,307	0.11
564,109	Costain Group	2,132	0.18	Food Producers 0.11% (0.11%)			
538,551	Ibstock	1,363	0.12	Household Goods & Home Construction 0.25% (0.23%)			
643,916	Marshalls	3,516	0.30	440,577	Crest Nicholson Holdings	1,698	0.14
11,080,180	Melrose Industries	20,570	1.76	170,380	Galliford Try	1,274	0.11
435,579	Polypipe Group	1,772	0.15	Leisure Goods 0.09% (0.15%)			
744,444	Tyman	1,906	0.16	1,123,515	Photo-Me International	1,000	0.09
	Aerospace & Defence 3.23% (3.38%)			Personal Goods 4.63% (4.40%)			
181,943	Avon Rubber	2,211	0.19	596,047	Burberry Group	11,104	0.95
1,009,320	Chemring Group	1,526	0.13	595,948	Ted Baker	11,144	0.95
14,984,568	Cobham	17,719	1.52	783,954	Unilever	31,981	2.73
1,569,488	Rolls-Royce Holdings	14,116	1.21	Tobacco 6.91% (5.53%)			
964,079	Senior	2,148	0.18	1,510,847	British American Tobacco	46,882	4.01
	General Industrials 1.77% (1.81%)			1,285,785	Imperial Brands	33,880	2.90
4,285,957	Coats Group	3,592	0.31	Total Consumer Goods			
1,187,882	Smiths Group	17,100	1.46			199,071	17.02
	Electronic & Electrical Equipment 0.57% (0.57%)			HEALTH CARE 11.69% (9.42%)			
701,591	Morgan Advanced Materials	1,879	0.16	Health Care Equipment & Services 1.57% (1.59%)			
359,573	Oxford Instruments	3,732	0.32	161,916	Consort Medical	1,452	0.13
46,987	XP Power	1,048	0.09	1,158,818	Smith & Nephew	16,820	1.44
	Industrial Engineering 2.46% (1.40%)			Pharmaceuticals & Biotechnology 10.12% (7.83%)			
4,152,028	Rotork	11,925	1.02	846,717	AstraZeneca	53,123	4.54
1,752,174	Severfield	1,156	0.10	199,718	¹ Clinigen Group	1,890	0.16
557,425	Trifast	1,056	0.09	140,916	Genus	3,196	0.27
897,828	Weir Group	14,576	1.25	3,800,733	GlaxoSmithKline	57,368	4.91
	Industrial Transportation 1.16% (1.53%)			3,769,359	Vectura Group	2,835	0.24
57,079	Clarkson	1,447	0.12	Total Health Care			
141,535	James Fisher & Sons	2,972	0.25			136,684	11.69
3,576,626	Royal Mail	9,281	0.79				

Threadneedle UK Institutional Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
CONSUMER SERVICES 18.49% (18.86%)				Life Insurance 5.26% (6.35%)			
	Food & Drug Retailers 3.85% (2.82%)			5,436	Just Group	6	–
10,485,509	Tesco	24,568	2.10	9,075,726	Legal & General Group	24,613	2.11
8,910,652	WM Morrison Supermarkets	20,437	1.75	1,760,413	Prudential	27,674	2.37
	General Retailers 1.50% (1.81%)			900,034	St James's Place	9,095	0.78
115,095	Dignity	853	0.07		Real Estate Investment & Services 0.52% (0.52%)		
321,736	[†] Joules Group	981	0.08	1,350,927	Grainger	3,294	0.28
5,217,680	Marks & Spencer Group	14,255	1.22	214,953	Savills	1,981	0.17
1,605,041	N Brown Group	1,503	0.13	453,035	U and I Group	870	0.07
	Media 5.86% (6.03%)				Real Estate Investment Trusts 1.26% (1.15%)		
767,382	Ascential	2,689	0.23	325,695	Derwent London	10,419	0.89
280,499	Euromoney Institutional Investor	3,428	0.29	928,867	Hansteen Holdings	903	0.08
161,106	Future	1,192	0.10	1,192,041	Londonmetric Property REIT	2,266	0.19
2,154,149	ITE Group	1,480	0.13	517,267	Newriver REIT	1,154	0.10
12,937,336	ITV	17,174	1.47		Financial Services 2.24% (2.46%)		
2,213,281	Pearson	18,419	1.58	342,976	AJ Bell	991	0.09
1,252,306	RELX (London Listing)	20,845	1.78	1,027,975	Arrow Global Group	1,904	0.16
538,894	STV Group	1,999	0.17	996,820	IP Group	989	0.08
692,956	Wilmington Group	1,285	0.11	365,700	London Stock Exchange Group	17,107	1.46
	Travel & Leisure 7.28% (8.20%)			39,159	Paragon Banking Group	171	0.01
936,602	Compass Group	15,885	1.36	135,852	Rathbone Brothers	3,081	0.26
471,426	Domino's Pizza Group	1,129	0.10	1,573,940	Xafinity	2,125	0.18
1,103,023	easyJet	13,440	1.15		Equity Investment Instruments 0.00% (0.00%)		
10,008,647	Firstgroup	8,938	0.76	3,346,750	Govett Strategic Investment Trust (Liquidated)	–	–
141,079	Fuller Smith & Turner	1,495	0.13		Nonequity Investment Instruments 0.01% (0.01%)		
136,684	Go-Ahead Group	2,788	0.24	104,582	Wilmcote Holdings	105	0.01
942,781	Gym Group	1,757	0.15		Total Financials	200,240	17.12
1,228,337	Hollywood Bowl Group	2,592	0.22				
817,162	J D Wetherspoon	10,435	0.89		TECHNOLOGY 1.69% (1.94%)		
346,681	Jackpotjoy	2,357	0.20		Software & Computer Services 1.35% (1.70%)		
1,227,814	Rank Group	2,009	0.17	284,837	AVEVA Group	8,522	0.73
1,633,176	Restaurant Group	2,076	0.18	65,481	[†] Blue Prism Group	1,048	0.09
1,611,733	SSP Group	10,663	0.91	357,333	FDM Group Holdings IPO	3,180	0.27
5,786,097	Stagecoach Group	9,564	0.82	1,294,029	[†] QDEO Group	647	0.06
	Total Consumer Services	216,236	18.49	206,978	Kainos Group	1,022	0.09
				238,619	SDL	1,322	0.11
	TELECOMMUNICATIONS 2.21% (2.18%)				Technology Hardware & Equipment 0.34% (0.24%)		
	Fixed Line Telecommunications 2.21% (2.18%)			2,560,223	Spirent Communications	4,014	0.34
11,957,234	BT Group	25,864	2.21		Total Technology	19,755	1.69
	Total Telecommunications	25,864	2.21				
	UTILITIES 2.03% (1.71%)				COLLECTIVE INVESTMENT SCHEMES 0.00% (2.05%)		
	Gas, Water & Multiutilities 2.03% (1.71%)				UK Equity 0.00% (2.05%)		
10,653,183	Centrica	13,061	1.12		Total Collective Investment Schemes	–	–
1,367,285	Pennon Group	10,657	0.91				
	Total Utilities	23,718	2.03		Total value of investments	1,157,362	98.97
	FINANCIALS 17.12% (18.95%)				Net other assets (1.25%)	12,043	1.03
	Banks 6.36% (6.85%)				Net assets	1,169,405	100.00
12,205,992	Barclays	19,976	1.71				
3,331,357	HSBC Holdings	20,794	1.78				
5,885,897	Royal Bank of Scotland Group	15,445	1.32				
95,697	Secure Trust Bank	1,172	0.10				
2,728,832	Standard Chartered	16,908	1.45				
	Nonlife Insurance 1.47% (1.61%)						
3,340,533	RSA Insurance Group	17,197	1.47				

March 2018 comparatives in brackets.

[†]Alternative Investment Market.

Threadneedle UK Overseas Earnings Fund

Portfolio Statement

as at 7 March 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 5.53% (6.13%)				CONSUMER SERVICES 25.64% (25.08%)			
	Oil & Gas Producers 3.57% (3.87%)				Food & Drug Retailers 5.09% (4.69%)		
146,987	Royal Dutch Shell 'B' Shares	3,491	3.57	947,329	Tesco	2,220	2.27
	Oil Equipment, Services & Distribution 1.96% (2.26%)			1,203,242	WM Morrison Supermarkets	2,760	2.82
348,363	John Wood Group	1,922	1.96		General Retailers 2.52% (2.69%)		
	Total Oil & Gas	5,413	5.53	901,623	Marks & Spencer Group	2,463	2.52
					Media 6.58% (6.90%)		
BASIC MATERIALS 3.52% (3.95%)				1,376,380	ITV	1,827	1.87
	Chemicals 3.52% (3.95%)			291,571	Pearson	2,426	2.48
74,614	Johnson Matthey	2,336	2.39	131,302	RELX (London Listing)	2,186	2.23
47,950	Victrex	1,109	1.13		Travel & Leisure 11.45% (10.80%)		
	Total Basic Materials	3,445	3.52	89,894	Compass Group	1,525	1.56
				137,436	easyJet	1,675	1.71
INDUSTRIALS 15.74% (17.61%)				1,645,041	Firstgroup	1,469	1.50
	Construction & Materials 1.83% (1.62%)			155,623	J D Wetherspoon	1,987	2.03
965,366	Melrose Industries	1,792	1.83	732,328	Rank Group	1,198	1.22
	Aerospace & Defence 3.27% (3.67%)			1,583,948	Restaurant Group	2,013	2.06
1,582,318	Cobham	1,871	1.91	813,884	Stagecoach Group	1,345	1.37
147,813	Rolls-Royce Holdings	1,329	1.36		Total Consumer Services	25,094	25.64
	General Industrials 1.84% (2.10%)						
125,084	Smiths Group	1,801	1.84	TELECOMMUNICATIONS 2.48% (2.59%)			
	Industrial Engineering 1.46% (1.35%)				Fixed Line Telecommunications 2.48% (2.59%)		
496,506	Rotork	1,426	1.46	1,121,071	BT Group	2,425	2.48
	Industrial Transportation 0.91% (1.64%)				Total Telecommunications	2,425	2.48
344,950	Royal Mail	895	0.91	UTILITIES 1.98% (2.37%)			
	Support Services 6.43% (7.23%)				Gas, Water & Multiutilities 1.98% (2.37%)		
448,470	Electrocomponents	2,533	2.59	1,578,290	Centrica	1,935	1.98
332,467	Howden Joinery Group	1,625	1.66		Total Utilities	1,935	1.98
613,561	Rentokil Initial	2,128	2.18	FINANCIALS 15.82% (19.22%)			
	Total Industrials	15,400	15.74		Banks 4.31% (4.90%)		
				887,896	Royal Bank of Scotland Group	2,330	2.38
CONSUMER GOODS 18.57% (14.19%)				304,893	Standard Chartered	1,889	1.93
	Automobiles & Parts 0.00% (1.81%)				Nonlife Insurance 2.41% (3.01%)		
	Beverages 4.76% (3.18%)			459,274	RSA Insurance Group	2,364	2.41
133,446	Britvic	1,246	1.27		Life Insurance 5.33% (5.85%)		
112,304	Diageo	3,412	3.49	923,691	Legal & General Group	2,505	2.56
	Food Producers 2.02% (1.52%)			172,247	Prudential	2,708	2.77
286,678	Tate & Lyle	1,976	2.02		Financial Services 3.77% (5.46%)		
	Personal Goods 5.11% (4.54%)			228,545	3i Group	2,200	2.25
52,720	Burberry Group	982	1.00	2,236,190	Sherborne Investors Guernsey	1,342	1.37
69,531	Ted Baker	1,300	1.33	1,549,692	Sherborne Investors Guernsey B	147	0.15
66,719	Unilever	2,722	2.78		Total Financials	15,485	15.82
	Tobacco 6.68% (3.14%)						
102,132	British American Tobacco	3,169	3.24	Total value of investments			
127,516	Imperial Brands	3,360	3.44			97,232	99.36
	Total Consumer Goods	18,167	18.57	Net other assets (0.05%)			
						623	0.64
HEALTH CARE 10.08% (8.81%)				Net assets			
	Pharmaceuticals & Biotechnology 10.08% (8.81%)					97,855	100.00
84,073	AstraZeneca	5,275	5.39	<i>March 2018 comparatives in brackets.</i>			
304,277	GlaxoSmithKline	4,593	4.69				
	Total Health Care	9,868	10.08				

Performance Summary for the twelve months ended 28 February 2019

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
UNITED KINGDOM							
UK Fund	(IA) UK All Companies	FTSE All-Share	-2.68	-2.12	-0.46	-0.51	+1.70
UK Select Fund	(IA) UK All Companies	FTSE All-Share	-5.10	-4.56	-0.46	-3.34	+1.70
UK Smaller Companies Fund	(IA) UK Smaller Companies	Numis NSCI ex Investment Companies	-12.60	-12.06	-6.09	-10.34	-2.24
UK Growth & Income Fund	(IA) UK All Companies	FTSE All-Share	+1.02	+1.60	-0.46	+3.70	+1.70
UK Equity Income Fund	(IA) UK Equity Income	FTSE All-Share	+2.05	+2.61	-0.34	+4.28	+1.70
UK Monthly Income Fund	(IA) UK Equity Income	FTSE All-Share	-0.36	-	-0.34	+1.63	+1.70
Monthly Extra Income Fund	(IA) UK Equity & Bond Income	-	+2.81	-	+1.33	+4.67	-
UK Corporate Bond Fund	(IA) £ Corporate Bond	iBoxx £ Non Gilt	+1.48	+1.80	+1.38	+2.19	+1.81
Sterling Bond Fund	(IA) UK Gilt	FTA UK All Stocks Gilts	+2.73	-	+2.59	+2.86	+2.54
UK Institutional Fund	(IA) UK All Companies	FTSE All-Share	-1.07	-0.26	-0.46	+1.11	+1.70
UK Overseas Earnings Fund	(IA) UK All Companies	FTSE All-Share	-	-0.58	-0.46	+1.78	+1.70
EUROPE							
European Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	-3.36	-2.80	-6.39	-2.00	-3.27
European Select Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	-3.21	-2.68	-6.39	-1.97	-3.27
European Smaller Companies Fund	(IA) European Smaller Companies	EMIX Smaller Europe ex UK	-5.60	-5.02	-10.21	-4.17	-7.89
Pan European Smaller Companies Fund*	(IA) European Smaller Companies	EMIX Smaller European Companies	+2.25	+2.63	-1.32	+2.21	-0.29
Pan European Fund*	(IA) Europe Including UK	MSCI World Europe	+0.57	+0.94	+1.35	+0.75	+1.50
European Bond Fund†	(IA) Global Bond	ICE BofAML Pan-Europe Broad Market	-1.04	-0.48	+1.14	-0.57	-1.01
European Corporate Bond Fund***	(IA) Global Bond	iBoxx Euro Corporate	+0.78	+1.10	+0.65	+1.76	+1.23
European High Yield Bond Fund**	(IA) Global Bond	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg E (£ Terms)	+0.34	+0.66	-0.51	+0.69	+0.18
European High Yield Bond Fund (€)**	(IA) Global Bond	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg E (£ Terms)	+0.91	+1.23	+0.05	+1.26	+0.75
Strategic Bond Fund	(IA) £ Strategic Bond	60% iBoxx Sterling Non Gilts/40%ML Euro Currency HiYield – Constrained B-BB (GBP Hdg)	+0.13	+0.76	+0.75	+1.69	+1.77
US							
American Fund	(IA) North America	S&P 500	+5.17	+5.77	+6.77	+7.74	+8.44
American Select Fund	(IA) North America	S&P 500	+5.20	+5.20	+6.77	+7.56	+8.44
American Smaller Companies Fund (US)	(IA) North American Smaller Companies	Russel 2500	+6.40	+7.01	+11.17	+9.42	+10.18
Dollar Bond Fund†	(IA) Global Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+6.14	-	+1.14	+6.32	+6.77
JAPAN							
Japan Fund	(IA) Japan	MSCI Japan	-9.24	-8.71	-8.24	-8.94	-6.75

Performance Summary for the twelve months ended 28 February 2019 (continued)

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
PACIFIC BASIN & EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN							
Asia Fund	(IA) Asia Pacific Excluding Japan	MSCI All Country Asia Pacific ex Japan	-5.95	-5.41	-3.93	-4.60	-3.47
Latin America Fund [†]	UK Registered – Equity Latin America	MSCI Latin America 10/40	-3.23	-2.64	-2.62	-1.94	-1.31
Emerging Market Bond Fund [†]	(IA) Global Emerging Markets Bond	JPM EMBI Global	+3.46	+4.02	-0.94	+4.75	+6.10
INTERNATIONAL							
High Yield Bond Fund	(IA) £ High Yield	ICE BofAML European Currency High Yield Constrained x Sub Fin (£ Hedged)	+1.79	+2.32	+1.26	+3.34	+2.10
Global Select Fund	(IA) Global	MSCI AC World Free	+1.85	+2.43	+1.91	+4.01	+3.28
Global Bond Fund	(IA) Global Bond	JPM GBI Global (Traded) (prior to 31/07/2012 JPM Global ex Japan)	+2.06	+2.66	+1.14	+3.25	+2.71
CASH							
Sterling Fund	–	–	+0.43	–	–	–	–

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.

[†]The Sector Median for these funds (as defined by the Investment Management Association) is not felt to be representative.

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.

*Closed on 5th October 2018.

**Closed on 21st September 2018.

Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the twelve months ended 28 February 2019

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
UK EQUITY								
UK Fund	UK Large Cap Blend	FTSE All Share	-2.68	-2.12	+0.66	-0.51	+1.70	GBP
UK Select Fund	UK Large Cap Blend	FTSE All Share	-5.10	-4.56	+0.66	-3.34	+1.70	GBP
UK Smaller Companies Fund	UK Small Cap Equity	Numis ex IT	-12.60	-12.06	-6.88	-10.34	-2.24	GBP
UK Growth & Income Fund	UK Large Cap Blend	FTSE All Share	+1.02	+1.60	+0.66	+3.70	+1.70	GBP
UK Equity Income Fund	UK Equity Income	FTSE All Share	+2.05	+2.61	-0.62	+4.28	+1.70	GBP
UK Monthly Income Fund	UK Equity Income	FTSE All Share	-0.36	-	-0.62	+1.63	+1.70	GBP
Monthly Extra Income Fund	GBP Aggressive Allocation	-	+2.81	-	-	+4.67	-	GBP
UK Institutional Fund	UK Large Cap Blend	FTSE All Share	-1.07	-0.26	+0.66	+1.11	+1.70	GBP
UK Overseas Earnings Fund	UK Large Cap Blend	FTSE All Share	-	-0.58	+0.66	+1.78	+1.70	GBP
EUROPE EQUITY								
European Fund	Europe ex UK Large Cap	FTSE World Europe ex UK	-0.61	-0.04	-1.52	+1.33	+0.01	EUR
European Select Fund	Europe ex UK Large Cap	FTSE World Europe ex UK	-3.14	-2.77	-4.16	+1.37	+0.01	EUR
European Smaller Companies Fund	Europe Small-Mid Cap Combined	EMIX Smaller Europe ex UK	-9.32	-8.90	-11.50	-0.91	-4.78	EUR
Pan European Smaller Companies Fund**	Europe Small-Mid Cap Combined	EMIX Smaller European Companies UK	+2.32	+2.70	-0.76	+2.79	+0.25	EUR
Pan European Fund**	Europe Large Cap Growth	MSCI World Europe	+0.64	+1.01	+2.54	+1.32	+2.07	EUR
AMERICAS								
American Fund	US Large Cap Growth	S&P 500	+0.79	+1.19	+2.47	+4.01	+4.68	USD
American Select Fund	US Large Cap Growth	S&P 500	-1.06	-0.66	+2.47	+3.83	+4.68	USD
American Smaller Companies Fund (US)	US Mid Cap Equity	Russel 2500	-6.11	-5.71	-0.81	+5.63	+6.36	USD
Latin America Fund	Latin America Equity	MSCI Latin America 10/40	-6.59	-6.02	-6.69	-5.34	-4.73	USD
FAR EAST & PACIFIC								
Japan Fund	Japan Large Cap	MSCI Japan	-9.77	-13.01	-7.77	-8.30	-6.09	JPY
Asia Fund	Asia-Pacific ex-Japan	MSCI AC Asia Pacific ex Japan	-13.82	-13.37	-12.57	-7.91	-6.82	USD
MONEY MARKET & BOND								
UK Corporate Bond Fund	GBP Corporate Bond	iBoxx £ Non Gilt	+1.48	+1.80	+1.21	+2.19	+1.81	GBP
High Yield Bond Fund	High Yield Bond	ICE BofAML European Currency High Yield Constrained x Sub Fin (£ Hedged)	+1.79	+2.32	-1.38	+3.34	+2.10	GBP
Strategic Bond Fund	GBP Flexible Bond	60% iBoxx Sterling Non Gilts/40% ML Euro Currency HiYield – Constrained B-BB (GBP Hdg)	+0.13	+0.76	+1.27	+1.69	+1.77	GBP
Sterling Bond Fund*	GBP Government Bond	FTA UK All Stocks Gilts	+2.73	+2.72	+2.36	+2.86	+2.54	GBP
European Bond Fund*	Europe Bond	ML Pan Europe Large Cap	+1.77	+2.36	+0.43	+2.86	+2.35	EUR
European Corporate Bond Fund***	EUR Corporate Bond	iBoxx Euro Corporate	-0.28	+0.05	-0.57	+0.32	-0.20	EUR
European High Yield Bond Fund**	Europe High Yield	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg E (£ terms)	+0.42	+0.73	-0.02	+1.26	+0.75	EUR
Dollar Bond Fund*	USD Diversified Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+2.48	+3.63	+2.19	+2.63	+3.07	USD

Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the twelve months ended 28 February 2019 (continued)

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
Emerging Market Bond Fund*	Global Emerging Markets	JPM EMBI Global	-0.56	-0.03	+0.04	+1.12	+2.43	USD
Global Bond Fund*	Global Bond	JPM GBI Global ex Japan (Traded)	+5.53	+6.13	+4.81	+6.76	+6.20	EUR
GLOBAL EQUITY								
Global Select Fund	Global Large Cap Growth	MSCI AC World	+1.61#	+1.94#	+2.66	+0.41	-0.30	USD

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.

Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments.

*The performance of these funds relates to the gross accumulation shares of class 1.

**Closed on 5th October 2018.

***Closed on 21st September 2018.

Risk and Reward Profiles

for the accounting period 8 March 2018 to 7 March 2019

Fund	Share Class	SRRI*
UK Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
UK Select Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class D – Accumulation shares	5
	Class L – Accumulation shares	5
	Class X – Accumulation shares	5
	Class X2 – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
UK Smaller Companies Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z CHF Hedged – Gross accumulation shares	5
UK Growth & Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
UK Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class D – Income shares	5
	Class L – Income shares	5
	Class L – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	UK Monthly Income Fund	Class 1 – Income shares
Class 2 – Income shares		5
Class Z – Income shares		5
Monthly Extra Income Fund	Class 1 – Income shares	4
	Class 1 EUR Hedged – Income shares	4
	Class 1 EUR Hedged – Accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
	Class Z EUR Hedged – Accumulation shares	4
UK Corporate Bond Fund	Class 1 – Income shares	3
	Class 1 – Accumulation shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross accumulation shares	3
	Class L – Income shares	3
	Class L – Accumulation shares	3
	Class L – Gross income shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3
Sterling Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Sterling Fund	Class 1 – Income shares	1
	Class 2 – Accumulation shares	1
	Class X – Gross accumulation shares	1
European Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class D – Accumulation shares	5
	Class L – Income shares	5
	Class L – Accumulation shares	5
	Class L GBP Hedged – Income shares	5
	Class X – Accumulation shares	5
	Class X2 – Accumulation shares	5
	Class Z – Income shares	5
Class Z – Accumulation shares	5	
European Select Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 USD Hedged – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
Class Z – Accumulation shares	5	
European Smaller Companies Fund	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class Z – Income shares	5
Class Z – Accumulation shares	5	
European Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Income shares	4
Strategic Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Gross income shares	3
Class Z – Gross accumulation shares	3	
American Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
Class Z – Accumulation shares	5	
American Select Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – 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 GBP Hedged – Accumulation shares	5	
American Smaller Companies Fund (US)	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	6
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
Class Z – Accumulation shares	5	

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Dollar Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
Japan Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class X2 – Accumulation shares	6
Asia Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class X2 – Accumulation shares	5
	Class Z – Accumulation shares	5
Latin America Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
Emerging Market Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross income shares	4
Class Z – Gross accumulation shares	4	
High Yield Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 1 USD Hedged – Gross income shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Accumulation shares	3
	Class Z – Gross income shares	3
Class Z – Gross accumulation shares	3	
Global Select Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
Global Bond Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross income shares	4
Class Z – Gross accumulation shares	4	
UK Institutional Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
UK Overseas Earnings Fund	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class Z – Income shares	5

Risk and Reward Profiles

(continued)

*As at 7 March 2019 the synthetic risk and reward indicator (SRRI) is explained in the table below:

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

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

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

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The KIID contains the current SRRI.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

The risk and reward profile of the Emerging Market Bond Fund changed from 5 to 4 for all share classes on 5 October 2018 and 12 October 2018.

The risk and reward profile of the Asia Fund changes from a 5 to a 6 for all share classes on 18 December 2018 and 23 January 2019.

**For launch dates, refer to the footnotes after the fund's comparative table.

Important Information

Threadneedle Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, International Financial Data Services, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has 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

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

- Resignation of Mr Don Jordison on 1 May 2018;
- Appointment of Mr Peter Stone on 5 September 2018;
- Resignation of Mr Dominik Kremer on 31 January 2019;
- Resignation of M Scrimgeour on 26 April 2019.

Changes to the Prospectus

During the period from 8 March 2018 to 7 March 2019 the following changes were made to the Prospectus of the Company:

- Inclusion of information about the use of Hong Kong Stock Connect by certain funds;
- Updated privacy statement for GDPR;
- Inclusion of a note regarding the winding up of four sub-funds (approved under FCA approval DM/r.9) following successful votes in favour of cross-border mergers;
- Change of name and investment policy for the Sterling Fund (to be effective from 1 May 2019);
- Include information about the EU Money Market Fund Regulation in relation to the Sterling Fund to reflect that it is a vNAV money market fund;
- Change of objective and investment policy for the American Select Fund (to be effective from 14 April 2019);
- Increase to the initial investment minimum for L Shares;
- Update to the list of funds managed by the ACD;
- Update to the list of countries where the funds are registered;
- Update to the list of available share classes, including deletion of a hedged share class for the European Fund;
- General updates (taxation, dilution, performance, etc).

Changes to the Instrument of Incorporation

There were no changes to the instrument of incorporation of the Company during the period from 8 March 2018 to 7 March 2019.

American Select Fund

Effective 15 April 2019, the American Select Fund's investment policy will be amended to represent how it invests in practice. The new wording will make clear that at least 75% of the Fund will be invested in companies based in the United States (US), or with significant US business operations. At the same time, the management team will be able to invest up to 25% of the Fund in companies outside the US. In addition, the revised policy will specify that the Fund aims to outperform its benchmark, the S&P 500 Index (an American stock market index).

Sterling Fund

Effective 1 May 2019, the Sterling Fund will change its name to the Sterling Short-Term Money Market Fund and its investment objective and policy will be amended to reflect that the Fund will meet the conditions required of a Variable Net Asset Value Short-Term Money Market Fund.

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.

Brexit

At the referendum held in June 2016, the United Kingdom voted to leave the European Union (known as "Brexit"). The UK invoked Article 50 of the Lisbon Treaty to negotiate the exit from the European Union. There is a significant degree of uncertainty about

Important Information

(continued)

how negotiations relating to the UK's withdrawal will be concluded, as well as the potential consequences and precise timeframe for this.

The full scope of the changes and the consequences on the legal framework is currently not known. Depending on the outcome of the UK's negotiations with the European Union, and the existence or otherwise of any formal implementation period, it is possible that the Funds may no longer be eligible to enjoy the rights set out in the UCITS Directive. Ceasing to be so eligible may affect the ability of non-UK domiciled investors to make new investments in the Company.

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 32 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	Retail and non-retail investors
	Class 1 EUR (including Class 1 Hedged Shares)	EUR 2,500	
	Class 1 USD (including Class 1 Hedged Shares)	USD 3,000	
	Class 1 JPY	JPY 280,000	
	Class 1 CHF (including Class 1 Hedged Shares)	CHF 3,000	
	Class 1 SGD (Hedged Shares)	SGD 4,000	
Class L	Class L GBP	GBP 100 million	Non-retail investors
Class M	Class M AUD (Hedged Share Class)	AUD 750	Retail and non-retail investors
	Class M USD (Hedged Share Class)	USD 3,000	
Class N	Class N USD (Hedged Share Class)	USD 1.5 million	Retail and non-retail investors
Class 2	Class 2 GBP	GBP 0.5 million	Non-retail investors
	Class 2 EUR (including Class 2 Hedged Shares)	EUR 0.75 million	
	Class 2 USD (including Class 2 Hedged Shares)	USD 0.8 million	
	Class 2 JPY	JPY 70 million	
	Class 2 CHF (Hedged Share Class)	CHF 1.2 million	
Class X	Class X GBP	GBP 3 million	Available only to Eligible Shareholders
	Class X EUR	EUR 5 million	
	Class X USD	USD 5 million	
	Class X JPY	JPY 420 million	
	Class X AUD (Hedged Share Class)	AUD 5 million	
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	

Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- "Portfolio Currency" or "Portfolio Currencies" means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

Income Equalisation

Since each Fund operates equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

Investor Reports

Annual long-form reports and financial statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period. 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 7 March and the interim reporting period ends on 7 September.

Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

Important Information

(continued)

The Auditors gave their opinion on the financial statements presented in English. They take no responsibility for the translation of these financial statements. Where there is any inconsistency between the version presented in English and any translation, the English language version has precedent.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

Foreign Account Tax Compliance Act (FATCA)

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

Common reporting standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co-operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

Holdings in shares of other funds of the Company

None of the funds of the Company held shares in other funds of the Company (listed on the contents page on page 1) at the end of the period.

Remuneration Disclosures 2018

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Srl ("TAM Srl" 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 2018.

1. The Remuneration Committee

The Remuneration Committee of TAM Srl is a sub-committee of the TAM Srl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Current Committee Members are Mr Walter Berman, and Mr Ted Truscott. Meetings are normally held in January, March, June, September and December. The Group's Global Head, Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Property business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top-Down' assessment of market practice, legal and regulatory requirements and any other internal or external

contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

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 funding, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's 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. For Sales, Property and Investment incentives there is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

Threadneedle believes that deferred awards for higher earners and risk-takers are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for Code Staff and those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Code Staff/Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is

Important Information

(continued)

delivered in fund-linked units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its' Code Staff/Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

5. Remuneration Payment Disclosure

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 19 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2017-18 performance year was £1.47m, of which £0.59m was fixed and £0.88m was variable. Total remuneration paid to other members of the UCITS Remuneration Code Staff whose actions had a material impact on the risk profile of the Manager was £11.11m, of which £4.48m was fixed and £6.63m was variable.

Important Information

(continued)

Key Risks of the Fund:

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

Funds/Key risks	Investment	Currency	No Capital Guarantee	Counterparty	Issuer	Political and Financial	Liquidity	Effect of Portfolio Concentration	Inflation	Interest Rate	Valuation	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM/Hedging	Volatility	High Volatility	Investment in Deposits
UK Fund	X	X													X	X		
UK Select Fund	X	X						X							X	X		
UK Smaller Companies Fund	X	X					X								X	X		
UK Growth and Income Fund	X	X													X	X		
UK Equity Income Fund	X	X													X	X		
UK Monthly Income Fund	X	X													X	X		
Monthly Extra Income Fund	X	X			X		X		X	X					X	X		
UK Corporate Bond Fund	X	X			X		X		X	X					X			
High Yield Bond Fund	X	X			X		X		X	X	X				X	X		
Strategic Bond Fund	X	X		X	X		X		X	X	X	X	X	X				
Sterling Bond Fund	X	X			X		X		X	X					X			
Sterling Fund	X		X	X					X						X			X
European Fund	X	X													X	X		
European Select Fund	X	X						X							X	X		
European Smaller Companies Fund	X	X					X								X	X		
European Bond Fund	X	X			X		X		X	X					X			
American Fund	X	X													X	X		
American Select Fund	X	X						X							X	X		
American Smaller Companies Fund (US)	X	X					X								X			X
Dollar Bond Fund	X	X			X		X		X	X					X			
Japan Fund	X	X													X			X
Asia Fund	X	X				X	X								X			X
Latin America Fund	X	X				X	X								X			X
Emerging Market Bond Fund	X	X		X	X	X	X		X	X					X	X		
Global Select Fund	X	X						X							X	X		
Global Bond Fund	X	X		X	X		X		X	X					X			
UK Institutional Fund	X	X													X	X		
UK Overseas Earnings Fund	X	X													X	X		

Description of the Key Risks:

Investment Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

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

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

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

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.

Short Selling Risk: Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

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

Leverage Risk: Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

Derivatives for EPM/Hedging Risk: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The fund may exhibit significant price volatility.

High Volatility Risk: The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

Investment in Deposits Risk: The Investment Policy of the fund allows it to invest principally in deposits.

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

Directory

Registered Office

Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised Corporate Director (ACD)

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

Registrar

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

Investment Manager

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

Depository

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

Legal Advisers

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

Baum Financial Services Law Team
Grosser Burstah 42
20457 Hamburg
Germany

Independent Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorised Corporate Director Client Services Details

UK Investors

Address: Threadneedle Investment Services Limited
PO Box 10033
Chelmsford
Essex CM99 2AL
Telephone (dealing & customer enquiries): 0800 953 0134*
Fax (dealing): 0845 113 0274
Email (enquiries): questions@service.columbiathreadneedle.co.uk

Asian Investors

Address: Threadneedle Investment Services Limited
International Financial Data Services
47, avenue JF Kennedy
L-1855 Luxembourg
Telephone (dealing & customer enquiries): +852 3667 7111*
Fax (dealing): +352 2452 9807
Email (enquiries): threadneedleenquiries@statestreet.com

*Calls will be recorded.

All Other Investors

Address: Threadneedle Investment Services Limited
International Financial Data Services
47, avenue JF Kennedy
L-1855 Luxembourg
Telephone (dealing & customer enquiries): +352 464 010 7020*
Fax (dealing): +352 2452 9807
Email (enquiries): questions@service.columbiathreadneedle.co.uk
Website: columbiathreadneedle.com

Paying and Information Agent in Austria

Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Vienna
Austria

Paying and Information Agent in Belgium

CACEIS Belgium S.A
avenue du Port 86 C b 320
1000 Brussels
Belgium

Paying and Information Agent in France

BNP Paribas Securities Services
66 rue de la Victoire
75009 Paris
France

Paying and Information Agent in Germany

J.P. Morgan AG
Jungthofstr. 14
60311 Frankfurt am Main
Germany

Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited
Services Transfer Agency, Fund Services
1 Queen's Road Central
Hong Kong

Paying and Information Agent in Ireland

J.P. Morgan Bank Administration Services (Ireland) Limited
J.P. Morgan House, International Financial Services Centre
Dublin 1
Ireland

Paying and Information Agent in Italy

Allfunds Bank S.A. (filiale di Milano)
via Bocchetto, 6
20123 Milan
Italy
BNP Paribas Securities Services
succursale di Milano
Piazza Lina Bo Bardi, 3
20124 Milan
Italy
Société Générale Securities Services S.p.A.
via Benigno Crespi 19/A – MAC2
20159 Milan
Italy
State Street Bank S.p.A.
Via Ferrante Aporti, 10
20125 Milan
Italy

Directory

(continued)

Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.
49 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Information Agent in Spain

Threadneedle Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 482 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15. 2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended. A list of the appointed local distributors and Funds and share classes available for public distribution in Spain is available at the CNMV web page (www.cnmv.es).

Paying and Information Agent in Sweden

Skandinaviska Enskilda Banken AB
Kungsträdgårdsgatan
SE - 10640
Stockholm
Sweden

Representative and Paying Agent in Switzerland

BNP Paribas Securities Services, Paris, Succursale de Zurich
Selnaustrasse 16
8002 Zurich
Switzerland

To find out more visit columbiathreadneedle.com



Threadneedle Investment Services Limited, ISA Manager, Authorised Corporate Director and Unit Trust Manager. Registered No. 3701768. Registered in England and Wales. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised and regulated by the Financial Conduct Authority. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. columbiathreadneedle.com 274996