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UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS  
THREADNEEDLE INVESTMENT FUNDS ICVC  
SEPTEMBER 2016

# THREADNEEDLE INVESTMENT FUNDS ICVC

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## 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) (Appointed to the Board on 29 March 2016)  
C D Fleming (Resigned from the Board 29 April 2016)  
T N Gillbanks  
D Jordison  
D Kremer (Appointed to the Board on 22 July 2016)  
A Roughead (non-executive)  
L Weatherup (Appointed to the Board on 11 July 2016)

## Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Unaudited Interim Report and Financial Statements for Threadneedle Investment Funds ICVC for the 6 months to 7 September 2016.

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

Thank you for your continued support.



**Tim Gillbanks**  
Director

### DIRECTOR'S STATEMENT

We hereby certify the Interim Report and Financial Statements on behalf of the directors of Threadneedle Investment Services Limited.

**T N Gillbanks**

18 October 2016

**L Weatherup**

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Fund has risen from 117.87p to 131.14p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +11.76% as compared to a median return of +11.08% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

New additions over the period included Land Securities, which has a high-quality property portfolio of long, well-diversified inflation-protected leases. We took advantage of share price weakness to open a new position in ITV, encouraged by management's upbeat outlook, although Brexit jitters have had an adverse short-term impact. We topped up our holdings

in CRH, which provides good exposure to infrastructure construction and should produce increasing returns.

We sold our holding in Phoenix Group to reduce our exposure to life insurance. We also exited RPC. Having been supporters of the stock, we feel that the company's strategy has changed to have a greater focus on acquisitions; we are uncertain about the quality of earnings these will generate. We sold IMI at a profit, as we felt it has reached quite a rich valuation, considering it is an industrial stock and that global capex associated with this industry is under pressure.

The UK economy appears to be weathering the post-Brexit storm much better than predicted although we believe the medium-term implications of the vote are uncertain.

In the run-up to the Autumn Statement, there is increased speculation about the prospect of a large fiscal stimulus. As monetary policy appears to be approaching the limits of its capability and efficacy, the next round of stimulus may be focused on government spending, particularly in housing and infrastructure.

Overall, the outlook is unclear. Relatively cheap valuations are likely to support equities. We will look for high-quality businesses where short-term sentiment is creating buying opportunities – currently these are concentrated in the domestic areas of the market, which seem to be recouping Brexit-induced losses.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	174,651	(124,555)
Revenue	39,369	37,457
Expenses	(9,672)	(10,556)
Interest payable and similar charges	(2)	(1)
Net revenue before taxation	29,695	26,900
Taxation	—	—
Net revenue after taxation	29,695	26,900
<b>Total return before distributions</b>	<b>204,346</b>	<b>(97,655)</b>
Distributions	(29,697)	(26,905)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>174,649</b>	<b>(124,560)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,855,979	1,657,032
<b>Current assets:</b>		
Debtors	25,890	12,843
Cash and bank balances	14,820	27,555
<b>Total assets</b>	<b>1,896,689</b>	<b>1,697,430</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(667)	(475)
<b>Creditors:</b>		
Distribution payable	(20,022)	(6,184)
Other creditors	(7,153)	(6,048)
<b>Total liabilities</b>	<b>(27,842)</b>	<b>(12,707)</b>
<b>Net assets attributable to shareholders</b>	<b>1,868,847</b>	<b>1,684,723</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,684,723</b>	<b>1,968,799</b>
Amounts receivable on the issue of shares	243,743	157,848
Amounts payable on the cancellation of shares	(244,055)	(364,519)
	(312)	(206,671)
Dilution adjustment	—	176
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	174,649	(124,560)
Retained distribution on accumulation shares	9,784	7,149
Unclaimed distributions	3	5
<b>Closing net assets attributable to shareholders</b>	<b>1,868,847</b>	<b>1,644,898</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.7330	—	1.7330	1.4992
<b>Group 2</b>				
08/03/16 to 07/09/16	0.8597	0.8733	1.7330	1.4992
<b>Total distributions in the period</b>			<b>1.7330</b>	<b>1.4992</b>

#### Class 1 Shares

##### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.5440	—	1.5440	1.3143
<b>Group 2</b>				
08/03/16 to 07/09/16	0.8709	0.6731	1.5440	1.3143
<b>Total distributions in the period</b>			<b>1.5440</b>	<b>1.3143</b>

# Threadneedle UK Fund

## DISTRIBUTION TABLE

(continued)

### Class 2 Shares

#### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.0933	—	2.0933	1.8755
<b>Group 2</b> 08/03/16 to 07/09/16	0.9813	1.1120	2.0933	1.8755
<b>Total distributions in the period</b>			<b>2.0933</b>	<b>1.8755</b>

### Class 2 Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	1.5229	—	1.5229	1.3343
<b>Group 2</b> 08/03/16 to 07/09/16	0.6541	0.8688	1.5229	1.3343
<b>Total distributions in the period</b>			<b>1.5229</b>	<b>1.3343</b>

### Class X Shares

#### Net income\*

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.2114	—	2.2114	0.9963
<b>Group 2</b> 08/03/16 to 07/09/16	0.9792	1.2322	2.2114	0.9963
<b>Total distributions in the period</b>			<b>2.2114</b>	<b>0.9963</b>

### Class X Shares

#### Net accumulation\*\*

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.2073	—	2.2073	
<b>Group 2</b> 08/03/16 to 07/09/16	2.2073	—	2.2073	
<b>Total distributions in the period</b>			<b>2.2073</b>	

### Class Z Shares

#### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.4543	—	2.4543	2.2149
<b>Group 2</b> 08/03/16 to 07/09/16	1.1296	1.3247	2.4543	2.2149
<b>Total distributions in the period</b>			<b>2.4543</b>	<b>2.2149</b>

### Class Z Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.6517	—	2.6517	2.3358
<b>Group 2</b> 08/03/16 to 07/09/16	1.1763	1.4754	2.6517	2.3358
<b>Total distributions in the period</b>			<b>2.6517</b>	<b>2.3358</b>

### Class Z CHF Hedged Shares

#### Net accumulation\*\*\*

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.1282	—	2.1282	0.1925
<b>Group 2</b> 08/03/16 to 07/09/16	0.8055	1.3227	2.1282	0.1925
<b>Total distributions in the period</b>			<b>2.1282</b>	<b>0.1925</b>

### Class Z EUR Hedged Shares

#### Net accumulation\*\*\*\*

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.1771	—	2.1771	0.1931
<b>Group 2</b> 08/03/16 to 07/09/16	0.6645	1.5126	2.1771	0.1931
<b>Total distributions in the period</b>			<b>2.1771</b>	<b>0.1931</b>

### Class Z USD Hedged Shares

#### Net accumulation\*\*\*\*\*

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	2.1421	—	2.1421	0.1887
<b>Group 2</b> 08/03/16 to 07/09/16	0.7958	1.3463	2.1421	0.1887
<b>Total distributions in the period</b>			<b>2.1421</b>	<b>0.1887</b>

Group 2: shares purchased during a distribution period.

\*Class X – Net income shares commenced 10 June 2015.

\*\*Class X – Net accumulation shares commenced 16 March 2016.

\*\*\*Class Z CHF Hedged – Net accumulation shares commenced 19 August 2015.

\*\*\*\*Class Z EUR Hedged – Net accumulation shares commenced 19 August 2015.

\*\*\*\*\*Class Z USD Hedged – Net accumulation shares commenced 19 August 2015.

## Threadneedle UK Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	117.46	123.06	116.23	104.66	107.93	100.00
Return before operating charges (p)	14.58	(1.81)	10.32	12.98	(1.58)	8.80
Operating charges (p)	(0.99)	(1.96)	(1.90)	(0.88)	(1.69)	(0.87)
Return after operating charges (p)*	13.59	(3.77)	8.42	12.10	(3.27)	7.93
Distributions on income shares (p)	(1.73)	(1.83)	(1.59)	–	–	–
Closing net asset value per share (p)	129.32	117.46	123.06	116.76	104.66	107.93
Retained distribution on accumulation shares (p)	–	–	–	1.54	1.61	1.37
*after direct transaction costs <sup>2</sup> of (p)	0.10	0.12	0.27	0.09	0.11	0.12
<b>Performance</b>						
Return after charges (%)	11.57	(3.06)	7.24	11.56	(3.03)	7.93
<b>Other information</b>						
Closing net asset value (£000)	470,026	471,917	616,349	1,230	4,701	217
Closing number of shares	363,461,628	401,768,277	500,868,365	1,053,372	4,491,629	200,988
Operating charges (%)**	1.62 <sup>1</sup>	1.64	1.66	1.64 <sup>1</sup>	1.64	1.69 <sup>1</sup>
Direct transaction costs (%)	0.17	0.10	0.24	0.17	0.10	0.24
<b>Prices</b>						
Highest share price (p)	131.86	127.36	123.55	117.49	111.70	107.99
Lowest share price (p)	113.60	106.04	103.27	101.21	94.22	90.24

  

	Class 2 – Net income shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	117.62	123.25	116.40	85.53	87.69	81.22
Return before operating charges (p)	14.64	(1.83)	10.37	10.65	(1.26)	7.32
Operating charges (p)	(0.65)	(1.26)	(1.21)	(0.47)	(0.90)	(0.85)
Return after operating charges (p)*	13.99	(3.09)	9.16	10.18	(2.16)	6.47
Distributions on income shares (p)	(2.09)	(2.54)	(2.31)	–	–	–
Closing net asset value per share (p)	129.52	117.62	123.25	95.71	85.53	87.69
Retained distribution on accumulation shares (p)	–	–	–	1.52	1.82	1.62
*after direct transaction costs <sup>2</sup> of (p)	0.10	0.12	0.28	0.08	0.09	0.19
<b>Performance</b>						
Return after charges (%)	11.89	(2.51)	7.87	11.90	(2.46)	7.97
<b>Other information</b>						
Closing net asset value (£000)	313,001	319,802	350,709	169,629	111,786	239,493
Closing number of shares	241,662,548	271,889,513	284,540,421	177,236,917	130,692,863	273,106,637
Operating charges (%)**	1.05 <sup>1</sup>	1.05	1.05	1.05 <sup>1</sup>	1.05	1.05
Direct transaction costs (%)	0.17	0.10	0.24	0.17	0.10	0.24
<b>Prices</b>						
Highest share price (p)	132.42	127.75	124.10	96.30	90.88	87.74
Lowest share price (p)	113.96	106.45	103.48	82.87	76.97	73.16



## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

	Class X – Net income shares		Class X – Net accumulation shares
	07/09/2016	07/03/2016 <sup>2</sup>	07/09/2016 <sup>3</sup>
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	95.66	100.00	100.00
Return before operating charges (p)	11.95	(2.28)	11.54
Operating charges (p)	(0.03)	(0.05)	(0.01)
Return after operating charges (p)*	11.92	(2.33)	11.53
Distributions on income shares (p)	(2.21)	(2.01)	–
Closing net asset value per share (p)	105.37	95.66	111.53
Retained distribution on accumulation shares (p)	–	–	2.21
*after direct transaction costs <sup>1</sup> of (p)	0.08	0.09	0.09
<b>Performance</b>			
Return after charges (%)	12.46	(2.33)	11.53
<b>Other information</b>			
Closing net asset value (£000)	30,408	16,501	3
Closing number of shares	28,858,046	17,249,775	3,000
Operating charges (%)**	0.05 <sup>1</sup>	0.05 <sup>1</sup>	0.02 <sup>1</sup>
Direct transaction costs (%)	0.17	0.10	0.17
<b>Prices</b>			
Highest share price (p)	108.24	101.27	112.21
Lowest share price (p)	92.96	86.94	96.37

  

	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	129.22	135.41	127.89	139.61	142.81	131.99
Return before operating charges (p)	16.09	(2.02)	11.37	17.38	(2.05)	11.91
Operating charges (p)	(0.56)	(1.08)	(1.05)	(0.60)	(1.15)	(1.09)
Return after operating charges (p)*	15.53	(3.10)	10.32	16.78	(3.20)	10.82
Distributions on income shares (p)	(2.45)	(3.09)	(2.80)	–	–	–
Closing net asset value per share (p)	142.30	129.22	135.41	156.39	139.61	142.81
Retained distribution on accumulation shares (p)	–	–	–	2.65	3.27	2.91
*after direct transaction costs <sup>1</sup> of (p)	0.11	0.13	0.30	0.12	0.14	0.32
<b>Performance</b>						
Return after charges (%)	12.02	(2.29)	8.07	12.02	(2.24)	8.20
<b>Other information</b>						
Closing net asset value (£000)	465,360	423,542	490,613	356,490	269,814	271,418
Closing number of shares	327,036,848	327,778,376	362,308,892	227,943,151	193,261,009	190,059,227
Operating charges (%)**	0.82 <sup>1</sup>	0.82	0.83	0.82 <sup>1</sup>	0.82	0.83
Direct transaction costs (%)	0.17	0.10	0.24	0.17	0.10	0.24
<b>Prices</b>						
Highest share price (p)	145.64	140.42	136.49	157.36	148.08	142.89
Lowest share price (p)	125.27	117.06	113.71	135.35	125.62	119.04

## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Net accumulation shares		Class Z EUR Hedged – Net accumulation shares	
	07/09/2016	07/03/2016 <sup>4</sup>	07/09/2016	07/03/2016 <sup>5</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	106.84	100.00	109.24	100.00
Return before operating charges (p)	23.75	8.01	24.03	10.06
Operating charges (p)	(0.48)	(1.17)	(0.49)	(0.82)
Return after operating charges (p)*	23.27	6.84	23.54	9.24
Closing net asset value per share (p)	130.11	106.84	132.78	109.24
Retained distribution on accumulation shares (p)	2.13	0.89	2.18	0.91
*after direct transaction costs <sup>†</sup> of (p)	0.10	0.14	0.10	0.10
<b>Performance</b>				
Return after charges (%)	21.78	6.84	21.55	9.24
<b>Other information</b>				
Closing net asset value (£000)	7,579	6,193	17,894	14,758
Closing number of shares	5,825,333	5,796,349	13,476,600	13,510,364
Operating charges (%)**	0.82 <sup>†</sup>	0.83 <sup>†</sup>	0.82 <sup>†</sup>	0.83 <sup>†</sup>
Direct transaction costs (%)	0.17	0.10	0.17	0.10
<b>Prices</b>				
Highest share price (p)	135.66	109.10	137.81	111.00
Lowest share price (p)	104.86	95.85	108.65	96.52
<b>Class Z USD Hedged – Net accumulation shares</b>				
	07/09/2016	07/03/2016 <sup>6</sup>		
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	109.82	100.00		
Return before operating charges (p)	21.98	10.65		
Operating charges (p)	(0.48)	(0.83)		
Return after operating charges (p)*	21.50	9.82		
Closing net asset value per share (p)	131.32	109.82		
Retained distribution on accumulation shares (p)	2.14	0.90		
*after direct transaction costs <sup>†</sup> of (p)	0.10	0.10		
<b>Performance</b>				
Return after charges (%)	19.58	9.82		
<b>Other information</b>				
Closing net asset value (£000)	37,227	45,709		
Closing number of shares	28,348,172	41,621,060		
Operating charges (%)**	0.82 <sup>†</sup>	0.83 <sup>†</sup>		
Direct transaction costs (%)	0.17	0.10		
<b>Prices</b>				
Highest share price (p)	136.54	111.97		
Lowest share price (p)	107.11	93.37		

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

<sup>1</sup>Class 1 – Net accumulation shares commenced 11 September 2014.

<sup>2</sup>Class X – Net income shares commenced 10 June 2015.

<sup>3</sup>Class X – Net accumulation shares commenced 16 March 2016.

<sup>4</sup>Class Z CHF Hedged – Net accumulation shares commenced 19 August 2015.

<sup>5</sup>Class Z EUR Hedged – Net accumulation shares commenced 19 August 2015.

<sup>6</sup>Class Z USD Hedged – Net accumulation shares commenced 19 August 2015.

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

<sup>†</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle UK Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	401,768,277
Shares issued	18,106,471
Shares redeemed	(52,966,862)
Net conversions	(3,446,258)
Closing shares	<u>363,461,628</u>
<b>Class 1 – Net accumulation shares</b>	
Opening shares	4,491,629
Shares issued	615,910
Shares redeemed	(4,054,167)
Net conversions	–
Closing shares	<u>1,053,372</u>
<b>Class 2 – Net income shares</b>	
Opening shares	271,889,513
Shares issued	13,536,564
Shares redeemed	(23,687,177)
Net conversions	(20,076,352)
Closing shares	<u>241,662,548</u>
<b>Class 2 – Net accumulation shares</b>	
Opening shares	130,692,863
Shares issued	80,316,440
Shares redeemed	(60,779,353)
Net conversions	27,006,967
Closing shares	<u>177,236,917</u>
<b>Class X – Net income shares</b>	
Opening shares	17,249,775
Shares issued	12,092,138
Shares redeemed	(483,867)
Net conversions	–
Closing shares	<u>28,858,046</u>
<b>Class X – Net accumulation shares*</b>	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class Z – Net income shares</b>	
Opening shares	327,778,376
Shares issued	23,670,172
Shares redeemed	(27,932,012)
Net conversions	3,520,312
Closing shares	<u>327,036,848</u>

	2016
<b>Class Z – Net accumulation shares</b>	
Opening shares	193,261,009
Shares issued	43,276,441
Shares redeemed	(8,603,601)
Net conversions	9,302
Closing shares	<u>227,943,151</u>
<b>Class Z CHF Hedged – Net accumulation shares</b>	
Opening shares	5,796,349
Shares issued	701,079
Shares redeemed	(672,095)
Net conversions	–
Closing shares	<u>5,825,333</u>
<b>Class Z EUR Hedged – Net accumulation shares</b>	
Opening shares	13,510,364
Shares issued	1,526,043
Shares redeemed	(1,559,807)
Net conversions	–
Closing shares	<u>13,476,600</u>
<b>Class Z USD Hedged – Net accumulation shares</b>	
Opening shares	41,621,060
Shares issued	2,365,050
Shares redeemed	(15,637,938)
Net conversions	–
Closing shares	<u>28,348,172</u>

\*Class X – Net accumulation shares commenced 16 March 2016.

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Select Fund has risen from 115.40p to 122.87p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +6.10% as compared to a median return of +11.08% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks

in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

New additions during the period under review included Johnson Matthey and Ladbrokes. Once the move towards its online platform has peaked, Ladbrokes' flexible and largely

short-term leases will allow it to shift the mix of the business, by closing physical shops when necessary. Ladbrokes also enjoys a strong position in international regulated markets, including Australia, Italy and Spain. We took advantage of share price weakness to top up our existing position in ITV. We were encouraged by management's confidence in the company's outlook, although Brexit jitters have had an adverse short-term impact. We took profit from our large position in Royal Dutch Shell and completely exited InterContinental Hotels and Stagecoach.

The UK economy appears to be weathering the post-Brexit storm much better than predicted although we believe the medium-term implications of the vote are uncertain.

In the run-up to the Autumn Statement, there is increased speculation about the prospect of a large fiscal stimulus. As monetary policy appears to be approaching the limits of its capability and efficacy, the next round of stimulus may be focused on government spending, particularly in housing and infrastructure.

Overall, the outlook is unclear. Relatively cheap valuations are likely to support equities. We will look for high-quality businesses where short-term sentiment is creating buying opportunities – currently these are concentrated in the domestic areas of the market, which seem to be recouping Brexit-induced losses.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	11,608	(14,068)
Revenue	4,872	4,901
Expenses	(1,507)	(1,510)
Interest payable and similar charges	(1)	–
Net revenue before taxation	3,364	3,391
Taxation	(34)	–
Net revenue after taxation	3,330	3,391
<b>Total return before distributions</b>	<b>14,938</b>	<b>(10,677)</b>
Distributions	(3,331)	(3,393)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>11,607</b>	<b>(14,070)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	219,806	204,902
<b>Current assets:</b>		
Debtors	2,144	1,959
Cash and bank balances	4,220	6,300
<b>Total assets</b>	<b>226,170</b>	<b>213,161</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(3,346)	(1,053)
Other creditors	(1,263)	(2,505)
<b>Total liabilities</b>	<b>(4,609)</b>	<b>(3,558)</b>
<b>Net assets attributable to shareholders</b>	<b>221,561</b>	<b>209,603</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>209,603</b>	<b>216,457</b>
Amounts receivable on the issue of shares	17,745	8,068
Amounts payable on the cancellation of shares	(17,395)	(16,478)
	350	(8,410)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	11,607	(14,070)
Unclaimed distributions	1	4
<b>Closing net assets attributable to shareholders</b>	<b>221,561</b>	<b>193,981</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.6557	–	1.6557	1.7392
<b>Group 2</b>				
08/03/16 to 07/09/16	0.7356	0.9201	1.6557	1.7392
<b>Total distributions in the period</b>			<b>1.6557</b>	<b>1.7392</b>

#### Class 2 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	2.0307	–	2.0307	2.1174
<b>Group 2</b>				
08/03/16 to 07/09/16	1.0838	0.9469	2.0307	2.1174
<b>Total distributions in the period</b>			<b>2.0307</b>	<b>2.1174</b>

## Threadneedle UK Select Fund

### DISTRIBUTION TABLE

(continued)

#### Class X Shares

##### Net accumulation\*

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016
<b>Group 1</b>			
08/03/16 to 07/09/16	2.2123	—	2.2123
<b>Group 2</b>			
08/03/16 to 07/09/16	2.2123	—	2.2123
<b>Total distributions in the period</b>			<b>2.2123</b>

#### Class Z Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	2.5607	—	2.5607	2.6658
<b>Group 2</b>				
08/03/16 to 07/09/16	1.1104	1.4503	2.5607	2.6658
<b>Total distributions in the period</b>			<b>2.5607</b>	<b>2.6658</b>

Group 2: shares purchased during a distribution period.

\*Class X – Net accumulation shares commenced 16 March 2016.

## Threadneedle UK Select Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 2 – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	114.87	118.42	108.69	115.29	118.87	109.07
Return before operating charges (p)	8.90	0.56	13.50	8.93	0.56	13.60
Operating charges (p)	(0.99)	(1.95)	(1.81)	(0.63)	(1.24)	(1.16)
Return after operating charges (p)*	7.91	(1.39)	11.69	8.30	(0.68)	12.44
Distributions on income shares (p)	(1.66)	(2.16)	(1.96)	(2.03)	(2.90)	(2.64)
Closing net asset value per share (p)	121.12	114.87	118.42	121.56	115.29	118.87
*after direct transaction costs <sup>‡</sup> of (p)	0.12	0.29	0.34	0.12	0.29	0.34
<b>Performance</b>						
Return after charges (%)	6.89	(1.17)	10.76	7.20	(0.57)	11.41
<b>Other information</b>						
Closing net asset value (£000)	122,861	122,488	131,931	78,134	72,088	74,387
Closing number of shares	101,441,697	106,628,097	111,407,468	64,274,729	62,529,863	62,577,176
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)	0.21	0.25	0.32	0.21	0.25	0.32
<b>Prices</b>						
Highest share price (p)	123.65	122.78	118.81	124.43	123.42	119.60
Lowest share price (p)	107.46	106.11	99.13	108.05	106.78	99.56

  

	Class X – Net accumulation shares		Class Z – Net income shares		
	07/09/2016 <sup>†</sup>		07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00		138.22	142.52	130.78
Return before operating charges (p)	6.97		10.72	0.66	16.32
Operating charges (p)	(0.01)		(0.63)	(1.24)	(1.17)
Return after operating charges (p)*	6.96		10.09	(0.58)	15.15
Distributions on income shares (p)	–		(2.56)	(3.72)	(3.41)
Closing net asset value per share (p)	106.96		145.75	138.22	142.52
Retained distribution on accumulation shares (p)	2.21		–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	0.11		0.15	0.35	0.41
<b>Performance</b>					
Return after charges (%)	6.96		7.30	(0.41)	11.58
<b>Other information</b>					
Closing net asset value (£000)	3		20,563	15,027	10,139
Closing number of shares	3,000		14,107,957	10,871,883	7,113,640
Operating charges (%)**	0.02 <sup>†</sup>		0.88 <sup>†</sup>	0.88	0.89
Direct transaction costs (%)	0.21		0.21	0.25	0.32
<b>Prices</b>					
Highest share price (p)	107.63		149.30	148.03	143.53
Lowest share price (p)	93.32		129.61	128.11	119.39

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

<sup>†</sup>Class X – Net accumulation shares commenced 16 March 2016.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle UK Select Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	106,628,097
Shares issued	1,357,458
Shares redeemed	(6,237,758)
Net conversions	(306,100)
Closing shares	<u>101,441,697</u>
<b>Class 2 – Net income shares</b>	
Opening shares	62,529,863
Shares issued	9,497,732
Shares redeemed	(7,375,617)
Net conversions	(377,249)
Closing shares	<u>64,274,729</u>
<b>Class X – Net accumulation shares*</b>	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class Z – Net income shares</b>	
Opening shares	10,871,883
Shares issued	3,730,965
Shares redeemed	(1,063,543)
Net conversions	568,652
Closing shares	<u>14,107,957</u>

\*Class X – Net accumulation shares commenced 16 March 2016.

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 244.64p to 257.33p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +5.64% as compared to a median return of +8.64% over the same period. (For information the Numis Smaller Companies (ex Investment Trusts) Index returned +10.00% over the same period).

#### Market Overview and Portfolio Activity

During the period under review, the FTSE All Share Index posted a double-digit return, led by large-cap stocks. The FTSE 250 underperformed the FTSE All Share and the FTSE 100 but still generated a positive return.

Though mid-caps performed roughly in line with the broader market in March, they were relatively weaker over the second quarter, which was characterised by uncertainty due to the Brexit vote. In the immediate aftermath of the UK's vote to leave the European Union, investors fled to global safe-havens, with British equities and the sterling sharply declining. Doubts about domestic economic prospects negatively affected mid-cap stocks.

Markets eventually calmed down, as the FTSE All Share staged a rally, on the prospect of higher earnings for FTSE 100 companies, many of whose overseas and export earnings stand to benefit from a weaker pound. But the more domestically oriented FTSE 250, which represents mid-cap firms, took longer to return to its pre-referendum levels.

Towards the end of the period under review, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the introduction of the "Term Funding Scheme" and an unexpected expansion in its quantitative easing programme.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

We built up our position in Ascential and opened new positions in Hotel Chocolat Group and Vectura. With Vectura's recent

acquisitions including Skyepharma and BTG, our position in the company is part of a move to broaden our exposure to economically unrelated areas, such as pharmaceuticals and technology. We exited Xchanging and trimmed our holdings in Scapa Group. We also sold out of our position in Home Retail Group following the purchase by Sainsbury's.

While many economists believe the UK may experience a dramatic slowdown due to Brexit, we are seeing little evidence of this from the companies that we meet. Domestic stocks are likely to benefit from earnings upgrades as concerns of a recession fade. From our recent experience, companies with earnings visibility have strong order books.

Uncertainty is likely to prevail, but this is largely priced into domestic equities. The real impact has been a significantly weaker sterling – likely to benefit overseas earners. Other companies may be negatively impacted by this trend but we have been careful to ensure that any such companies in our portfolios have the ability to recover through lowering costs and raising prices.

Global industrials are also benefiting from the current macro environment where the market believes profits have bottomed-out and are going to recover. We are sceptical as to how quickly this increase of profits will come through and at the moment, see more opportunities in oversold domestic companies where the market is being too pessimistic about the outlook for growth next year.

In our view, the long-run impact of Brexit is unlikely to be significant. The biggest concern relates to inward investment; it will be very important for the UK government to offer a very compelling environment to ensure the UK continues to attract these flows.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains	7,110	12,809
Revenue	1,895	2,051
Expenses	(972)	(971)
Interest payable and similar charges	–	(1)
Net revenue before taxation	923	1,079
Taxation	–	(31)
Net revenue after taxation	923	1,048
<b>Total return before distributions</b>	<b>8,033</b>	<b>13,857</b>
Distributions	(923)	(1,049)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>7,110</b>	<b>12,808</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	161,931	175,343
<b>Current assets:</b>		
Debtors	3,612	814
Cash and bank balances	401	1,195
<b>Total assets</b>	<b>165,944</b>	<b>177,352</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(762)	(260)
Other creditors	(520)	(2,120)
<b>Total liabilities</b>	<b>(1,282)</b>	<b>(2,380)</b>
<b>Net assets attributable to shareholders</b>	<b>164,662</b>	<b>174,972</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>174,972</b>	<b>145,255</b>
Amounts receivable on the issue of shares	12,222	20,813
Amounts payable on the cancellation of shares	(29,857)	(12,146)
	(17,635)	8,667
Dilution adjustment	74	86
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,110	12,808
Retained distribution on accumulation shares	140	198
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>164,662</b>	<b>167,015</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.8199	–	0.8199	0.9774
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3849	0.4350	0.8199	0.9774
<b>Total distributions in the period</b>			<b>0.8199</b>	<b>0.9774</b>

#### Class 2 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.5882	–	1.5882	1.7109
<b>Group 2</b>				
08/03/16 to 07/09/16	0.4559	1.1323	1.5882	1.7109
<b>Total distributions in the period</b>			<b>1.5882</b>	<b>1.7109</b>



## Threadneedle UK Smaller Companies Fund

### DISTRIBUTION TABLE

(continued)

#### Class X Shares

##### Net income\*

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.1983	—	1.1983	0.5596
<b>Group 2</b>				
08/03/16 to 07/09/16	0.9683	0.2300	1.1983	0.5596
<b>Total distributions in the period</b>			<b>1.1983</b>	<b>0.5596</b>

#### Class Z Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.2210	—	1.2210	1.2968
<b>Group 2</b>				
08/03/16 to 07/09/16	0.7033	0.5177	1.2210	1.2968
<b>Total distributions in the period</b>			<b>1.2210</b>	<b>1.2968</b>

#### Class Z Shares

##### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.0210	—	1.0210	1.0725
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3331	0.6879	1.0210	1.0725
<b>Total distributions in the period</b>			<b>1.0210</b>	<b>1.0725</b>

Group 2: shares purchased during a distribution period.

\*Class X – Net income shares commenced 10 June 2015.

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 2 – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	242.84	215.98	212.60	245.52	218.19	214.31
Return before operating charges (p)	14.44	31.81	7.35	14.66	32.17	7.47
Operating charges (p)	(2.05)	(3.98)	(3.46)	(1.31)	(2.57)	(2.21)
Return after operating charges (p)*	12.39	27.83	3.89	13.35	29.60	5.26
Distributions on income shares (p)	(0.82)	(0.97)	(0.51)	(1.59)	(2.27)	(1.38)
Closing net asset value per share (p)	254.41	242.84	215.98	257.28	245.52	218.19
*after direct transaction costs <sup>†</sup> of (p)	0.32	0.60	0.51	0.32	0.61	0.52
<b>Performance</b>						
Return after charges (%)	5.10	12.89	1.83	5.44	13.57	2.45
<b>Other information</b>						
Closing net asset value (£000)	47,904	49,977	44,601	82,964	93,995	70,580
Closing number of shares	18,829,266	20,580,604	20,650,297	32,246,488	38,283,583	32,348,206
Operating charges (%)**	1.69 <sup>†</sup>	1.68	1.69	1.07 <sup>†</sup>	1.07	1.07
Direct transaction costs (%)	0.26	0.25	0.25	0.26	0.25	0.25
<b>Prices</b>						
Highest share price (p)	257.33	251.33	217.88	260.98	254.40	220.30
Lowest share price (p)	215.56	214.33	187.73	218.39	216.53	189.38

  

	Class X – Net income shares		Class Z – Net income shares		
	07/09/2016	07/03/2016 <sup>†</sup>	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	104.09	100.00	166.10	147.61	144.98
Return before operating charges (p)	6.28	5.44	9.93	21.76	5.05
Operating charges (p)	(0.04)	(0.05)	(0.74)	(1.45)	(1.24)
Return after operating charges (p)*	6.24	5.39	9.19	20.31	3.81
Distributions on income shares (p)	(1.20)	(1.30)	(1.22)	(1.82)	(1.18)
Closing net asset value per share (p)	109.13	104.09	174.07	166.10	147.61
*after direct transaction costs <sup>†</sup> of (p)	0.14	0.20	0.22	0.41	0.35
<b>Performance</b>					
Return after charges (%)	5.99	5.39	5.53	13.76	2.63
<b>Other information</b>					
Closing net asset value (£000)	29	842	13,622	12,178	7,763
Closing number of shares	26,664	809,296	7,825,997	7,331,407	5,259,328
Operating charges (%)**	0.07 <sup>†</sup>	0.07 <sup>†</sup>	0.89 <sup>†</sup>	0.89	0.89
Direct transaction costs (%)	0.26	0.25	0.26	0.25	0.25
<b>Prices</b>					
Highest share price (p)	111.22	108.18	176.72	172.20	149.15
Lowest share price (p)	92.91	98.64	147.84	146.49	128.14

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	138.91	122.07	118.82
Return before operating charges (p)	8.29	18.04	4.29
Operating charges (p)	(0.62)	(1.20)	(1.04)
Return after operating charges (p)*	7.67	16.84	3.25
Closing net asset value per share (p)	146.58	138.91	122.07
Retained distribution on accumulation shares (p)	1.02	1.51	1.05
*after direct transaction costs <sup>‡</sup> of (p)	0.18	0.34	0.29
<b>Performance</b>			
Return after charges (%)	5.52	13.80	2.74
<b>Other information</b>			
Closing net asset value (£000)	20,143	17,980	22,311
Closing number of shares	13,741,321	12,943,507	18,276,580
Operating charges (%)**	0.89 <sup>†</sup>	0.89	0.89
Direct transaction costs (%)	0.26	0.25	0.25
<b>Prices</b>			
Highest share price (p)	147.78	143.55	123.13
Lowest share price (p)	123.63	121.14	105.77

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

<sup>†</sup>Class X – Net income shares commenced 10 June 2015.

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

<sup>§</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle UK Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	20,580,604
Shares issued	732,433
Shares redeemed	(2,279,405)
Net conversions	(204,366)
Closing shares	18,829,266
<b>Class 2 – Net income shares</b>	
Opening shares	38,283,583
Shares issued	2,055,489
Shares redeemed	(8,063,112)
Net conversions	(29,472)
Closing shares	32,246,488
<b>Class X – Net income shares</b>	
Opening shares	809,296
Shares issued	173,977
Shares redeemed	(956,609)
Net conversions	–
Closing shares	26,664
<b>Class Z – Net income shares</b>	
Opening shares	7,331,407
Shares issued	1,978,333
Shares redeemed	(1,825,723)
Net conversions	341,980
Closing shares	7,825,997
<b>Class Z – Net accumulation shares</b>	
Opening shares	12,943,507
Shares issued	1,363,053
Shares redeemed	(565,239)
Net conversions	–
Closing shares	13,741,321

## 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 'blue chip' large capitalised UK companies, but including, when deemed appropriate small and medium-sized companies, predominantly from the UK.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Growth & Income Fund has risen from 82.13p to 90.68p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +10.88% as compared to a median return of +11.08% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

We topped up existing positions in Centrica and Pearson. The latter's management remains confident that internal projects are on track and new product adoption is strong. The company is also starting to make headway in implementing changes to its strategy. We increased our holding in Melrose Industries by participating in its rights issue, which funded the company's acquisition of Nortek. We are supportive of

this deal in light of Melrose's track record in turning around industrial companies.

We sold out of our position in Home Retail Group after the purchase by Sainsbury's. We trimmed our positions in Booker Group and Rolls-Royce Holdings.

The UK economy appears to be weathering the post-Brexit storm much better than predicted although we believe the medium-term implications of the vote are uncertain.

In the run-up to the Autumn Statement, there is increased speculation about fiscal stimulus measures, particularly in infrastructure. Sterling weakness has resulted in select earnings-per-share upgrades. Mergers and acquisitions could be a continued theme, with UK assets now at discounts for overseas investors.

Overall, the outlook remains unclear. UK equities are likely to remain supported by their relative cheapness. We remain cautious about the post-Brexit rally and the difference between equity and gilt yields. Our contrarian instinct is to continue to look for bottom-up long-term ideas where short-term sentiment is creating buying opportunities. UK investors who can maintain a longer-term focus and withstand choppy waters may be rewarded with exciting opportunities.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	32,156	(22,117)
Revenue	7,959	6,819
Expenses	(2,169)	(2,250)
Net revenue before taxation	5,790	4,569
Taxation	—	—
Net revenue after taxation	5,790	4,569
Total return before distributions	37,946	(17,548)
Distributions	(7,767)	(6,634)
Change in net assets attributable to shareholders from investment activities	30,179	(24,182)

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	349,876	298,878
<b>Current assets:</b>		
Debtors	3,074	2,728
Cash and bank balances	2,614	1,761
Total assets	355,564	303,367
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(7,856)	(3,980)
Other creditors	(902)	(1,719)
Total liabilities	(8,758)	(5,699)
Net assets attributable to shareholders	346,806	297,668

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Opening net assets attributable to shareholders	297,668	317,578
Amounts receivable on the issue of shares	38,838	19,723
Amounts payable on the cancellation of shares	(19,883)	(18,443)
	18,955	1,280
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	30,179	(24,182)
Unclaimed distributions	4	4
Closing net assets attributable to shareholders	346,806	294,680

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	2.0036	—	2.0036	1.8175
<b>Group 2</b>				
08/03/16 to 07/09/16	1.2294	0.7742	2.0036	1.8175
<b>Total distributions in the period</b>			<b>2.0036</b>	<b>1.8175</b>

#### Class 2 Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	2.2377	—	2.2377	2.0237
<b>Group 2</b>				
08/03/16 to 07/09/16	0.6906	1.5471	2.2377	2.0237
<b>Total distributions in the period</b>			<b>2.2377</b>	<b>2.0237</b>

#### Class Z Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	3.2027	—	3.2027	2.8830
<b>Group 2</b>				
08/03/16 to 07/09/16	2.0254	1.1773	3.2027	2.8830
<b>Total distributions in the period</b>			<b>3.2027</b>	<b>2.8830</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Growth & Income Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 2 – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	80.93	87.26	84.33	88.84	95.32	91.65
Return before operating charges (p)	10.36	(2.06)	7.05	11.40	(2.27)	7.71
Operating charges (p)	(0.69)	(1.37)	(1.34)	(0.49)	(0.97)	(0.95)
Return after operating charges (p)*	9.67	(3.43)	5.71	10.91	(3.24)	6.76
Distributions on income shares (p)	(2.00)	(2.90)	(2.78)	(2.24)	(3.24)	(3.09)
Closing net asset value per share (p)	88.60	80.93	87.26	97.51	88.84	95.32
*after direct transaction costs <sup>‡</sup> of (p)	0.03	0.01	0.04	0.04	0.01	0.04
<b>Performance</b>						
Return after charges (%)	11.95	(3.93)	6.77	12.28	(3.40)	7.38
<b>Other information</b>						
Closing net asset value (£000)	187,570	177,547	224,905	53,507	48,674	53,085
Closing number of shares	211,696,299	219,391,544	257,729,631	54,874,604	54,788,058	55,692,863
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)	0.08	0.04	0.04	0.08	0.04	0.04
<b>Prices</b>						
Highest share price (p)	91.15	89.33	88.33	100.35	97.70	96.51
Lowest share price (p)	79.11	75.37	74.41	86.99	82.74	81.12

	Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	129.11	138.17	132.51
Return before operating charges (p)	16.59	(3.30)	11.19
Operating charges (p)	(0.60)	(1.16)	(1.15)
Return after operating charges (p)*	15.99	(4.46)	10.04
Distributions on income shares (p)	(3.20)	(4.60)	(4.38)
Closing net asset value per share (p)	141.90	129.11	138.17
*after direct transaction costs <sup>‡</sup> of (p)	0.05	0.01	0.06
<b>Performance</b>			
Return after charges (%)	12.38	(3.23)	7.58
<b>Other information</b>			
Closing net asset value (£000)	105,729	71,447	39,588
Closing number of shares	74,511,518	55,338,568	28,651,343
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.08	0.04	0.04
<b>Prices</b>			
Highest share price (p)	145.97	141.68	139.85
Lowest share price (p)	126.47	120.18	117.47

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle UK Growth & Income Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	219,391,544
Shares issued	5,179,525
Shares redeemed	(11,924,186)
Net conversions	(950,584)
Closing shares	<u>211,696,299</u>
<b>Class 2 – Net income shares</b>	
Opening shares	54,788,058
Shares issued	3,053,151
Shares redeemed	(2,842,916)
Net conversions	(123,689)
Closing shares	<u>54,874,604</u>
<b>Class Z – Net income shares</b>	
Opening shares	55,338,568
Shares issued	24,081,812
Shares redeemed	(5,589,165)
Net conversions	680,303
Closing shares	<u>74,511,518</u>

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Equity Income Fund has risen from 86.13p to 94.30p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, +10.62% as compared to a median return of +9.48% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

We topped up our holding in Standard Life, and also built up existing positions in Marks & Spencer and Pearson after share price weakness. The former has scope to unlock value from its freehold estate, while the latter's management remains confident that internal projects are on track and new product

adoption is strong. Pearson is also starting to make headway in implementing changes to its strategy.

We trimmed our exposure to GlaxoSmithKline and AstraZeneca; following the UK's decision to leave the European Union, these overseas earners performed very strongly as the pound weakened. Overall, we are still supportive of these stocks. We also took some profit from our holding in Shell.

The UK economy appears to be weathering the post-Brexit storm much better than widely predicted although we believe the medium-term implications of the vote are uncertain.

In the run-up to the Autumn Statement, there is increased speculation about fiscal stimulus measures, particularly in infrastructure. Sterling weakness has resulted in select earnings-per-share upgrades. Mergers and acquisitions could be a continued theme with UK assets now at discounts for overseas investors.

Overall, the outlook remains unclear. UK equities are likely to remain supported by their relative cheapness. We remain cautious about the post-Brexit rally and the difference between equity and gilt yields. Our contrarian instinct is to continue to look for bottom-up long-term ideas where short-term sentiment is creating buying opportunities. UK investors who can maintain a longer-term focus and withstand choppy waters may be rewarded with exciting opportunities.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	319,192	(262,795)
Revenue	83,426	82,492
Expenses	(16,853)	(18,699)
Interest payable and similar charges	(2)	(3)
Net revenue before taxation	66,571	63,790
Taxation	—	—
Net revenue after taxation	66,571	63,790
<b>Total return before distributions</b>	<b>385,763</b>	<b>(199,005)</b>
Distributions	(82,102)	(81,067)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>303,661</b>	<b>(280,072)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	3,509,733	3,173,957
<b>Current assets:</b>		
Debtors	23,369	37,892
Cash and bank balances	11,519	104
<b>Total assets</b>	<b>3,544,621</b>	<b>3,211,953</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(133)	(69)
<b>Creditors:</b>		
Distribution payable	(25,153)	(18,001)
Other creditors	(6,669)	(17,065)
<b>Total liabilities</b>	<b>(31,955)</b>	<b>(35,135)</b>
<b>Net assets attributable to shareholders</b>	<b>3,512,666</b>	<b>3,176,818</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>3,176,818</b>	<b>3,420,606</b>
Amounts receivable on the issue of shares	161,133	302,840
Amounts payable on the cancellation of shares	(149,506)	(253,340)
	11,627	49,500
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	303,661	(280,072)
Retained distribution on accumulation shares	20,548	17,376
Unclaimed distributions	12	14
<b>Closing net assets attributable to shareholders</b>	<b>3,512,666</b>	<b>3,207,424</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.2907	—	1.2907	1.3162
08/06/16 to 07/09/16	0.8931	—	0.8931	0.8459
<b>Group 2</b>				
08/03/16 to 07/06/16	0.9096	0.3811	1.2907	1.3162
08/06/16 to 07/09/16	0.4509	0.4422	0.8931	0.8459
<b>Total distributions in the period</b>			<b>2.1838</b>	<b>2.1621</b>

#### Class 1 Shares

##### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.6714	—	1.6714	1.6371
08/06/16 to 07/09/16	1.1735	—	1.1735	1.0659
<b>Group 2</b>				
08/03/16 to 07/06/16	0.9755	0.6959	1.6714	1.6371
08/06/16 to 07/09/16	0.6700	0.5035	1.1735	1.0659
<b>Total distributions in the period</b>			<b>2.8449</b>	<b>2.7030</b>



# Threadneedle UK Equity Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 CHF Hedged Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.6573	—	1.6573	1.5926
08/06/16 to 07/09/16	1.2534	—	1.2534	0.9980
<b>Group 2</b>				
08/03/16 to 07/06/16	1.6573	—	1.6573	1.5926
08/06/16 to 07/09/16	0.2861	0.9673	1.2534	0.9980
<b>Total distributions in the period</b>			<b>2.9107</b>	<b>2.5906</b>

### Class 1 EUR Hedged Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.4841	—	1.4841	1.3383
08/06/16 to 07/09/16	1.1113	—	1.1113	0.8640
<b>Group 2</b>				
08/03/16 to 07/06/16	1.1041	0.3800	1.4841	1.3383
08/06/16 to 07/09/16	0.6040	0.5073	1.1113	0.8640
<b>Total distributions in the period</b>			<b>2.5954</b>	<b>2.2023</b>

### Class 1 USD Hedged Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.8439	—	1.8439	1.7177
08/06/16 to 07/09/16	1.4020	—	1.4020	1.0860
<b>Group 2</b>				
08/03/16 to 07/06/16	1.8439	—	1.8439	1.7177
08/06/16 to 07/09/16	0.5842	0.8178	1.4020	1.0860
<b>Total distributions in the period</b>			<b>3.2459</b>	<b>2.8037</b>

### Class 2 Shares

#### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.4418	—	1.4418	1.4637
08/06/16 to 07/09/16	1.0049	—	1.0049	0.9467
<b>Group 2</b>				
08/03/16 to 07/06/16	0.7018	0.7400	1.4418	1.4637
08/06/16 to 07/09/16	0.4548	0.5501	1.0049	0.9467
<b>Total distributions in the period</b>			<b>2.4467</b>	<b>2.4104</b>

### Class 2 Shares

#### Net accumulation\*

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	
<b>Group 1</b>				
08/03/16 to 07/06/16	0.6233	—	0.6233	
08/06/16 to 07/09/16	1.0776	—	1.0776	
<b>Group 2</b>				
08/03/16 to 07/06/16	0.6233	—	0.6233	
08/06/16 to 07/09/16	0.0276	1.0500	1.0776	
<b>Total distributions in the period</b>			<b>1.7009</b>	

### Class X Shares

#### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.5616	—	1.5616	1.5695
08/06/16 to 07/09/16	1.0908	—	1.0908	1.0176
<b>Group 2</b>				
08/03/16 to 07/06/16	1.1370	0.4246	1.5616	1.5695
08/06/16 to 07/09/16	0.4068	0.6840	1.0908	1.0176
<b>Total distributions in the period</b>			<b>2.6524</b>	<b>2.5871</b>

### Class Z Shares

#### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.9126	—	1.9126	1.9363
08/06/16 to 07/09/16	1.3310	—	1.3310	1.2497
<b>Group 2</b>				
08/03/16 to 07/06/16	1.1395	0.7731	1.9126	1.9363
08/06/16 to 07/09/16	0.6963	0.6347	1.3310	1.2497
<b>Total distributions in the period</b>			<b>3.2436</b>	<b>3.1860</b>

### Class Z Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	2.1911	—	2.1911	2.1298
08/06/16 to 07/09/16	1.5476	—	1.5476	1.3954
<b>Group 2</b>				
08/03/16 to 07/06/16	1.3595	0.8316	2.1911	2.1298
08/06/16 to 07/09/16	0.8022	0.7454	1.5476	1.3954
<b>Total distributions in the period</b>			<b>3.7387</b>	<b>3.5252</b>

### Class Z CHF Hedged Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.6886	—	1.6886	1.6190
08/06/16 to 07/09/16	1.2852	—	1.2852	1.0209
<b>Group 2</b>				
08/03/16 to 07/06/16	0.2586	1.4300	1.6886	1.6190
08/06/16 to 07/09/16	—	1.2852	1.2852	1.0209
<b>Total distributions in the period</b>			<b>2.9738</b>	<b>2.6399</b>

### Class Z EUR Hedged Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.5530	—	1.5530	1.3904
08/06/16 to 07/09/16	1.1700	—	1.1700	0.9033
<b>Group 2</b>				
08/03/16 to 07/06/16	1.0214	0.5316	1.5530	1.3904
08/06/16 to 07/09/16	0.3449	0.8251	1.1700	0.9033
<b>Total distributions in the period</b>			<b>2.7230</b>	<b>2.2937</b>

### Class Z USD Hedged Shares

#### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.8895	—	1.8895	1.7467
08/06/16 to 07/09/16	1.4456	—	1.4456	1.1112
<b>Group 2</b>				
08/03/16 to 07/06/16	0.6313	1.2582	1.8895	1.7467
08/06/16 to 07/09/16	—	1.4456	1.4456	1.1112
<b>Total distributions in the period</b>			<b>3.3351</b>	<b>2.8579</b>

Group 2: shares purchased during a distribution period.

\*Class 2 – Net accumulation shares commenced 28 April 2016.

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	85.44	92.83	88.84	110.62	115.45	106.06
Return before operating charges (p)	10.80	(2.40)	9.09	14.15	(3.02)	11.11
Operating charges (p)	(0.72)	(1.44)	(1.42)	(0.94)	(1.81)	(1.72)
Return after operating charges (p)*	10.08	(3.84)	7.67	13.21	(4.83)	9.39
Distributions on income shares (p)	(2.18)	(3.55)	(3.68)	–	–	–
Closing net asset value per share (p)	93.34	85.44	92.83	123.83	110.62	115.45
Retained distribution on accumulation shares (p)	–	–	–	2.84	4.48	4.46
*after direct transaction costs <sup>‡</sup> of (p)	0.01	0.08	0.16	0.01	0.10	0.20
<b>Performance</b>						
Return after charges (%)	11.80	(4.14)	8.63	11.94	(4.18)	8.85
<b>Other information</b>						
Closing net asset value (£000)	496,289	508,687	861,518	197,817	178,048	187,107
Closing number of shares	531,683,547	595,397,128	928,109,075	159,747,525	160,948,493	162,067,425
Operating charges (%)**	1.62 <sup>†</sup>	1.62	1.62	1.62 <sup>†</sup>	1.62	1.62
Direct transaction costs (%)	0.02	–	0.18	0.02	–	0.18
<b>Prices</b>						
Highest share price (p)	94.86	94.97	93.65	124.65	118.11	115.53
Lowest share price (p)	81.88	79.20	79.34	107.59	101.80	97.10
	Class 1 CHF Hedged – Net accumulation shares			Class 1 EUR Hedged – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015 <sup>1</sup>	07/09/2016	07/03/2016	07/03/2015 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	108.88	109.35	100.00	96.96	94.37	100.00
Return before operating charges (p)	24.41	1.25	10.87	21.56	4.08	(3.93)
Operating charges (p)	(0.97)	(1.72)	(1.52)	(0.86)	(1.49)	(1.70)
Return after operating charges (p)*	23.44	(0.47)	9.35	20.70	2.59	(5.63)
Closing net asset value per share (p)	132.32	108.88	109.35	117.66	96.96	94.37
Retained distribution on accumulation shares (p)	2.91	4.27	3.97	2.60	3.69	3.81
*after direct transaction costs <sup>‡</sup> of (p)	0.01	0.10	0.17	0.01	0.08	0.17
<b>Performance</b>						
Return after charges (%)	21.53	(0.43)	9.35	21.35	2.74	(5.63)
<b>Other information</b>						
Closing net asset value (£000)	242	156	22	437	509	159
Closing number of shares	183,010	143,446	20,001	371,158	524,870	167,920
Operating charges (%)**	1.62 <sup>†</sup>	1.62	1.63 <sup>†</sup>	1.63 <sup>†</sup>	1.62	1.85 <sup>†</sup>
Direct transaction costs (%)	0.02	–	0.18	0.02	–	0.18
<b>Prices</b>						
Highest share price (p)	137.60	116.14	121.22	121.73	99.37	102.26
Lowest share price (p)	106.17	98.29	90.92	95.82	86.17	88.00

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Net accumulation shares			Class 2 – Net income shares		
	07/09/2016	07/03/2016	07/03/2015 <sup>3</sup>	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	124.24	121.14	100.00	94.15	101.78	96.92
Return before operating charges (p)	24.91	5.00	22.76	11.93	(2.62)	9.96
Operating charges (p)	(1.09)	(1.90)	(1.62)	(0.51)	(1.03)	(1.00)
Return after operating charges (p)*	23.82	3.10	21.14	11.42	(3.65)	8.96
Distributions on income shares (p)	–	–	–	(2.45)	(3.98)	(4.10)
Closing net asset value per share (p)	148.06	124.24	121.14	103.12	94.15	101.78
Retained distribution on accumulation shares (p)	3.25	4.71	4.12	–	–	–
*after direct transaction costs <sup>2</sup> of (p)	0.01	0.11	0.19	0.01	0.09	0.18
<b>Performance</b>						
Return after charges (%)	19.17	2.56	21.14	12.13	(3.59)	9.24
<b>Other information</b>						
Closing net asset value (£000)	577	317	307	413,922	398,882	657,054
Closing number of shares	389,915	255,546	253,636	401,381,628	423,656,379	645,557,387
Operating charges (%)**	1.62 <sup>1</sup>	1.62	1.60 <sup>1</sup>	1.05 <sup>1</sup>	1.05	1.05
Direct transaction costs (%)	0.02	0.09	0.18	0.02	0.09	0.18
<b>Prices</b>						
Highest share price (p)	154.03	128.46	121.80	104.82	104.22	102.71
Lowest share price (p)	120.02	107.66	96.48	90.36	87.26	86.84

  

	Class 2 – Net accumulation shares	Class X – Net income shares		
	07/09/2016 <sup>4</sup>	07/09/2016	07/03/2016	07/03/2015 <sup>5</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	100.00	101.82	108.97	100.00
Return before operating charges (p)	11.50	12.93	(2.82)	11.34
Operating charges (p)	(0.40)	(0.03)	(0.05)	(0.03)
Return after operating charges (p)*	11.10	12.90	(2.87)	11.31
Distributions on income shares (p)	–	(2.65)	(4.28)	(2.34)
Closing net asset value per share (p)	111.10	112.07	101.82	108.97
Retained distribution on accumulation shares (p)	1.70	–	–	–
*after direct transaction costs <sup>2</sup> of (p)	0.01	0.01	0.10	0.12
<b>Performance</b>				
Return after charges (%)	11.10	12.67	(2.63)	11.31
<b>Other information</b>				
Closing net asset value (£000)	15	602	213	97
Closing number of shares	13,001	537,399	209,057	88,576
Operating charges (%)**	1.05 <sup>1</sup>	0.05 <sup>1</sup>	0.05	0.04 <sup>1</sup>
Direct transaction costs (%)	0.02	0.02	0.09	0.18
<b>Prices</b>				
Highest share price (p)	111.83	113.93	111.84	109.96
Lowest share price (p)	96.40	97.99	94.30	92.61

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	125.38	135.20	128.42	143.63	148.70	135.52
Return before operating charges (p)	15.89	(3.50)	13.22	18.42	(3.89)	14.30
Operating charges (p)	(0.53)	(1.06)	(1.04)	(0.62)	(1.18)	(1.12)
Return after operating charges (p)*	15.36	(4.56)	12.18	17.80	(5.07)	13.18
Distributions on income shares (p)	(3.24)	(5.26)	(5.40)	–	–	–
Closing net asset value per share (p)	137.50	125.38	135.20	161.43	143.63	148.70
Retained distribution on accumulation shares (p)	–	–	–	3.74	5.87	5.79
*after direct transaction costs <sup>‡</sup> of (p)	0.01	0.12	0.24	0.02	0.13	0.26
<b>Performance</b>						
Return after charges (%)	12.25	(3.37)	9.48	12.39	(3.41)	9.73
<b>Other information</b>						
Closing net asset value (£000)	1,690,638	1,500,600	1,232,257	701,348	582,998	474,468
Closing number of shares	1,229,558,675	1,196,884,492	911,462,315	434,465,915	405,898,161	319,073,132
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.82	0.82 <sup>†</sup>	0.82	0.82
Direct transaction costs (%)	0.02	0.09	0.18	0.02	0.09	0.18
<b>Prices</b>						
Highest share price (p)	139.75	138.51	136.42	162.49	152.34	148.80
Lowest share price (p)	120.40	116.17	115.23	140.00	132.10	124.68
	Class Z CHF Hedged – Net accumulation shares			Class Z EUR Hedged – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015 <sup>§</sup>	07/09/2016	07/03/2016	07/03/2015 <sup>‡</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	109.89	110.13	100.00	100.49	97.10	100.00
Return before operating charges (p)	24.82	0.65	10.90	22.42	4.17	(2.17)
Operating charges (p)	(0.50)	(0.89)	(0.77)	(0.46)	(0.78)	(0.73)
Return after operating charges (p)*	24.32	(0.24)	10.13	21.96	3.39	(2.90)
Closing net asset value per share (p)	134.21	109.89	110.13	122.45	100.49	97.10
Retained distribution on accumulation shares (p)	2.97	4.37	4.03	2.72	3.86	3.92
*after direct transaction costs <sup>‡</sup> of (p)	0.01	0.10	0.18	0.01	0.09	0.17
<b>Performance</b>						
Return after charges (%)	22.13	(0.22)	10.13	21.85	3.49	(2.90)
<b>Other information</b>						
Closing net asset value (£000)	156	93	2,743	7,973	4,736	3,789
Closing number of shares	115,776	84,322	2,490,585	6,511,220	4,712,878	3,902,389
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.81 <sup>†</sup>	0.82 <sup>†</sup>	0.82	0.81 <sup>†</sup>
Direct transaction costs (%)	0.02	0.09	0.18	0.02	0.09	0.18
<b>Prices</b>						
Highest share price (p)	139.42	117.01	121.96	126.64	102.97	102.35
Lowest share price (p)	107.34	99.43	91.32	99.47	89.09	90.26

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015 <sup>5</sup>
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	126.10	121.98	100.00
Return before operating charges (p)	25.34	5.10	22.80
Operating charges (p)	(0.56)	(0.98)	(0.82)
Return after operating charges (p)*	24.78	4.12	21.98
Closing net asset value per share (p)	150.88	126.10	121.98
Retained distribution on accumulation shares (p)	3.34	4.82	4.18
*after direct transaction costs <sup>4</sup> of (p)	0.01	0.11	0.19
<b>Performance</b>			
Return after charges (%)	19.65	3.38	21.98
<b>Other information</b>			
Closing net asset value (£000)	2,650	1,579	1,085
Closing number of shares	1,756,476	1,252,625	889,669
Operating charges (%)**	0.83 <sup>1</sup>	0.82	0.81 <sup>1</sup>
Direct transaction costs (%)	0.02	0.09	0.18
<b>Prices</b>			
Highest share price (p)	156.91	129.52	122.65
Lowest share price (p)	121.97	108.79	96.51

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

<sup>1</sup>Class 1 CHF Hedged – Net accumulation shares commenced 3 April 2014.

<sup>2</sup>Class 1 EUR Hedged – Net accumulation shares commenced 3 April 2014.

<sup>3</sup>Class 1 USD Hedged – Net accumulation shares commenced 3 April 2014.

<sup>4</sup>Class 2 – Net accumulation shares commenced 28 April 2016.

<sup>5</sup>Class X – Net income shares commenced 28 July 2014.

<sup>6</sup>Class Z CHF Hedged – Net accumulation shares commenced 3 April 2014.

<sup>7</sup>Class Z EUR Hedged – Net accumulation shares commenced 3 April 2014.

<sup>8</sup>Class Z USD Hedged – Net accumulation shares commenced 3 April 2014.

<sup>9</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>10</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle UK Equity Income Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	595,397,128
Shares issued	27,779,315
Shares redeemed	(41,879,031)
Net conversions	(49,613,865)
Closing shares	531,683,547
<b>Class 1 – Net accumulation shares</b>	
Opening shares	160,948,493
Shares issued	10,410,092
Shares redeemed	(10,622,966)
Net conversions	(988,094)
Closing shares	159,747,525
<b>Class 1 CHF Hedged – Net accumulation shares</b>	
Opening shares	143,446
Shares issued	39,564
Shares redeemed	–
Net conversions	–
Closing shares	183,010
<b>Class 1 EUR Hedged – Net accumulation shares</b>	
Opening shares	524,870
Shares issued	70,586
Shares redeemed	(224,298)
Net conversions	–
Closing shares	371,158
<b>Class 1 USD Hedged – Net accumulation shares</b>	
Opening shares	255,546
Shares issued	149,404
Shares redeemed	(15,035)
Net conversions	–
Closing shares	389,915
<b>Class 2 – Net income shares</b>	
Opening shares	423,656,379
Shares issued	26,351,095
Shares redeemed	(41,224,047)
Net conversions	(7,401,799)
Closing shares	401,381,628
<b>Class 2 – Net accumulation shares*</b>	
Opening shares	–
Shares issued	13,001
Shares redeemed	–
Net conversions	–
Closing shares	13,001

	2016
<b>Class X – Net income shares</b>	
Opening shares	209,057
Shares issued	347,881
Shares redeemed	(19,539)
Net conversions	–
Closing shares	537,399
<b>Class Z – Net income shares</b>	
Opening shares	1,196,884,492
Shares issued	45,454,530
Shares redeemed	(35,672,093)
Net conversions	22,891,746
Closing shares	1,229,558,675
<b>Class Z – Net accumulation shares</b>	
Opening shares	405,898,161
Shares issued	22,610,859
Shares redeemed	(8,919,581)
Net conversions	14,876,476
Closing shares	434,465,915
<b>Class Z CHF Hedged – Net accumulation shares</b>	
Opening shares	84,322
Shares issued	53,406
Shares redeemed	(21,952)
Net conversions	–
Closing shares	115,776
<b>Class Z EUR Hedged – Net accumulation shares</b>	
Opening shares	4,712,878
Shares issued	2,517,844
Shares redeemed	(719,502)
Net conversions	–
Closing shares	6,511,220
<b>Class Z USD Hedged – Net accumulation shares</b>	
Opening shares	1,252,625
Shares issued	1,261,629
Shares redeemed	(757,778)
Net conversions	–
Closing shares	1,756,476

\*Class 2 – Net accumulation shares commenced 28 April 2016.

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Monthly Income Fund has risen from 73.04p to 77.68p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +7.73% as compared to a median return of +9.48% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The six-month reporting period was dominated by the run-up to, and the aftermath of, the UK's historic 'Brexit' vote. Rarely has such a domestic agenda dominated the world's second-largest equity market (with circa 75% of profits generated overseas). Those overseas profits continue to be generated against a backdrop of modest global economic growth, although expectations for emerging-market growth did appear to have bottomed out.

In spite of the close opinion polls ahead of the vote, the 'Leave' result, when it came, still caused substantial surprise. To counter the anticipated adverse economic impact of Brexit, the Bank of England reduced interest rates from 0.5% to 0.25% in August – the first change in seven years and a new record low in its 321-year history. Alongside this, the bank announced an additional £60 billion of gilt purchases, which when complete, will result in the bank holding almost 40% of outstanding UK gilts. This took the 30-year gilt market in government bonds (which are typically used as a proxy for the risk-free rate of return) to new levels, with 10-year gilt yields falling from around 1.6% to 0.7% by the end of the period. Indeed, the whole investment backdrop felt increasingly 'Alice in Wonderland'-like as central-bank monetary policy became the dominant factor driving markets.

However, the widely forecast dip in economic activity failed to materialise in the immediate aftermath of the vote. Sterling fell approximately 10%, but beyond this, little appeared to change on the surface. Thus, a sense of 'phoney war' descended as the debate about the possible longer-term economic consequences – subject to the form of Brexit which actually takes place – ensued.

As measured by the FTSE All-Share index, the market rose by approximately 10% over the six months. The index was reasonably flat ahead of the vote, but then fell heavily in the following two days. Subsequently, it rallied strongly as the translational benefit of overseas earnings in weak sterling began to be viewed favourably and the yield on UK equities rose to over four times that available on 10-year government bonds as gilts themselves appreciated.

Post Brexit, the fund used weakness in domestic consumer cyclical as a buying opportunity. We reasoned that the fall

in prices was disproportionate to any likely negative profit impact. Our purchases included top-ups of Fullers, Greene King and Marston's in pubs and a substantial increase in the new Marks & Spencer position. The fund also took profits in defensives, reducing Imperial Tobacco, British American Tobacco and Astra Zeneca after strong performance. Financials were also reduced in anticipation of the adverse impact of a flatter yield curve on banks' profitability; the final remnant of HSBC was removed from the portfolio.

In constant-currency terms, corporate profitability continued to remain under pressure during the period, although the worst pre-Brexit fears failed to materialise. Dividend payments, before the benefit of the falling pound, stagnated. This reduced UK dividend cover to a post-financial-crisis low of only 1.6x. However, corporate balance sheets are still strong as capital investment has remained relatively modest.

With careful stock selection, we remain confident that the fund's distributions can continue to grow. The fund's monthly distribution for the Class 1 shares rose to 0.24 pence per share from 0.23 pence per share in the previous year. This is now the sixth consecutive year in which we have achieved this absolute rate of distribution growth. We started at 0.18 pence per share in the year to 7 March 2011 and progressed via 0.19 pence, 0.20 pence, 0.21 pence and 0.22 pence in subsequent years. The newer Z share class monthly payment increased to 0.41 pence per share from 0.39 pence per share (and 0.37 pence per share previously).

At the end of the period, and on an ex-dividend basis, the yield on both the fund's class 1 and class Z shares was 4.1%.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	39,897	(47,017)
Revenue	16,099	15,767
Expenses	(4,401)	(4,985)
Net revenue before taxation	11,698	10,782
Taxation	–	–
Net revenue after taxation	11,698	10,782
Total return before distributions	51,595	(36,235)
Distributions	(11,521)	(11,705)
Change in net assets attributable to shareholders from investment activities	40,074	(47,940)

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	591,733	556,710
<b>Current assets:</b>		
Debtors	4,820	6,904
Cash and bank balances	14,265	30,033
Total assets	610,818	593,647
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,882)	(4,858)
Other creditors	(1,119)	(7,085)
Total liabilities	(3,001)	(11,943)
<b>Net assets attributable to shareholders</b>	<b>607,817</b>	<b>581,704</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Opening net assets attributable to shareholders	581,704	673,385
Amounts receivable on the issue of shares	11,960	10,525
Amounts payable on the cancellation of shares	(25,986)	(43,054)
	(14,026)	(32,529)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	40,074	(47,940)
Unclaimed distributions	65	63
Closing net assets attributable to shareholders	607,817	592,979

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Distribution Period</b>				
<b>Group 1</b>				
08/03/16 to 07/04/16	0.2400	–	0.2400	0.2300
08/04/16 to 07/05/16	0.2400	–	0.2400	0.2300
08/05/16 to 07/06/16	0.2400	–	0.2400	0.2300
08/06/16 to 07/07/16	0.2400	–	0.2400	0.2300
08/07/16 to 07/08/16	0.2400	–	0.2400	0.2300
08/08/16 to 07/09/16	0.2400	–	0.2400	0.2300
<b>Group 2</b>				
08/03/16 to 07/04/16	0.0935	0.1465	0.2400	0.2300
08/04/16 to 07/05/16	–	0.2400	0.2400	0.2300
08/05/16 to 07/06/16	–	0.2400	0.2400	0.2300
08/06/16 to 07/07/16	–	0.2400	0.2400	0.2300
08/07/16 to 07/08/16	–	0.2400	0.2400	0.2300
08/08/16 to 07/09/16	–	0.2400	0.2400	0.2300
<b>Total distributions in the period</b>			<b>1.4400</b>	<b>1.3800</b>

## Threadneedle UK Monthly Income Fund

### Distribution Table

(continued)

#### Class 2 Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3500	–	0.3500	0.3300
08/04/16 to 07/05/16	0.3500	–	0.3500	0.3300
08/05/16 to 07/06/16	0.3500	–	0.3500	0.3300
08/06/16 to 07/07/16	0.3500	–	0.3500	0.3300
08/07/16 to 07/08/16	0.3500	–	0.3500	0.3300
08/08/16 to 07/09/16	0.3500	–	0.3500	0.3300
<b>Group 2</b>				
08/03/16 to 07/04/16	0.1000	0.2500	0.3500	0.3300
08/04/16 to 07/05/16	–	0.3500	0.3500	0.3300
08/05/16 to 07/06/16	0.3500	–	0.3500	0.3300
08/06/16 to 07/07/16	0.3500	–	0.3500	0.3300
08/07/16 to 07/08/16	0.3500	–	0.3500	0.3300
08/08/16 to 07/09/16	0.3500	–	0.3500	0.3300
<b>Total distributions in the period</b>			<b>2.1000</b>	<b>1.9800</b>

#### Class Z Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.4100	–	0.4100	0.3900
08/04/16 to 07/05/16	0.4100	–	0.4100	0.3900
08/05/16 to 07/06/16	0.4100	–	0.4100	0.3900
08/06/16 to 07/07/16	0.4100	–	0.4100	0.3900
08/07/16 to 07/08/16	0.4100	–	0.4100	0.3900
08/08/16 to 07/09/16	0.4100	–	0.4100	0.3900
<b>Group 2</b>				
08/03/16 to 07/04/16	0.1861	0.2239	0.4100	0.3900
08/04/16 to 07/05/16	–	0.4100	0.4100	0.3900
08/05/16 to 07/06/16	–	0.4100	0.4100	0.3900
08/06/16 to 07/07/16	–	0.4100	0.4100	0.3900
08/07/16 to 07/08/16	–	0.4100	0.4100	0.3900
08/08/16 to 07/09/16	–	0.4100	0.4100	0.3900
<b>Total distributions in the period</b>			<b>2.4600</b>	<b>2.3400</b>

Group 2: shares purchased during a distribution period.



## Threadneedle UK Monthly Income Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 2 – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	72.37	78.15	74.47	104.96	112.79	106.94
Return before operating charges (p)	7.04	(1.43)	7.85	10.25	(2.06)	11.33
Operating charges (p)	(0.60)	(1.22)	(1.19)	(0.57)	(1.16)	(1.10)
Return after operating charges (p)*	6.44	(2.65)	6.66	9.68	(3.22)	10.23
Distributions on income shares (p)	(1.44)	(3.13)	(2.98)	(2.10)	(4.61)	(4.38)
Closing net asset value per share (p)	77.37	72.37	78.15	112.54	104.96	112.79
*after direct transaction costs <sup>†</sup> of (p)	0.05	0.09	0.08	0.08	0.13	0.12
<b>Performance</b>						
Return after charges (%)	8.90	(3.39)	8.94	9.22	(2.85)	9.57
<b>Other information</b>						
Closing net asset value (£000)	491,431	471,259	584,897	72	71	96
Closing number of shares	635,193,020	651,220,731	748,453,204	63,640	67,820	84,986
Operating charges (%)**	1.62 <sup>†</sup>	1.62	1.62	1.05 <sup>†</sup>	1.06	1.04
Direct transaction costs (%)	0.15	0.12	0.11	0.15	0.12	0.11
<b>Prices</b>						
Highest share price (p)	78.15	79.83	78.78	113.67	115.37	113.75
Lowest share price (p)	68.89	68.03	67.38	100.09	98.74	97.08

  

	Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	124.42	133.36	126.14
Return before operating charges (p)	12.15	(2.46)	13.39
Operating charges (p)	(0.56)	(1.12)	(1.10)
Return after operating charges (p)*	11.59	(3.58)	12.29
Distributions on income shares (p)	(2.46)	(5.36)	(5.07)
Closing net asset value per share (p)	133.55	124.42	133.36
*after direct transaction costs <sup>†</sup> of (p)	0.09	0.16	0.14
<b>Performance</b>			
Return after charges (%)	9.32	(2.68)	9.74
<b>Other information</b>			
Closing net asset value (£000)	116,314	110,374	88,392
Closing number of shares	87,094,969	88,709,827	66,279,654
Operating charges (%)**	0.87 <sup>†</sup>	0.87	0.88
Direct transaction costs (%)	0.15	0.12	0.11
<b>Prices</b>			
Highest share price (p)	134.88	136.46	134.48
Lowest share price (p)	118.73	116.94	114.67

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle UK Monthly Income Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	651,220,731
Shares issued	12,166,260
Shares redeemed	(25,175,416)
Net conversions	(3,018,555)
Closing shares	<u>635,193,020</u>
<b>Class 2 – Net income shares</b>	
Opening shares	67,820
Shares issued	22
Shares redeemed	(4,202)
Net conversions	—
Closing shares	<u>63,640</u>
<b>Class Z – Net income shares</b>	
Opening shares	88,709,827
Shares issued	2,431,678
Shares redeemed	(5,800,804)
Net conversions	1,754,268
Closing shares	<u>87,094,969</u>

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 73.00p to 79.76p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +11.23% as compared to a median return of +11.26% 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

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum

levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

We added to our existing positions in ITV and Pearson. Brexit jitters have had an adverse short-term impact on the former but we were encouraged by management's upbeat outlook. The latter's management remains confident that internal projects are on track and new product adoption is strong. We participated in the rights issue of Melrose Industries, which funded its acquisition of Nortek.

We exited Home Retail Group after the purchase by Sainsbury's. We trimmed our exposure to GlaxoSmithKline and AstraZeneca; following the Brexit vote, these overseas earners benefitted from a weaker currency.

As government-bond yields are close to historic lows, we have maintained a short duration position and marginally long position in credit risk. Because sterling spread curves are very flat, we prefer lower-rated and shorter-dated sterling corporate bonds to benefit from a pick-up in spreads.

Within bonds, we rotated towards defensive sectors (regulated utilities and consumer goods). Examples of such purchases

include RWE and British American Tobacco. RWE had a material change to its credit outlook as it reorganised itself and bonds were moved closer to the regulated-operating-company businesses. Bonds in the banking sector may offer attractive relative value, given the sector's ineligibility for the BoE's bond purchases. We are somewhat cautious on the sector given its maturing phase of the cycle, but have recently added some senior bank risk to the portfolio.

The uncertainty caused by the Brexit vote may pull down economic performance generally, particularly in the UK. However, the UK's August manufacturing PMI enjoyed its second-largest monthly jump on record, helped by sterling weakness. This adds to evidence that the economy is weathering the post-Brexit storm much better than predicted, although the longer-term impact remains to be seen.

There is currently increased speculation about fiscal stimulus measures, particularly in infrastructure. Sterling weakness has resulted in select earnings-per-share upgrades. Mergers and acquisitions (M&A) could be a continued theme, with UK assets now at discounts for overseas investors.

UK equities are likely to remain supported by their relative cheapness. We remain cautious about the post-Brexit rally and the difference between equity and gilt yields. Our contrarian instinct is to continue to look for bottom-up long-term ideas where short-term sentiment is creating buying opportunities.

The outlook for corporate credit remains rather mixed. Companies are pursuing more shareholder-friendly policies, such as share buybacks and M&A. While this is negative for credit fundamentals, companies hold significant balance sheet liquidity, which aids our constructive view on credit. Credit spreads remain supported by monetary easing and are hovering around long-term averages.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	37,019	(26,342)
Revenue	9,483	9,868
Expenses	(1,923)	(2,035)
Interest payable and similar charges	(1)	(1)
Net revenue before taxation	7,559	7,832
Taxation	–	–
Net revenue after taxation	7,559	7,832
<b>Total return before distributions</b>	<b>44,578</b>	<b>(18,510)</b>
Distributions	(7,183)	(6,644)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>37,395</b>	<b>(25,154)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	392,935	371,216
<b>Current assets:</b>		
Debtors	3,558	6,023
Cash and bank balances	660	535
<b>Total assets</b>	<b>397,153</b>	<b>377,774</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(44)	(49)
<b>Creditors:</b>		
Distribution payable	(1,063)	(3,072)
Other creditors	(984)	(2,447)
<b>Total liabilities</b>	<b>(2,091)</b>	<b>(5,568)</b>
<b>Net assets attributable to shareholders</b>	<b>395,062</b>	<b>372,206</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>372,206</b>	<b>373,803</b>
Amounts receivable on the issue of shares	15,635	58,299
Amounts payable on the cancellation of shares	(30,771)	(3,664)
	(15,136)	54,635
Dilution adjustment	32	122
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	37,395	(25,154)
Retained distribution on accumulation shares	564	535
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>395,062</b>	<b>403,942</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.2300	–	0.2300	0.2200
08/04/16 to 07/05/16	0.2300	–	0.2300	0.2200
08/05/16 to 07/06/16	0.2300	–	0.2300	0.2200
08/06/16 to 07/07/16	0.2300	–	0.2300	0.2200
08/07/16 to 07/08/16	0.2300	–	0.2300	0.2200
08/08/16 to 07/09/16	0.2300	–	0.2300	0.2200
<b>Group 2</b>				
08/03/16 to 07/04/16	0.1242	0.1058	0.2300	0.2200
08/04/16 to 07/05/16	–	0.2300	0.2300	0.2200
08/05/16 to 07/06/16	–	0.2300	0.2300	0.2200
08/06/16 to 07/07/16	–	0.2300	0.2300	0.2200
08/07/16 to 07/08/16	–	0.2300	0.2300	0.2200
08/08/16 to 07/09/16	–	0.2300	0.2300	0.2200
<b>Total distributions in the period</b>			<b>1.3800</b>	<b>1.3200</b>

## Threadneedle Monthly Extra Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 EUR Hedged Shares

##### Net income\*

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.4151	—	0.4151	
08/04/16 to 07/05/16	0.5096	—	0.5096	0.3735
08/05/16 to 07/06/16	0.5284	—	0.5284	0.3302
08/06/16 to 07/07/16	0.4040	—	0.4040	0.2758
08/07/16 to 07/08/16	0.1156	—	0.1156	0.1655
08/08/16 to 07/09/16	0.6090	—	0.6090	0.5193
<b>Group 2</b>				
08/03/16 to 07/04/16	0.3196	0.0955	0.4151	
08/04/16 to 07/05/16	0.3004	0.2092	0.5096	0.3735
08/05/16 to 07/06/16	0.2516	0.2768	0.5284	0.3302
08/06/16 to 07/07/16	0.1862	0.2178	0.4040	0.2758
08/07/16 to 07/08/16	0.0863	0.0293	0.1156	0.1655
08/08/16 to 07/09/16	0.1011	0.5079	0.6090	0.5193
<b>Total distributions in the period</b>			<b>2.5817</b>	<b>1.6643</b>

#### Class Z Shares

##### Net income

Distribution Period	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3900	—	0.3900	0.3700
08/04/16 to 07/05/16	0.3900	—	0.3900	0.3700
08/05/16 to 07/06/16	0.3900	—	0.3900	0.3700
08/06/16 to 07/07/16	0.3900	—	0.3900	0.3700
08/07/16 to 07/08/16	0.3900	—	0.3900	0.3700
08/08/16 to 07/09/16	0.3900	—	0.3900	0.3700
<b>Group 2</b>				
08/03/16 to 07/04/16	0.2247	0.1653	0.3900	0.3700
08/04/16 to 07/05/16	0.0451	0.3449	0.3900	0.3700
08/05/16 to 07/06/16	—	0.3900	0.3900	0.3700
08/06/16 to 07/07/16	—	0.3900	0.3900	0.3700
08/07/16 to 07/08/16	—	0.3900	0.3900	0.3700
08/08/16 to 07/09/16	—	0.3900	0.3900	0.3700
<b>Total distributions in the period</b>			<b>2.3400</b>	<b>2.2200</b>

#### Class Z Shares

##### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3400	—	0.3400	0.3100
08/04/16 to 07/05/16	0.3400	—	0.3400	0.3100
08/05/16 to 07/06/16	0.3400	—	0.3400	0.3100
08/06/16 to 07/07/16	0.3400	—	0.3400	0.3100
08/07/16 to 07/08/16	0.3400	—	0.3400	0.3100
08/08/16 to 07/09/16	0.3400	—	0.3400	0.3100
<b>Group 2</b>				
08/03/16 to 07/04/16	0.2413	0.0987	0.3400	0.3100
08/04/16 to 07/05/16	0.1151	0.2249	0.3400	0.3100
08/05/16 to 07/06/16	—	0.3400	0.3400	0.3100
08/06/16 to 07/07/16	—	0.3400	0.3400	0.3100
08/07/16 to 07/08/16	—	0.3400	0.3400	0.3100
08/08/16 to 07/09/16	—	0.3400	0.3400	0.3100
<b>Total distributions in the period</b>			<b>2.0400</b>	<b>1.8600</b>

Group 2: shares purchased during a distribution period.

\*Class 1 EUR Hedged – Net income shares commenced 29 April 2015.

## Threadneedle Monthly Extra Income Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 EUR Hedged – Net income shares	
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	72.21	77.68	74.29	100.44	100.00
Return before operating charges (p)	9.10	(1.37)	7.42	21.72	4.87
Operating charges (p)	(0.52)	(1.03)	(1.02)	(0.77)	(1.16)
Return after operating charges (p)*	8.58	(2.40)	6.40	20.95	3.71
Distributions on income shares (p)	(1.38)	(3.07)	(3.01)	(2.58)	(3.27)
Closing net asset value per share (p)	79.41	72.21	77.68	118.81	100.44
*after direct transaction costs <sup>2</sup> of (p)	0.01	0.09	0.17	0.02	0.09
<b>Performance</b>					
Return after charges (%)	11.88	(3.09)	8.61	20.86	3.71
<b>Other information</b>					
Closing net asset value (£000)	158,859	151,819	178,449	888	317
Closing number of shares	200,046,457	210,256,240	229,718,845	747,240	315,746
Operating charges (%)**	1.38 <sup>3</sup>	1.38	1.38	1.38 <sup>3</sup>	1.40 <sup>3</sup>
Direct transaction costs (%)	0.03	0.11	0.22	0.03	0.11
<b>Prices</b>					
Highest share price (p)	80.10	79.84	78.49	123.75	103.33
Lowest share price (p)	70.98	68.36	68.55	99.27	90.80

  

	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016 <sup>1</sup>	07/03/2015 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	122.67	131.14	124.71	105.45	108.21	100.00
Return before operating charges (p)	15.40	(2.38)	12.40	13.37	(1.99)	8.65
Operating charges (p)	(0.47)	(0.92)	(0.91)	(0.40)	(0.77)	(0.44)
Return after operating charges (p)*	14.93	(3.30)	11.49	12.97	(2.76)	8.21
Distributions on income shares (p)	(2.34)	(5.17)	(5.06)	–	–	–
Closing net asset value per share (p)	135.26	122.67	131.14	118.42	105.45	108.21
Retained distribution on accumulation shares (p)	–	–	–	2.04	4.30	2.19
*after direct transaction costs <sup>2</sup> of (p)	0.02	0.14	0.28	0.02	0.12	0.14
<b>Performance</b>						
Return after charges (%)	12.17	(2.52)	9.21	12.30	(2.55)	8.21
<b>Other information</b>						
Closing net asset value (£000)	207,440	189,075	176,350	27,875	30,995	19,004
Closing number of shares	153,364,837	154,139,317	134,474,952	23,538,492	29,392,226	17,562,842
Operating charges (%)**	0.73 <sup>3</sup>	0.73	0.73	0.73 <sup>3</sup>	0.73	0.73 <sup>3</sup>
Direct transaction costs (%)	0.03	0.11	0.22	0.03	0.11	0.22
<b>Prices</b>						
Highest share price (p)	136.40	134.82	132.54	119.08	111.31	108.36
Lowest share price (p)	120.73	116.04	115.49	104.77	98.88	93.38

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

<sup>1</sup>Class 1 EUR Hedged – Net income shares commenced 29 April 2015.

<sup>2</sup>Class Z – Net accumulation shares commenced 20 August 2014.

<sup>3</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>4</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Monthly Extra Income Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net income shares

Opening shares	210,256,240
Shares issued	3,426,840
Shares redeemed	(10,241,316)
Net conversions	(3,395,307)
Closing shares	<u>200,046,457</u>

#### Class 1 EUR Hedged – Net income shares

Opening shares	315,746
Shares issued	511,549
Shares redeemed	(80,055)
Net conversions	–
Closing shares	<u>747,240</u>

#### Class Z – Net income shares

Opening shares	154,139,317
Shares issued	9,233,824
Shares redeemed	(11,971,715)
Net conversions	1,963,411
Closing shares	<u>153,364,837</u>

#### Class Z – Net accumulation shares

Opening shares	29,392,226
Shares issued	827,458
Shares redeemed	(6,721,677)
Net conversions	40,485
Closing shares	<u>23,538,492</u>

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Corporate Bond Fund has risen from 57.27p to 63.41p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +13.14% as compared to a median return of +13.33% over the same period. The fund return equates approximately to +13.52% gross of tax and charges\*\*. (For information the iBoxx £ Non-Gilts gave a total return of +13.93% for the same period).

#### Market Overview and Portfolio Activity

UK corporate bond returns were strongly positive in the six months under review. The first half of the period was dominated by the UK's referendum on EU membership; the unexpected outcome saw 10-year gilt yields fall to

record lows of 0.52% as concerns after the vote boosted safe-haven assets. Credit spreads tightened earlier in the period in anticipation of the inclusion (from June) of certain corporate bonds in the European Central Bank purchase programme. But the Brexit shock saw spreads temporarily widen. Subsequently, sterling credit markets have been remarkably resilient. Factors influencing sentiment included a raft of stimulus measures from the Bank of England (BoE) including a corporate-bond purchase programme, continued monetary easing from a number of other key central banks, and a rise – albeit from low levels – in the price of oil. Overall, credit spreads tightened meaningfully (by 75 basis points) and the asset class delivered excess returns of 5.9% over gilts.

As government bond yields are close to historic lows, we have maintained a short duration position and marginally long position in credit risk. Because sterling spread curves are very flat, we prefer lower-rated and shorter-dated sterling corporate bonds to benefit from a pick-up in spreads.

We rotated the fund's positioning thematically towards more defensive sectors such as regulated utilities and consumer goods. Examples of such purchases include RWE and British American Tobacco. RWE had a material change to its credit outlook as it reorganised itself and bonds were moved closer to the regulated-operating-company

businesses. We also continued to implement our positive outlook on midstream pipelines via Plains All America Pipelines, Williams Partners and Kinder Morgan. Bonds in the banking sector may offer attractive relative value, given the sector's ineligibility for the BoE's bond purchases. We are somewhat cautious on the sector given its maturing phase of the cycle, but we have recently added some senior bank risk to the portfolio.

The outlook for corporate credit remains rather mixed. The uncertainty caused by the UK's referendum result is expected to act as a brake on economic performance generally, but especially so in the UK. However, the UK's August manufacturing purchasing managers' index enjoyed its second-largest monthly jump on record, helped by sterling weakness. This adds to evidence that the economy is faring better than many had feared following the EU referendum, although the longer-term impact remains to be seen.

For corporate credit, companies are pursuing more shareholder-friendly policies – such as share buybacks and mergers and acquisitions. While this is negative for credit fundamentals, companies hold significant balance sheet liquidity, which aids our constructive view on credit. Credit spreads remain supported by the aforementioned exceptional easy monetary policy and are hovering around long-term averages.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	66,168	(14,900)
Revenue	13,891	16,297
Expenses	(1,950)	(2,155)
Interest payable and similar charges	(122)	(389)
Net revenue before taxation	11,819	13,753
Taxation	–	–
Net revenue after taxation	11,819	13,753
<b>Total return before distributions</b>	<b>77,987</b>	<b>(1,147)</b>
Distributions	(11,820)	(13,753)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>66,167</b>	<b>(14,900)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	705,169	576,635
<b>Current assets:</b>		
Debtors	13,913	14,921
Cash and bank balances	62,868	6,944
<b>Total assets</b>	<b>781,950</b>	<b>598,500</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(4,422)	(4,110)
<b>Creditors:</b>		
Bank overdrafts	(1)	(313)
Distribution payable	(2,946)	(3,030)
Other creditors	(1,948)	(7,770)
<b>Total liabilities</b>	<b>(9,317)</b>	<b>(15,223)</b>
<b>Net assets attributable to shareholders</b>	<b>772,633</b>	<b>583,277</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>583,277</b>	<b>737,592</b>
Amounts receivable on the issue of shares	165,346	26,354
Amounts payable on the cancellation of shares	(49,855)	(129,614)
	115,491	(103,260)
Dilution adjustment	222	279
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	66,167	(14,900)
Retained distribution on accumulation shares	7,470	8,073
Unclaimed distributions	6	5
<b>Closing net assets attributable to shareholders</b>	<b>772,633</b>	<b>627,789</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/06/16	0.5161	0.1032	0.4129	–	0.4129	0.4071
08/06/16 to 07/09/16	0.4738	0.0948	0.3790	–	0.3790	0.4113
<b>Group 2</b>						
08/03/16 to 07/06/16	0.1546	0.0309	0.1237	0.2892	0.4129	0.4071
08/06/16 to 07/09/16	0.2629	0.0526	0.2103	0.1687	0.3790	0.4113
<b>Total distributions in the period</b>					<b>0.7919</b>	<b>0.8184</b>

#### Class 1 Shares

##### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	0.5165	–	0.5165	0.5091
08/06/16 to 07/09/16	0.4739	–	0.4739	0.5144
<b>Group 2</b>				
08/03/16 to 07/06/16	0.0676	0.4489	0.5165	0.5091
08/06/16 to 07/09/16	0.2053	0.2686	0.4739	0.5144
<b>Total distributions in the period</b>			<b>0.9904</b>	<b>1.0235</b>

## Threadneedle UK Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/06/16	0.5710	0.1142	0.4568	—	0.4568	0.4516
08/06/16 to 07/09/16	0.5311	0.1062	0.4249	—	0.4249	0.4548
<b>Group 2</b>						
08/03/16 to 07/06/16	0.2600	0.0520	0.2080	0.2488	0.4568	0.4516
08/06/16 to 07/09/16	0.2716	0.0543	0.2173	0.2076	0.4249	0.4548
<b>Total distributions in the period</b>					<b>0.8817</b>	<b>0.9064</b>

#### Class 2 Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.0395	—	1.0395	0.9885
08/06/16 to 07/09/16	0.9764	—	0.9764	1.0048
<b>Group 2</b>				
08/03/16 to 07/06/16	0.1871	0.8524	1.0395	0.9885
08/06/16 to 07/09/16	0.3561	0.6203	0.9764	1.0048
<b>Total distributions in the period</b>			<b>2.0159</b>	<b>1.9933</b>

#### Class 3 Shares

##### Gross accumulation\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016
<b>Group 1</b>			
08/03/16 to 07/06/16	0.8873	—	0.8873
08/06/16 to 07/09/16	0.8033	—	0.8033
<b>Group 2</b>			
08/03/16 to 07/06/16	0.8873	—	0.8873
08/06/16 to 07/09/16	0.8033	—	0.8033
<b>Total distributions in the period</b>			<b>1.6906</b>

#### Class X Shares

##### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/06/16	1.1305	—	1.1305	1.1214
08/06/16 to 07/09/16	1.0679	—	1.0679	1.1248
<b>Group 2</b>				
08/03/16 to 07/06/16	0.6643	0.4662	1.1305	1.1214
08/06/16 to 07/09/16	1.0679	—	1.0679	1.1248
<b>Total distributions in the period</b>			<b>2.1984</b>	<b>2.2462</b>

#### Class X Shares

##### Gross accumulation\*\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016
<b>Group 1</b>			
08/03/16 to 07/06/16	1.0176	—	1.0176
08/06/16 to 07/09/16	1.0716	—	1.0716
<b>Group 2</b>			
08/03/16 to 07/06/16	1.0176	—	1.0176
08/06/16 to 07/09/16	1.0716	—	1.0716
<b>Total distributions in the period</b>			<b>2.0892</b>

Group 2: shares purchased during a distribution period.

\*Class 3 – Gross accumulation shares commenced 28 October 2015.

\*\*Class X – Gross accumulation shares commenced 16 March 2016.



## Threadneedle UK Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Gross income shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	56.62	58.92	56.29	56.65	58.96	56.33
Return before operating charges (p)	7.23	(0.13)	4.87	7.43	0.27	5.30
Operating charges (p)	(0.28)	(0.53)	(0.53)	(0.28)	(0.53)	(0.53)
Return after operating charges (p)*	6.95	(0.66)	4.34	7.15	(0.26)	4.77
Distributions on income shares (p)	(0.79)	(1.64)	(1.71)	(0.99)	(2.05)	(2.14)
Closing net asset value per share (p)	62.78	56.62	58.92	62.81	56.65	58.96
*after direct transaction costs <sup>4</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	12.27	(1.12)	7.71	12.62	(0.44)	8.47
<b>Other information</b>						
Closing net asset value (£000)	48,569	48,074	68,741	20,478	16,727	14,151
Closing number of shares	77,365,668	84,907,929	116,660,630	32,601,184	29,526,436	24,003,177
Operating charges (%)**	0.92 <sup>†</sup>	0.92	0.92	0.92 <sup>†</sup>	0.92	0.92
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	63.55	60.27	60.83	63.67	60.33	60.93
Lowest share price (p)	56.93	56.44	56.38	56.97	56.55	56.43

  

	Class 2 – Net income shares			Class 2 – Gross accumulation shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	56.70	59.01	56.38	103.23	103.33	94.81
Return before operating charges (p)	7.22	(0.17)	4.84	13.62	0.48	9.08
Operating charges (p)	(0.17)	(0.33)	(0.33)	(0.31)	(0.58)	(0.56)
Return after operating charges (p)*	7.05	(0.50)	4.51	13.31	(0.10)	8.52
Distributions on income shares (p)	(0.88)	(1.81)	(1.88)	–	–	–
Closing net asset value per share (p)	62.87	56.70	59.01	116.54	103.23	103.33
Retained distribution on accumulation shares (p)	–	–	–	2.02	4.02	4.02
*after direct transaction costs <sup>4</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	12.43	(0.85)	8.00	12.89	(0.10)	8.99
<b>Other information</b>						
Closing net asset value (£000)	230,308	197,270	186,413	472,991	320,965	468,152
Closing number of shares	366,298,797	347,903,398	315,886,273	405,849,652	310,922,470	453,086,380
Operating charges (%)**	0.56 <sup>†</sup>	0.56	0.56	0.56 <sup>†</sup>	0.56	0.56
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	63.68	60.37	60.95	117.24	105.74	105.86
Lowest share price (p)	57.02	56.55	56.47	103.81	101.42	95.01

## Threadneedle UK Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class 3 – Gross accumulation shares <sup>§</sup>		Class X – Gross income shares <sup>§</sup>		
	07/09/2016	07/03/2016 <sup>1</sup>	07/09/2016	07/03/2016	07/03/2015 <sup>2</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	99.50	100.00	99.38	103.43	100.00
Return before operating charges (p)	13.09	0.51	13.05	0.49	6.23
Operating charges (p)	(0.54)	(1.01)	(0.03)	(0.06)	(0.04)
Return after operating charges (p)*	12.55	(0.50)	13.02	0.43	6.19
Distributions on income shares (p)	–	–	(2.20)	(4.48)	(2.76)
Closing net asset value per share (p)	112.05	99.50	110.20	99.38	103.43
Retained distribution on accumulation shares (p)	1.69	1.24	–	–	–
*after direct transaction costs <sup>†</sup> of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	12.61	(0.50)	13.10	0.42	6.19
<b>Other information</b>					
Closing net asset value (£000)	3	3	281	238	135
Closing number of shares	3,000	3,000	254,848	239,682	130,316
Operating charges (%)**	1.02 <sup>†</sup>	1.01 <sup>†</sup>	0.06 <sup>†</sup>	0.06	0.06 <sup>†</sup>
Direct transaction costs (%)	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	112.73	101.18	111.92	105.88	107.03
Lowest share price (p)	100.04	98.42	99.94	99.37	99.78
<b>Class X – Gross accumulation shares<sup>§</sup></b>					
<b>07/09/2016<sup>3</sup></b>					
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00				
Return before operating charges (p)	11.18				
Operating charges (p)	(0.01)				
Return after operating charges (p)*	11.17				
Closing net asset value per share (p)	111.17				
Retained distribution on accumulation shares (p)	2.09				
*after direct transaction costs <sup>†</sup> of (p)	–				
<b>Performance</b>					
Return after charges (%)	11.17				
<b>Other information</b>					
Closing net asset value (£000)	3				
Closing number of shares	3,000				
Operating charges (%)**	0.02 <sup>†</sup>				
Direct transaction costs (%)	–				
<b>Prices</b>					
Highest share price (p)	111.82				
Lowest share price (p)	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](http://columbiathreadneedle.com/fees).

<sup>1</sup>Only available to eligible investors.

<sup>2</sup>Class 3 – Gross accumulation shares commenced 28 October 2015.

<sup>3</sup>Class X – Gross income shares commenced 28 July 2014.

<sup>4</sup>Class X – Gross accumulation shares commenced 16 March 2016.

<sup>5</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>6</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle UK Corporate Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net income shares

Opening shares	84,907,929
Shares issued	3,999,894
Shares redeemed	(11,107,792)
Net conversions	(434,363)
Closing shares	<u>77,365,668</u>

#### Class 1 – Gross income shares

Opening shares	29,526,436
Shares issued	4,628,411
Shares redeemed	(1,593,752)
Net conversions	40,089
Closing shares	<u>32,601,184</u>

#### Class 2 – Net income shares

Opening shares	347,903,398
Shares issued	38,567,630
Shares redeemed	(20,559,061)
Net conversions	386,830
Closing shares	<u>366,298,797</u>

#### Class 2 – Gross accumulation shares

Opening shares	310,922,470
Shares issued	121,859,859
Shares redeemed	(26,936,306)
Net conversions	3,629
Closing shares	<u>405,849,652</u>

#### Class 3 – Gross accumulation shares

Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

#### Class X – Gross income shares

Opening shares	239,682
Shares issued	15,166
Shares redeemed	–
Net conversions	–
Closing shares	<u>254,848</u>

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

Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

\*Class X – Gross accumulation shares commenced 16 March 2016.

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Sterling Bond Fund has risen from 55.74p to 61.45p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +11.27% as compared to a median return of +11.69% over the same period. The fund return equates approximately to +11.36% gross of tax and charges\*\*. (For information the FTSE All Stocks Gilts Index gave a total return of +11.06% for the same period).

#### Market Overview and Portfolio Activity

The period under review was a very strong one for gilts, which produced a total return of over 11% in the six months to the end of August as measured by the FTSE Actuaries UK Gilts All Stocks index.

For most of the period, the main focus for investors was the UK's long-awaited referendum on European Union membership, scheduled for 23 June. In the event, the Leave campaign's shock victory sparked market and political turmoil. The pound slumped to a 31-year low against the dollar and the 10-year gilt yield fell below 1% for the first time ever. Meanwhile, Prime Minister David Cameron resigned, sparking fears of a political vacuum. In July, despite the speedy installation of Theresa May as prime minister, gilt yields fell further on the assumption that the Bank of England (BoE) would respond to the referendum result with aggressive monetary easing. After unexpectedly holding fire at its July meeting, the BoE duly announced a stimulus package in August. This comprised a cut in the base rate to a record low of 0.25%, more gilt purchases, a renewed corporate-bond-buying programme, and a bank-funding scheme. The rate cut was widely anticipated but the rest exceeded expectations, sending gilt yields to fresh lows.

Early in the period we sold ultra-long gilts into 30-year gilts as the curve was inverted at the far end. In April we tactically added duration through the 10-year and 30-year areas but later took some profits on our long positions by

selling nominal 2068 gilts and adding index-linked 2068s. We had always planned to be neutral duration moving into the Brexit vote; therefore, after a sharp rally early in June as polls tilted towards Brexit and US jobs growth disappointed, we took down the long-held overweight in gilt duration to a neutral position. Once the shock result was in, we ceased trading for a day before adding some duration at the 10-year point, the highest-beta part of the yield curve. For valuation reasons, we also added to our breakeven position through the purchase of index-linked 2019 and 2068 bonds.

Activity in July was limited as we were content with the portfolio's post-referendum positioning following a small move long at the end of June. We opted to match the duration extension caused by coupon payments but otherwise overall duration was fairly consistent around 0.3 years long versus the benchmark. In August, we moved the portfolio further out the yield curve as the Bank of England suggested negative rates were not a viable policy option; thus, while there is little scope for yields to fall at the front end of the curve, there is still room for a rally at the back end. Accordingly we sold 5-year and 10-year bonds but bought 30-years and ultra-longs. We also trimmed some exposure to short-dated index-linked bonds and re-established a holding in ultra-long linkers. Towards the end of the period, exposure to index-linked bonds was increased modestly, while conventional exposure was lowered, leaving the portfolio's overall duration neutral (excluding index-linked securities).

#### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains	35,031	4,756
Revenue	2,615	1,357
Expenses	(1,777)	(880)
Interest payable and similar charges	(2)	—
Net revenue before taxation	836	477
Taxation	—	—
Net revenue after taxation	836	477
<b>Total return before distributions</b>	<b>35,867</b>	<b>5,233</b>
Distributions	(2,335)	(1,223)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>33,532</b>	<b>4,010</b>

#### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	379,389	330,481
<b>Current assets:</b>		
Debtors	9,201	1,826
Cash and bank balances	598	4,337
<b>Total assets</b>	<b>389,188</b>	<b>336,644</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(3)	(89)
<b>Creditors:</b>		
Distribution payable	(1,457)	(1,696)
Other creditors	(4,943)	(464)
<b>Total liabilities</b>	<b>(6,403)</b>	<b>(2,249)</b>
<b>Net assets attributable to shareholders</b>	<b>382,785</b>	<b>334,395</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>334,395</b>	<b>142,763</b>
Amounts receivable on the issue of shares	108,758	98,161
Amounts payable on the cancellation of shares	(94,935)	(14,286)
	13,823	83,875
Dilution adjustment	24	5
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	33,532	4,010
Retained distribution on accumulation shares	1,011	729
<b>Closing net assets attributable to shareholders</b>	<b>382,785</b>	<b>231,382</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

#### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

##### Class 1 Shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.3923	0.0785	0.3138	—	0.3138	0.3440
<b>Group 2</b>						
08/03/16 to 07/09/16	0.1950	0.0390	0.1560	0.1578	0.3138	0.3440
<b>Total distributions in the period</b>					<b>0.3138</b>	<b>0.3440</b>

##### Class 1 Shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.8242	—	0.8242	0.8894
<b>Group 2</b>				
08/03/16 to 07/09/16	0.2487	0.5755	0.8242	0.8894
<b>Total distributions in the period</b>			<b>0.8242</b>	<b>0.8894</b>

## Threadneedle Sterling Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class X Shares

##### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	0.8800	—	0.8800	0.9293
<b>Group 2</b> 08/03/16 to 07/09/16	0.8800	—	0.8800	0.9293
<b>Total distributions in the period</b>			<b>0.8800</b>	<b>0.9293</b>

#### Class X Shares

##### Gross accumulation\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/16 to 07/09/16	0.7553	—	0.7553
<b>Group 2</b> 08/03/16 to 07/09/16	0.7553	—	0.7553
<b>Total distributions in the period</b>			<b>0.7553</b>

#### Class Z Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	0.7760	0.1552	0.6208	—	0.6208	0.6729
<b>Group 2</b> 08/03/16 to 07/09/16	0.3559	0.0712	0.2847	0.3361	0.6208	0.6729
<b>Total distributions in the period</b>					<b>0.6208</b>	<b>0.6729</b>

#### Class Z Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	0.8268	—	0.8268	0.8827
<b>Group 2</b> 08/03/16 to 07/09/16	0.3277	0.4991	0.8268	0.8827
<b>Total distributions in the period</b>			<b>0.8268</b>	<b>0.8827</b>

Group 2: shares purchased during a distribution period.

\*Class X – Gross accumulation shares commenced 16 March 2016.

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	55.37	53.26	50.12	116.33	110.15	101.63
Return before operating charges (p)	6.39	3.44	4.58	13.59	7.50	9.79
Operating charges (p)	(0.34)	(0.64)	(0.62)	(0.72)	(1.32)	(1.27)
Return after operating charges (p)*	6.05	2.80	3.96	12.87	6.18	8.52
Distributions on income shares (p)	(0.31)	(0.69)	(0.82)	–	–	–
Closing net asset value per share (p)	61.11	55.37	53.26	129.20	116.33	110.15
Retained distribution on accumulation shares (p)	–	–	–	0.82	1.79	2.10
*after direct transaction costs <sup>†</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	10.93	5.26	7.90	11.06	5.61	8.38
<b>Other information</b>						
Closing net asset value (£000)	210,262	196,198	85,210	86,146	69,556	52,164
Closing number of shares	344,048,233	354,321,167	159,993,721	66,676,002	59,792,671	47,358,734
Operating charges (%)**	1.17 <sup>†</sup>	1.17	1.18	1.17 <sup>†</sup>	1.17	1.18
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	61.89	56.97	57.10	130.19	118.90	117.15
Lowest share price (p)	54.64	52.56	49.99	114.85	108.83	101.38
	Class X – Gross income shares <sup>§</sup>			Class X – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015 <sup>†</sup>	07/09/2016 <sup>2</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	111.13	105.81	100.00	100.00		
Return before operating charges (p)	13.03	7.24	7.16	11.77		
Operating charges (p)	(0.01)	(0.05)	(0.05)	(0.01)		
Return after operating charges (p)*	13.02	7.19	7.11	11.76		
Distributions on income shares (p)	(0.88)	(1.87)	(1.30)	–		
Closing net asset value per share (p)	123.27	111.13	105.81	111.76		
Retained distribution on accumulation shares (p)	–	–	–	0.76		
*after direct transaction costs <sup>†</sup> of (p)	–	–	–	–		
<b>Performance</b>						
Return after charges (%)	11.72	6.80	7.11	11.76		
<b>Other information</b>						
Closing net asset value (£000)	4	3	34	3		
Closing number of shares	3,000	3,000	31,982	3,000		
Operating charges (%)**	0.02 <sup>†</sup>	0.05	0.07 <sup>†</sup>	0.02 <sup>†</sup>		
Direct transaction costs (%)	–	–	–	–		
<b>Prices</b>						
Highest share price (p)	125.06	114.46	113.54	112.58		
Lowest share price (p)	109.88	104.96	99.97	98.92		

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net income shares			Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.30	101.63	95.06	113.16	106.47	97.61
Return before operating charges (p)	12.30	6.57	8.72	13.25	7.27	9.42
Operating charges (p)	(0.30)	(0.55)	(0.55)	(0.31)	(0.58)	(0.56)
Return after operating charges (p)*	12.00	6.02	8.17	12.94	6.69	8.86
Distributions on income shares (p)	(0.62)	(1.35)	(1.60)	–	–	–
Closing net asset value per share (p)	117.68	106.30	101.63	126.10	113.16	106.47
Retained distribution on accumulation shares (p)	–	–	–	0.83	1.79	2.06
*after direct transaction costs <sup>2</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	11.29	5.92	8.59	11.44	6.28	9.08
<b>Other information</b>						
Closing net asset value (£000)	16,043	25,111	5,167	70,327	43,527	188
Closing number of shares	13,633,100	23,622,616	5,084,545	55,772,673	38,465,741	176,506
Operating charges (%)**	0.53 <sup>1</sup>	0.53	0.54	0.53 <sup>1</sup>	0.53	0.54
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	119.18	109.33	108.91	127.03	115.61	113.17
Lowest share price (p)	104.99	100.52	94.82	111.81	105.43	97.38

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

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

<sup>1</sup>Class X – Gross income shares commenced 28 July 2014.

<sup>2</sup>Class X – Gross accumulation shares commenced 16 March 2016.

<sup>3</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>4</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Sterling Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net income shares

Opening shares	354,321,167
Shares issued	17,306,337
Shares redeemed	(27,536,212)
Net conversions	(43,059)
Closing shares	<u>344,048,233</u>

#### Class 1 – Gross accumulation shares

Opening shares	59,792,671
Shares issued	56,295,511
Shares redeemed	(49,412,180)
Net conversions	–
Closing shares	<u>66,676,002</u>

#### Class X – Gross income shares

Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

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

Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

#### Class Z – Net income shares

Opening shares	23,622,616
Shares issued	3,372,659
Shares redeemed	(13,314,965)
Net conversions	(47,210)
Closing shares	<u>13,633,100</u>

#### Class Z – Gross accumulation shares

Opening shares	38,465,741
Shares issued	21,598,069
Shares redeemed	(4,356,472)
Net conversions	65,335
Closing shares	<u>55,772,673</u>

\*Class X – Gross accumulation shares commenced 16 March 2016.



## 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:

- (i) 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;
- (ii) 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
- (iii) UK Government issued treasury bills shall have a maximum term to maturity of 184 days.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Sterling Fund has risen from 99.91p to 99.92p.

The total return on the fund for the six months ending 31 August 2016, including net reinvested income, is -0.01%. (Source: Threadneedle, bid-bid, net income reinvested.)

### Market Overview and Portfolio Activity

Despite substantial volatility – triggered by uncertainty related to the UK's referendum on its European Union membership, followed by the shock vote to leave – UK financial markets rose over the period. The Brexit vote took a heavier toll on sterling, however: in the immediate aftermath, the currency slumped to a 31-year low against the dollar. The UK lost its last AAA rating, and the 10-year gilt yield fell below 1% for the first time. Sterling subsequently regained some poise, as investors' worst fears around the impact of Brexit subsided.

In early August, to lessen the risk of a slowdown in the economy, the Bank of England (BoE) reduced its policy rate to a new low of 0.25%. It also announced a "Term Funding Scheme" to support the transmission of the rate cut and exceeded markets' expectations by announcing it would increase its buying of government bonds and reintroduce corporate-bond purchases. The BoE said it expects inflation to be higher but growth to be lower than its forecasts in May. Following the cut in UK interest rates, the three-month UK LIBOR rate decreased from 0.59% to 0.38%.

August saw the first wave of post-Brexit economic data coming through. Jobless claims unexpectedly declined in July, while the monthly increase in retail sales exceeded expectations. Inflation – as measured by the consumer price index, as well as the producer price index – rose in July. Meanwhile, the Markit/CIPS manufacturing purchasing managers' index (PMI) recorded the lowest reading since early 2013 in July, while the services PMI declined at the fastest monthly rate since March 2009 – both indicated contraction.

Following the Brexit vote, comments from the governor of the BoE, indicating that UK rates may need to be cut, prompted us to extend the weighted average maturity of the fund slightly so that it stood at 69 days, compared to 43 days at the start of the period. The weighted average yield therefore declined from 0.53% to roughly 0.49% by the period's end.

The holdings comprised approximately 69% in bank certificates of deposit, 6% in short-dated bank deposits, 18% in euro commercial paper issued by banks or supranationals (ie, government backed issuers) and 7% in UK government-issued Treasury bills.

We have kept the fund well-diversified and liquid and invested in a mixture of well-rated banks and sovereign-backed institutions. The financial strength of these banks and financial institutions is taken into account when we are selecting suitable investments. The portfolio will comprise very short-dated instruments with a view to achieving a competitive rate of interest.

Looking ahead, we believe that some other central banks (the European Central Bank and the Bank of Japan) will also need to ease policy. A weaker UK currency will produce higher inflation in the year ahead, but we think that this will ultimately prove to be transitory. Hence, although the decision to ease may be a close call, growth and stability concerns will dominate policymakers' thinking.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains	38	8
Revenue	727	455
Expenses	(470)	(272)
Net revenue before taxation	257	183
Taxation	–	–
Net revenue after taxation	257	183
Total return before distributions	295	191
Distributions	(285)	(183)
Change in net assets attributable to shareholders from investment activities	10	8

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	283,831	235,569
<b>Current assets:</b>		
Debtors	238	189
Cash and bank balances	18,190	30,577
Total assets	302,259	266,335
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(292)	(262)
Other creditors	(12,104)	(90)
Total liabilities	(12,396)	(352)
<b>Net assets attributable to shareholders</b>	<b>289,863</b>	<b>265,983</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Opening net assets attributable to shareholders	265,983	160,163
Amounts receivable on the issue of shares	75,881	70,770
Amounts payable on the cancellation of shares	(52,011)	(7,058)
	23,870	63,712
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10	8
Closing net assets attributable to shareholders	289,863	223,883

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

\*\*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 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.1186	0.0237	0.0949	–	0.0949	0.0750
<b>Group 2</b>						
08/03/16 to 07/09/16	0.0529	0.0106	0.0423	0.0526	0.0949	0.0750
<b>Total distributions in the period</b>					<b>0.0949</b>	<b>0.0750</b>

#### Class 3 Shares

##### Gross accumulation\*\*

There is no distribution for the accounting period 8 March 2016 to 7 September 2016, as expenses exceed revenue.

#### Class X Shares

##### Gross accumulation\*\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016
<b>Group 1</b>			
08/03/16 to 07/09/16	0.2363	–	0.2363
<b>Group 2</b>			
08/03/16 to 07/09/16	0.2363	–	0.2363
<b>Total distributions in the period</b>			<b>0.2363</b>

Group 2: shares purchased during a distribution period.

\*Class 3 – Gross accumulation shares commenced 28 October 2015.

\*\*Class X – Gross accumulation shares commenced 16 March 2016.

## Threadneedle Sterling Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 3 – Gross accumulation shares <sup>1</sup>	
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	99.82	99.81	99.82	99.95	100.00
Return before operating charges (p)	0.24	0.46	0.42	0.27	0.19
Operating charges (p)	(0.14)	(0.28)	(0.28)	(0.33)	(0.24)
Return after operating charges (p)*	0.10	0.18	0.14	(0.06)	(0.05)
Distributions on income shares (p)	(0.09)	(0.17)	(0.15)	–	–
Closing net asset value per share (p)	99.83	99.82	99.81	99.89	99.95
*after direct transaction costs <sup>1</sup> of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	0.10	0.18	0.14	(0.06)	(0.05)
<b>Other information</b>					
Closing net asset value (£000)	251,096	224,539	160,163	38,764	41,444
Closing number of shares	251,527,785	224,954,864	160,468,613	38,804,686	41,464,121
Operating charges (%)**	0.28 <sup>1</sup>	0.28	0.28	0.66 <sup>1</sup>	0.67 <sup>1</sup>
Direct transaction costs (%)	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	99.92	99.91	99.90	99.95	100.00
Lowest share price (p)	99.82	99.82	99.82	99.90	99.95
<b>Class X – Gross accumulation shares<sup>1</sup></b>					
	07/09/2016 <sup>2</sup>				
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00				
Return before operating charges (p)	0.25				
Operating charges (p)	(0.01)				
Return after operating charges (p)*	0.24				
Closing net asset value per share (p)	100.24				
Retained distribution on accumulation shares (p)	0.24				
*after direct transaction costs <sup>1</sup> of (p)	–				
<b>Performance</b>					
Return after charges (%)	0.24				
<b>Other information</b>					
Closing net asset value (£000)	3				
Closing number of shares	3,000				
Operating charges (%)**	0.02 <sup>1</sup>				
Direct transaction costs (%)	–				
<b>Prices</b>					
Highest share price (p)	100.24				
Lowest share price (p)	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](http://columbiathreadneedle.com/fees).

<sup>1</sup>Only available to eligible investors.

<sup>2</sup>Class 3 – Gross accumulation shares commenced 28 October 2015.

<sup>3</sup>Class X – Gross accumulation shares commenced 16 March 2016.

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

<sup>5</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle Sterling Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	224,954,864
Shares issued	75,153,299
Shares redeemed	(48,580,378)
Net conversions	–
Closing shares	<u>251,527,785</u>
<b>Class 3 – Gross accumulation shares</b>	
Opening shares	41,464,121
Shares issued	859,108
Shares redeemed	(3,518,543)
Net conversions	–
Closing shares	<u>38,804,686</u>
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

\*Class X – Gross accumulation shares commenced 16 March 2016.

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle European Fund has risen from 178.75p to 199.28p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +11.75% as compared to a median return of +15.03% over the same period. (For information the FTSE World Europe ex UK Index returned +16.28% over the same period).

#### Market Overview and Portfolio Activity

At the start of the review period, investors were heartened by news that the European Central Bank had unleashed a further round of measures designed to stimulate the economy

and drive inflation upwards. Economic data in the UK and the eurozone provided grounds for optimism, as did a firmer oil price and some more positive economic news from China, a key export market.

However, markets received a shock in June when the UK voted to leave the EU, introducing a period of political and economic uncertainty, and boosting support for anti-EU and anti-euro factions elsewhere. Sterling fell sharply, ratings agency Standard & Poor's removed the UK's AAA credit rating, the UK prime minister resigned and the Scottish National Party called for another independence referendum.

Mindful of recessionary risks, the Bank of England provided economic support and reassured markets by cutting interest rates to a new record low, expanding its bond-purchase scheme, and introducing a bank-funding programme. In the US, the uncertain economic outlook led to a delay in raising interest rates, which helped propel equities to fresh record highs, further boosting market sentiment in Europe.

Major transactions included purchasing a new holding in Nestlé. The food group has a powerful brand portfolio, which creates barriers to entry, and an extensive global presence; the stock also has defensive merits. In the energy sector, we established a new position in Royal Dutch Shell; oil prices have firmed from multi-year lows, and the company stands to gain from sterling weakness as it generates a high proportion of revenues from overseas. We reduced the position in Bayer (chemicals and pharmaceuticals) as we were not satisfied

that the proposed acquisition of Monsanto would represent good value for shareholders. Given the deteriorating outlook for financial stocks, we sold KBC and Intesa Sanpaolo.

Equity markets may be volatile in the wake of the UK's Brexit vote – it will take time before the full political, financial and economic repercussions become clear. There is also the risk of anti-EU political contagion; Italy's banking system is under strain and factions are clamouring for an EU-membership referendum, Spain's general election yielded another inconclusive result, while France and Germany head to the polls next year. We continue to monitor US politics, the oil price and China's economic outlook; these have all affected equity markets in recent months.

However, volatile markets provide us with investment opportunities, and we may see a resurgence in mergers and acquisitions, particularly as interest rates are likely to remain low in the UK and Europe, and also in the US. Quantitative easing, relatively low energy prices and loose credit conditions continue to help the trading environment for European companies. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	68,544	(22,762)
Revenue	14,795	12,122
Expenses	(4,778)	(4,619)
Interest payable and similar charges	(16)	(2)
Net revenue before taxation	10,001	7,501
Taxation	(766)	(831)
Net revenue after taxation	9,235	6,670
<b>Total return before equalisation</b>	<b>77,779</b>	<b>(16,092)</b>
Equalisation	(841)	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>76,938</b>	<b>(16,092)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	725,283	714,682
<b>Current assets:</b>		
Debtors	4,720	4,425
Cash and bank balances	3,928	12,003
<b>Total assets</b>	<b>733,931</b>	<b>731,110</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(2)	–
<b>Creditors:</b>		
Distribution payable	–	(3)
Other creditors	(4,613)	(2,341)
<b>Total liabilities</b>	<b>(4,615)</b>	<b>(2,344)</b>
<b>Net assets attributable to shareholders</b>	<b>729,316</b>	<b>728,766</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>728,766</b>	<b>663,332</b>
Amounts receivable on the issue of shares	38,738	72,040
Amounts payable on the cancellation of shares	(115,126)	(55,513)
	(76,388)	16,527
Dilution adjustment	–	32
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	76,938	(16,092)
<b>Closing net assets attributable to shareholders</b>	<b>729,316</b>	<b>663,799</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle European Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	178.68	180.04	167.65	199.21	199.49	184.62
Return before operating charges (p)	22.10	1.67	15.14	24.68	1.85	16.80
Operating charges (p)	(1.57)	(3.03)	(2.75)	(1.11)	(2.13)	(1.93)
Return after operating charges (p)*	20.53	(1.36)	12.39	23.57	(0.28)	14.87
Closing net asset value per share (p)	199.21	178.68	180.04	222.78	199.21	199.49
Retained distribution on accumulation shares (p)	–	1.00	0.96	–	1.95	2.19
*after direct transaction costs <sup>‡</sup> of (p)	0.16	0.37	0.32	0.18	0.41	0.36
<b>Performance</b>						
Return after charges (%)	11.49	(0.76)	7.39	11.83	(0.14)	8.05
<b>Other information</b>						
Closing net asset value (£000)	288,401	297,729	306,019	421,347	412,304	345,497
Closing number of shares	144,771,633	166,623,173	169,975,215	189,131,374	206,972,593	173,194,071
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)	0.17	0.20	0.19	0.17	0.20	0.19
<b>Prices</b>						
Highest share price (p)	204.37	193.05	180.19	228.46	214.04	199.65
Lowest share price (p)	176.98	164.84	145.95	197.56	183.70	161.33

  

	Class X – Net accumulation shares		Class Z – Net income shares		
	07/09/2016	07/03/2016 <sup>†</sup>	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	98.57	100.00	110.77	111.81	103.60
Return before operating charges (p)	12.26	(1.42)	13.73	1.03	9.47
Operating charges (p)	(0.03)	(0.01)	(0.51)	(0.99)	(0.90)
Return after operating charges (p)*	12.23	(1.43)	13.22	0.04	8.57
Distributions on income shares (p)	–	–	–	(1.08)	(0.36)
Closing net asset value per share (p)	110.80	98.57	123.99	110.77	111.81
Retained distribution on accumulation shares (p)	–	0.63	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	0.09	0.15	0.10	0.23	0.20
<b>Performance</b>					
Return after charges (%)	12.41	(1.43)	11.93	0.04	8.27
<b>Other information</b>					
Closing net asset value (£000)	60	3	351	322	153
Closing number of shares	53,682	3,000	283,120	290,079	136,965
Operating charges (%)**	0.06 <sup>†</sup>	0.02 <sup>†</sup>	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.17	0.20	0.17	0.20	0.19
<b>Prices</b>					
Highest share price (p)	113.55	103.46	127.13	119.98	112.18
Lowest share price (p)	97.96	90.84	109.89	103.13	90.63

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	141.49	141.43	130.66
Return before operating charges (p)	17.54	1.32	11.92
Operating charges (p)	(0.66)	(1.26)	(1.15)
Return after operating charges (p)*	16.88	0.06	10.77
Closing net asset value per share (p)	158.37	141.49	141.43
Retained distribution on accumulation shares (p)	–	1.54	1.92
*after direct transaction costs <sup>‡</sup> of (p)	0.13	0.29	0.25
<b>Performance</b>			
Return after charges (%)	11.93	0.04	8.24
<b>Other information</b>			
Closing net asset value (£000)	19,157	18,408	11,663
Closing number of shares	12,096,892	13,010,521	8,245,838
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.89
Direct transaction costs (%)	0.17	0.20	0.19
<b>Prices</b>			
Highest share price (p)	162.38	151.78	141.55
Lowest share price (p)	140.36	130.46	114.31

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

<sup>†</sup>Class X – Net accumulation shares commenced 10 June 2015.

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

<sup>§</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle European Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net accumulation shares

Opening shares	166,623,173
Shares issued	2,261,505
Shares redeemed	(23,940,235)
Net conversions	(172,810)
Closing shares	144,771,633

#### Class 2 – Net accumulation shares

Opening shares	206,972,593
Shares issued	16,124,100
Shares redeemed	(33,978,670)
Net conversions	13,351
Closing shares	189,131,374

#### Class X – Net accumulation shares

Opening shares	3,000
Shares issued	171,710
Shares redeemed	(121,028)
Net conversions	–
Closing shares	53,682

#### Class Z – Net income shares

Opening shares	290,079
Shares issued	58,180
Shares redeemed	(65,139)
Net conversions	–
Closing shares	283,120

#### Class Z – Net accumulation shares

Opening shares	13,010,521
Shares issued	476,442
Shares redeemed	(1,589,295)
Net conversions	199,224
Closing shares	12,096,892

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle European Select Fund has risen from 222.56p to 254.44p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +13.54% as compared to a median return of +15.03% over the same period. (For information the FTSE World Europe ex UK Index returned +16.28% over the same period).

#### Market Overview and Portfolio Activity

At the start of the review period, investors were heartened by news that the European Central Bank had unleashed a further round of measures designed to stimulate the economy and drive inflation upwards. Economic data in the UK and the eurozone provided grounds for optimism, as did a firmer oil price and some more positive economic news from China, a key export market.

However, markets received a shock in June when the UK voted to leave the EU, introducing a period of political and economic uncertainty, and boosting support for anti-EU and anti-euro factions elsewhere. Sterling fell sharply, ratings agency Standard & Poor's removed the UK's AAA credit rating, the UK prime minister resigned and the Scottish National Party called for another independence referendum.

Mindful of recessionary risks, the Bank of England provided economic support and reassured markets by cutting interest rates to a new record low, expanding its bond-purchase scheme, and introducing a bank-funding programme. In the US, the uncertain economic outlook led to a delay in raising interest rates, which helped propel equities to fresh record highs, further boosting market sentiment in Europe.

Major transactions included purchasing new holdings in Heineken and Kingspan. Drinks business Heineken has an impressive brand portfolio and opportunities for expansion in Mexico, Nigeria and Vietnam, all of which have fast-growing

populations. Kingspan makes insulated board and panels for the construction industry; we expect demand to increase as the trend towards environmentally friendly buildings gathers momentum. Given the deteriorating outlook for the financial sector, we sold Nordea Bank and UBS. Other sales included Bayer (chemicals and pharmaceuticals) – we were not satisfied that the proposed acquisition of Monsanto would represent good value for shareholders.

Equity markets may be volatile in the wake of the UK's Brexit vote – it will take time before the full political, financial and economic repercussions become clear. There is also the risk of anti-EU political contagion; Italy's banking system is under strain and factions are clamouring for an EU-membership referendum, Spain's general election yielded another inconclusive result, while France and Germany head to the polls next year. We continue to monitor US politics, the oil price and China's economic outlook; these have all affected equity markets in recent months.

However, volatile markets provide us with investment opportunities, and we may see a resurgence in mergers and acquisitions, particularly as interest rates are likely to remain low in the UK and Europe, and also in the US. Quantitative easing, relatively low energy prices and loose credit conditions continue to help the trading environment for European companies. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	406,052	(186,663)
Revenue	57,698	46,190
Expenses	(19,170)	(17,468)
Interest payable and similar charges	(160)	(12)
Net revenue before taxation	38,368	28,710
Taxation	(4,106)	(3,910)
Net revenue after taxation	34,262	24,800
<b>Total return before equalisation</b>	<b>440,314</b>	<b>(161,863)</b>
Equalisation	(2,272)	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>438,042</b>	<b>(161,863)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	3,269,787	3,039,612
<b>Current assets:</b>		
Debtors	36,551	44,035
Cash and bank balances	46,598	36,314
<b>Total assets</b>	<b>3,352,936</b>	<b>3,119,961</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(23)	(1)
<b>Creditors:</b>		
Distribution payable	–	(2,958)
Other creditors	(13,051)	(34,474)
<b>Total liabilities</b>	<b>(13,074)</b>	<b>(37,433)</b>
<b>Net assets attributable to shareholders</b>	<b>3,339,862</b>	<b>3,082,528</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>3,082,528</b>	<b>2,592,114</b>
Amounts receivable on the issue of shares	325,598	554,350
Amounts payable on the cancellation of shares	(506,524)	(245,618)
	(180,926)	308,732
Dilution adjustment	218	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	438,042	(161,863)
<b>Closing net assets attributable to shareholders</b>	<b>3,339,862</b>	<b>2,738,983</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.



## Threadneedle European Select Fund

### Comparative Table Disclosure

	Class 1 – Net income shares		Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016 <sup>1</sup>	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	96.23	100.00	222.47	225.64	204.36
Return before operating charges (p)	14.62	(2.43)	33.83	0.51	24.71
Operating charges (p)	(0.83)	(1.34)	(1.94)	(3.68)	(3.43)
Return after operating charges (p)*	13.79	(3.77)	31.89	(3.17)	21.28
Closing net asset value per share (p)	110.02	96.23	254.36	222.47	225.64
Retained distribution on accumulation shares (p)	–	–	–	1.15	1.76
*after direct transaction costs <sup>2</sup> of (p)	0.07	0.09	0.16	0.24	0.19
<b>Performance</b>					
Return after charges (%)	14.33	(3.77)	14.33	(1.40)	10.41
<b>Other information</b>					
Closing net asset value (£000)	1,808	1,930	1,042,829	960,456	1,049,203
Closing number of shares	1,643,272	2,006,135	409,979,065	431,717,328	464,997,789
Operating charges (%)**	1.63 <sup>1</sup>	1.63 <sup>1</sup>	1.63 <sup>1</sup>	1.64	1.67
Direct transaction costs (%)	0.14	0.11	0.14	0.11	0.09
<b>Prices</b>					
Highest share price (p)	113.32	101.44	261.98	241.17	225.71
Lowest share price (p)	94.76	89.61	219.09	207.16	183.42

	Class 1 SGD Hedged – Net accumulation shares			Class 1 USD Hedged – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	130.09	133.06	102.99	112.51	114.89	100.00
Return before operating charges (p)	21.44	(0.88)	31.91	14.73	(0.53)	15.15
Operating charges (p)	(1.13)	(2.09)	(1.84)	(0.96)	(1.85)	(0.26)
Return after operating charges (p)*	20.31	(2.97)	30.07	13.77	(2.38)	14.89
Closing net asset value per share (p)	150.40	130.09	133.06	126.28	112.51	114.89
Retained distribution on accumulation shares (p)	–	–	0.15	–	0.20	0.10
*after direct transaction costs <sup>2</sup> of (p)	0.09	0.14	0.10	0.08	0.12	0.01
<b>Performance</b>						
Return after charges (%)	15.61	(2.23)	29.20	12.24	(2.07)	14.89
<b>Other information</b>						
Closing net asset value (£000)	67,537	74,713	3,326	10,697	11,114	222
Closing number of shares	44,903,409	57,432,647	2,499,783	8,470,766	9,877,632	193,240
Operating charges (%)**	1.63 <sup>1</sup>	1.63	1.66	1.63 <sup>1</sup>	1.64	1.63 <sup>1</sup>
Direct transaction costs (%)	0.14	0.11	0.09	0.14	0.11	0.09
<b>Prices</b>						
Highest share price (p)	156.02	147.87	133.10	130.81	127.51	115.65
Lowest share price (p)	125.87	113.70	99.82	108.54	101.03	99.54

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Net income shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	143.23	146.13	133.35	248.04	250.09	225.11
Return before operating charges (p)	21.82	0.33	16.21	37.78	0.59	27.39
Operating charges (p)	(0.81)	(1.54)	(1.42)	(1.40)	(2.64)	(2.41)
Return after operating charges (p)*	21.01	(1.21)	14.79	36.38	(2.05)	24.98
Distributions on income shares (p)	–	(1.69)	(2.01)	–	–	–
Closing net asset value per share (p)	164.24	143.23	146.13	284.42	248.04	250.09
Retained distribution on accumulation shares (p)	–	–	–	–	2.38	3.24
*after direct transaction costs <sup>‡</sup> of (p)	0.10	0.16	0.12	0.18	0.27	0.21
<b>Performance</b>						
Return after charges (%)	14.67	(0.83)	11.09	14.67	(0.82)	11.10
<b>Other information</b>						
Closing net asset value (£000)	188,725	192,660	214,862	987,058	887,707	746,996
Closing number of shares	114,909,806	134,507,786	147,035,940	347,046,119	357,884,606	298,693,791
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)	0.14	0.11	0.09	0.14	0.11	0.09
<b>Prices</b>						
Highest share price (p)	169.10	156.29	148.19	292.83	267.47	250.16
Lowest share price (p)	141.22	134.90	120.14	244.55	230.88	202.81

  

	Class 2 USD Hedged – Net accumulation shares			Class X – Net accumulation shares	
	07/09/2016	07/03/2016	07/03/2015 <sup>‡</sup>	07/09/2016	07/03/2016 <sup>‡</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	113.42	114.98	100.00	99.80	100.00
Return before operating charges (p)	14.87	(0.36)	15.15	15.25	(0.16)
Operating charges (p)	(0.63)	(1.20)	(0.17)	(0.03)	(0.04)
Return after operating charges (p)*	14.24	(1.56)	14.98	15.22	(0.20)
Closing net asset value per share (p)	127.66	113.42	114.98	115.02	99.80
Retained distribution on accumulation shares (p)	–	0.53	0.14	–	0.43
*after direct transaction costs <sup>‡</sup> of (p)	0.08	0.12	0.01	0.07	0.08
<b>Performance</b>					
Return after charges (%)	12.56	(1.36)	14.98	15.25	(0.20)
<b>Other information</b>					
Closing net asset value (£000)	28,624	26,009	4,472	38,340	19,977
Closing number of shares	22,421,303	22,932,416	3,889,575	33,334,810	20,015,986
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.05 <sup>†</sup>	0.06 <sup>†</sup>	0.06 <sup>†</sup>
Direct transaction costs (%)	0.14	0.11	0.09	0.14	0.11
<b>Prices</b>					
Highest share price (p)	132.19	127.78	115.77	118.34	103.67
Lowest share price (p)	109.54	101.46	99.54	98.59	92.84

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	115.26	116.80	105.73	143.80	144.66	129.92
Return before operating charges (p)	17.56	0.26	12.87	21.91	0.34	15.83
Operating charges (p)	(0.51)	(0.96)	(0.88)	(0.64)	(1.20)	(1.09)
Return after operating charges (p)*	17.05	(0.70)	11.99	21.27	(0.86)	14.74
Distributions on income shares (p)	–	(0.84)	(0.92)	–	–	–
Closing net asset value per share (p)	132.31	115.26	116.80	165.07	143.80	144.66
Retained distribution on accumulation shares (p)	–	–	–	–	1.60	1.30
*after direct transaction costs <sup>‡</sup> of (p)	0.08	0.13	0.10	0.10	0.16	0.12
<b>Performance</b>						
Return after charges (%)	14.79	(0.60)	11.34	14.79	(0.59)	11.35
<b>Other information</b>						
Closing net asset value (£000)	101,481	93,394	35,978	872,763	814,568	537,055
Closing number of shares	76,699,904	81,030,843	30,803,828	528,724,394	566,474,742	371,253,438
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.82	0.83 <sup>†</sup>	0.83	0.83
Direct transaction costs (%)	0.14	0.11	0.09	0.14	0.11	0.09
<b>Prices</b>						
Highest share price (p)	136.20	124.95	117.75	169.93	154.75	144.70
Lowest share price (p)	113.68	108.05	95.38	141.83	133.83	117.21

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

<sup>†</sup>Class 1 – Net income shares commenced 29 April 2015.

<sup>‡</sup>Class 1 USD Hedged – Net accumulation shares commenced 14 January 2015.

<sup>‡</sup>Class 2 USD Hedged – Net accumulation shares commenced 14 January 2015.

<sup>‡</sup>Class X – Net accumulation shares commenced 10 June 2015.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle European Select Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	2,006,135
Shares issued	527,248
Shares redeemed	(890,111)
Net conversions	–
Closing shares	1,643,272
<b>Class 1 – Net accumulation shares</b>	
Opening shares	431,717,328
Shares issued	4,230,848
Shares redeemed	(22,922,036)
Net conversions	(3,047,075)
Closing shares	409,979,065
<b>Class 1 SGD Hedged – Net accumulation shares</b>	
Opening shares	57,432,647
Shares issued	2,132,622
Shares redeemed	(14,661,860)
Net conversions	–
Closing shares	44,903,409
<b>Class 1 USD Hedged – Net accumulation shares</b>	
Opening shares	9,877,632
Shares issued	1,328,087
Shares redeemed	(2,734,953)
Net conversions	–
Closing shares	8,470,766
<b>Class 2 – Net income shares</b>	
Opening shares	134,507,786
Shares issued	245,501
Shares redeemed	(19,816,328)
Net conversions	(27,153)
Closing shares	114,909,806
<b>Class 2 – Net accumulation shares</b>	
Opening shares	357,884,606
Shares issued	98,063,092
Shares redeemed	(107,163,589)
Net conversions	(1,737,990)
Closing shares	347,046,119
<b>Class 2 USD Hedged – Net accumulation shares</b>	
Opening shares	22,932,416
Shares issued	218,693
Shares redeemed	(729,806)
Net conversions	–
Closing shares	22,421,303

	2016
<b>Class X – Net accumulation shares</b>	
Opening shares	20,015,986
Shares issued	20,359,006
Shares redeemed	(7,040,182)
Net conversions	–
Closing shares	33,334,810
<b>Class Z – Net income shares</b>	
Opening shares	81,030,843
Shares issued	7,532,132
Shares redeemed	(12,031,934)
Net conversions	168,863
Closing shares	76,699,904
<b>Class Z – Net accumulation shares</b>	
Opening shares	566,474,742
Shares issued	12,724,068
Shares redeemed	(58,075,525)
Net conversions	7,601,109
Closing shares	528,724,394

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle European Smaller Companies Fund has risen from 582.88p to 674.18p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +15.82% as compared to a median return of +15.88% over the same period. (For information the Euromoney European Small Cos. Ex UK Index returned +19.59% over the same period).

#### Market Overview and Portfolio Activity

At the start of the review period, investors were heartened by news that the European Central Bank had unleashed a further round of measures designed to stimulate the economy and drive inflation upwards. Economic data in the UK and the eurozone provided grounds for optimism, as did a firmer oil

price and some more positive economic news from China, a key export market.

However, markets received a shock in June when the UK voted to leave the EU, introducing a period of political and economic uncertainty, and boosting support for anti-EU and anti-euro factions elsewhere. Sterling fell sharply, ratings agency Standard & Poor's removed the UK's AAA credit rating, the UK prime minister resigned and the Scottish National Party called for another independence referendum.

Mindful of recessionary risks, the Bank of England provided economic support and reassured markets by cutting interest rates to a new record low, expanding its bond-purchase scheme, and introducing a bank-funding programme. In the US, the uncertain economic outlook led to a delay in raising interest rates, which helped propel equities to fresh record highs, further boosting market sentiment in Europe.

Major transactions included adding to existing positions in Dometic and Marr. Dometic produces compact fridges for boats and vehicles; this is a concentrated niche market. Food distributor Marr is well placed to benefit from Italy's fragmented restaurant market and culture of dining out. We also participated in the IPO for Telepizza, a Spanish-based takeaway food business, which has a strong brand presence in Iberia and Latin America. We reduced the position in jewellery business Pandora, and we sold Partners Group (private equity); both stocks were trading near multi-year highs.

Equity markets may be volatile in the wake of the UK's Brexit vote – it will take time before the full political, financial and economic repercussions become clear. There is also the risk of anti-EU political contagion; Italy's banking system is under strain and factions are clamouring for an EU-membership referendum, Spain's general election yielded another inconclusive result, while France and Germany head to the polls next year. We continue to monitor US politics, the oil price and China's economic outlook; these have all affected equity markets in recent months.

However, volatile markets provide us with investment opportunities, and we may see a resurgence in mergers and acquisitions, particularly as interest rates are likely to remain low in the UK and Europe, and also in the US. Quantitative easing, relatively low energy prices and loose credit conditions continue to help the trading environment for European companies. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains	210,753	14,918
Revenue	22,912	19,104
Expenses	(10,380)	(8,402)
Interest payable and similar charges	(67)	(5)
Net revenue before taxation	12,465	10,697
Taxation	(1,971)	(1,477)
Net revenue after taxation	10,494	9,220
Total return before equalisation	221,247	24,138
Equalisation	(67)	–
Change in net assets attributable to shareholders from investment activities	221,180	24,138

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,597,062	1,370,593
<b>Current assets:</b>		
Debtors	10,749	10,123
Cash and bank balances	13,272	10,549
Total assets	1,621,083	1,391,265
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1)	(1)
<b>Creditors:</b>		
Distribution payable	–	(43)
Other creditors	(3,326)	(8,412)
Total liabilities	(3,327)	(8,456)
<b>Net assets attributable to shareholders</b>	<b>1,617,756</b>	<b>1,382,809</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Opening net assets attributable to shareholders	1,382,809	1,119,153
Amounts receivable on the issue of shares	139,306	95,975
Amounts payable on the cancellation of shares	(125,656)	(83,270)
	13,650	12,705
Dilution adjustment	117	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	221,180	24,138
Closing net assets attributable to shareholders	1,617,756	1,155,996

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	566.89	502.44	494.22	582.03	515.72	500.27
Return before operating charges (p)	94.26	73.31	23.21	96.77	75.39	23.47
Operating charges (p)	(5.07)	(8.86)	(7.95)	(5.20)	(9.08)	(8.02)
Return after operating charges (p)*	89.19	64.45	15.26	91.57	66.31	15.45
Distributions on income shares (p)	–	–	(7.04)	–	–	–
Closing net asset value per share (p)	656.08	566.89	502.44	673.60	582.03	515.72
Retained distribution on accumulation shares (p)	–	–	–	–	0.19	1.44
*after direct transaction costs <sup>‡</sup> of (p)	0.19	0.61	0.59	0.19	0.62	0.59
<b>Performance</b>						
Return after charges (%)	15.73	12.83	3.09	15.73	12.86	3.09
<b>Other information</b>						
Closing net asset value (£000)	22,149	16,087	11,892	924,866	799,648	696,617
Closing number of shares	3,375,973	2,837,793	2,366,959	137,302,196	137,389,702	135,076,940
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)	0.06	0.12	0.13	0.06	0.12	0.13
<b>Prices</b>						
Highest share price (p)	675.33	572.84	510.13	693.37	588.14	516.38
Lowest share price (p)	559.28	484.06	415.34	574.21	502.88	420.42
	Class 1 CHF Hedged – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016 <sup>†</sup>		07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	103.34	100.00		647.63	570.33	549.87
Return before operating charges (p)	17.51	4.52		107.88	83.70	26.08
Operating charges (p)	(0.92)	(1.18)		(3.67)	(6.40)	(5.62)
Return after operating charges (p)*	16.59	3.34		104.21	77.30	20.46
Closing net asset value per share (p)	119.93	103.34		751.84	647.63	570.33
Retained distribution on accumulation shares (p)	–	–		–	3.55	4.97
*after direct transaction costs <sup>‡</sup> of (p)	0.03	0.08		0.21	0.69	0.65
<b>Performance</b>						
Return after charges (%)	16.05	3.34		16.09	13.55	3.72
<b>Other information</b>						
Closing net asset value (£000)	179	313		365,859	329,966	265,022
Closing number of shares	148,890	303,271		48,661,788	50,949,654	46,467,878
Operating charges (%)**	1.66 <sup>†</sup>	1.68 <sup>†</sup>		1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)	0.06	0.12		0.06	0.12	0.13
<b>Prices</b>						
Highest share price (p)	124.04	105.37		773.62	654.36	571.05
Lowest share price (p)	101.48	92.18		638.96	556.16	463.83

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	125.83	111.44	107.38	136.33	119.85	115.35
Return before operating charges (p)	20.98	16.35	5.20	22.72	17.60	5.48
Operating charges (p)	(0.60)	(1.04)	(0.91)	(0.64)	(1.12)	(0.98)
Return after operating charges (p)*	20.38	15.31	4.29	22.08	16.48	4.50
Distributions on income shares (p)	–	(0.92)	(0.23)	–	–	–
Closing net asset value per share (p)	146.21	125.83	111.44	158.41	136.33	119.85
Retained distribution on accumulation shares (p)	–	–	–	–	0.98	1.83
*after direct transaction costs <sup>‡</sup> of (p)	0.04	0.14	0.13	0.05	0.15	0.14
<b>Performance</b>						
Return after charges (%)	16.20	13.74	4.00	16.20	13.75	3.90
<b>Other information</b>						
Closing net asset value (£000)	10,993	5,855	4,521	293,260	230,620	141,101
Closing number of shares	7,518,854	4,652,971	4,056,632	185,126,207	169,157,024	117,730,628
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.06	0.12	0.13	0.06	0.12	0.13
<b>Prices</b>						
Highest share price (p)	150.43	128.08	111.81	162.98	137.75	120.00
Lowest share price (p)	124.15	108.67	90.75	134.51	116.88	97.40

	Class Z CHF Hedged – Net accumulation shares	
	07/09/2016	07/03/2016 <sup>2</sup>
<b>Change in net assets per share</b>		
Opening net asset value per share (p)	103.79	100.00
Return before operating charges (p)	17.66	4.41
Operating charges (p)	(0.49)	(0.62)
Return after operating charges (p)*	17.17	3.79
Closing net asset value per share (p)	120.96	103.79
*after direct transaction costs <sup>‡</sup> of (p)	0.03	0.08
<b>Performance</b>		
Return after charges (%)	16.54	3.79
<b>Other information</b>		
Closing net asset value (£000)	450	320
Closing number of shares	372,501	307,501
Operating charges (%)**	0.88 <sup>†</sup>	0.88 <sup>†</sup>
Direct transaction costs (%)	0.06	0.12
<b>Prices</b>		
Highest share price (p)	125.00	105.73
Lowest share price (p)	102.08	92.31

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

<sup>1</sup>Class 1 CHF Hedged – Net accumulation shares commenced 24 June 2015.

<sup>2</sup>Class Z CHF Hedged – Net accumulation shares commenced 24 June 2015.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle European Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net income shares

Opening shares	2,837,793
Shares issued	674,994
Shares redeemed	(135,026)
Net conversions	(1,788)
Closing shares	3,375,973

#### Class 1 – Net accumulation shares

Opening shares	137,389,702
Shares issued	4,223,604
Shares redeemed	(3,965,476)
Net conversions	(345,634)
Closing shares	137,302,196

#### Class 1 CHF Hedged – Net accumulation shares

Opening shares	303,271
Shares issued	138,890
Shares redeemed	(293,271)
Net conversions	–
Closing shares	148,890

#### Class 2 – Net accumulation shares

Opening shares	50,949,654
Shares issued	6,778,455
Shares redeemed	(8,823,494)
Net conversions	(242,827)
Closing shares	48,661,788

#### Class Z – Net income shares

Opening shares	4,652,971
Shares issued	3,654,661
Shares redeemed	(796,934)
Net conversions	8,156
Closing shares	7,518,854

#### Class Z – Net accumulation shares

Opening shares	169,157,024
Shares issued	41,097,734
Shares redeemed	(27,756,140)
Net conversions	2,627,589
Closing shares	185,126,207

#### Class Z CHF Hedged – Net accumulation shares

Opening shares	307,501
Shares issued	65,000
Shares redeemed	–
Net conversions	–
Closing shares	372,501



## Threadneedle Pan 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 and the UK, or, with significant Continental European or 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Pan European Smaller Companies Fund has risen from 179.66p to 202.04p.

The total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +12.90% as compared to a median return of +15.88% over the same period. (For information the Euromoney Smaller Europe Inc UK Index gave a total return of +16.94% for the same period).

#### Market Overview and Portfolio Activity

At the start of the review period, investors were heartened by news that the European Central Bank had unleashed a

further round of measures designed to stimulate the economy and drive inflation upwards. Economic data in the UK and the eurozone provided grounds for optimism, as did a firmer oil price and some more positive economic news from China, a key export market.

However, markets received a shock in June when the UK voted to leave the EU, introducing a period of political and economic uncertainty, and boosting support for anti-EU and anti-euro factions elsewhere. Sterling fell sharply, ratings agency Standard & Poor's removed the UK's AAA credit rating, the UK prime minister resigned and the Scottish National Party called for another independence referendum.

Mindful of recessionary risks, the Bank of England provided economic support and reassured markets by cutting interest rates to a new record low, expanding its bond-purchase scheme, and introducing a bank-funding programme. In the US, the uncertain economic outlook led to a delay in raising interest rates, which helped propel equities to fresh record highs, further boosting market sentiment in Europe.

Major transactions included adding to the existing position in CTS Eventim; the ticketing and events-management company is well placed to benefit from the trend towards online ticketing. We also participated in the IPO for Telepizza, a Spanish-based takeaway food business, which has a strong brand presence in Iberia and Latin America. Sales included UK engineering firm

IMI, which is vulnerable to any downturn in the UK economy. We also reduced several stocks, including jewellery business Pandora, following a period of good returns.

Equity markets may be volatile in the wake of the UK's Brexit vote – it will take time before the full political, financial and economic repercussions become clear. There is also the risk of anti-EU political contagion; Italy's banking system is under strain and factions are clamouring for an EU-membership referendum, Spain's general election yielded another inconclusive result, while France and Germany head to the polls next year. We continue to monitor US politics, the oil price and China's economic outlook; these have all affected equity markets in recent months.

However, volatile markets provide us with investment opportunities, and we may see a resurgence in mergers and acquisitions, particularly as interest rates are likely to remain low in the UK and Europe, and also in the US. Quantitative easing, relatively low energy prices and loose credit conditions continue to help the trading environment for European companies. In the UK, exporters and global businesses will benefit from sterling's weakness. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains	176,931	2,866
Revenue	26,101	20,237
Expenses	(9,819)	(8,277)
Interest payable and similar charges	(37)	(23)
Net revenue before taxation	16,245	11,937
Taxation	(1,386)	(894)
Net revenue after taxation	14,859	11,043
<b>Total return before equalisation</b>	<b>191,790</b>	<b>13,909</b>
Equalisation	(1,992)	861
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>189,798</b>	<b>14,770</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,588,401	1,672,810
<b>Current assets:</b>		
Debtors	3,877	4,677
Cash and bank balances	11,391	7,534
<b>Total assets</b>	<b>1,603,669</b>	<b>1,685,021</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(8)	(3)
<b>Creditors:</b>		
Other creditors	(10,172)	(8,532)
<b>Total liabilities</b>	<b>(10,180)</b>	<b>(8,535)</b>
<b>Net assets attributable to shareholders</b>	<b>1,593,489</b>	<b>1,676,486</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,676,486</b>	<b>1,191,933</b>
Amounts receivable on the issue of shares	114,271	380,954
Amounts payable on the cancellation of shares	(387,952)	(145,327)
	(273,681)	235,627
Dilution adjustment	886	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	189,798	14,770
<b>Closing net assets attributable to shareholders</b>	<b>1,593,489</b>	<b>1,442,330</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Net income shares		Class 1 – Net accumulation shares		
	07/09/2016 <sup>1</sup>		07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00		179.45	165.48	158.11
Return before operating charges (p)	15.66		24.52	16.86	9.90
Operating charges (p)	(0.89)		(1.57)	(2.89)	(2.53)
Return after operating charges (p)*	14.77		22.95	13.97	7.37
Closing net asset value per share (p)	114.77		202.40	179.45	165.48
Retained distribution on accumulation shares (p)	–		–	0.11	0.39
*after direct transaction costs <sup>2</sup> of (p)	0.04		0.08	0.29	0.22
<b>Performance</b>					
Return after charges (%)	14.77		12.79	8.44	4.66
<b>Other information</b>					
Closing net asset value (£000)	95		606,005	598,797	462,222
Closing number of shares	82,420		299,413,180	333,684,421	279,330,342
Operating charges (%)**	1.65 <sup>1</sup>		1.67 <sup>1</sup>	1.67	1.67
Direct transaction costs (%)	0.08		0.08	0.16	0.14
<b>Prices</b>					
Highest share price (p)	117.50		207.20	185.31	165.65
Lowest share price (p)	100.00		176.33	161.62	133.38
	Class 1 CHF Hedged – Net accumulation shares		Class 1 USD Hedged – Net accumulation shares		
	07/09/2016	07/03/2016 <sup>2</sup>	07/09/2016	07/03/2016	07/03/2015 <sup>3</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	98.31	100.00	113.50	105.25	100.00
Return before operating charges (p)	13.74	(0.53)	13.12	10.08	5.29
Operating charges (p)	(0.86)	(1.16)	(0.97)	(1.83)	(0.04)
Return after operating charges (p)*	12.88	(1.69)	12.15	8.25	5.25
Closing net asset value per share (p)	111.19	98.31	125.65	113.50	105.25
Retained distribution on accumulation shares (p)	–	–	–	0.07	0.01
*after direct transaction costs <sup>2</sup> of (p)	0.04	0.11	0.05	0.18	0.00
<b>Performance</b>					
Return after charges (%)	13.10	(1.69)	10.70	7.84	5.25
<b>Other information</b>					
Closing net asset value (£000)	201	100	49,941	70,233	1,815
Closing number of shares	181,228	101,228	39,747,974	61,880,360	1,724,265
Operating charges (%)**	1.66 <sup>1</sup>	1.69 <sup>1</sup>	1.67 <sup>1</sup>	1.67	1.49 <sup>1</sup>
Direct transaction costs (%)	0.08	0.16	0.08	0.16	0.14
<b>Prices</b>					
Highest share price (p)	114.35	102.87	128.83	118.07	105.74
Lowest share price (p)	96.33	89.59	108.29	98.56	100.00

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net accumulation shares			Class X – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	191.51	175.51	166.67	124.84	113.27	106.51
Return before operating charges (p)	26.21	17.95	10.54	17.15	11.64	6.82
Operating charges (p)	(1.06)	(1.95)	(1.70)	(0.04)	(0.07)	(0.06)
Return after operating charges (p)*	25.15	16.00	8.84	17.11	11.57	6.76
Closing net asset value per share (p)	216.66	191.51	175.51	141.95	124.84	113.27
Retained distribution on accumulation shares (p)	–	1.25	1.39	–	2.00	1.92
*after direct transaction costs <sup>†</sup> of (p)	0.08	0.30	0.23	0.05	0.20	0.15
<b>Performance</b>						
Return after charges (%)	13.13	9.12	5.30	13.71	10.21	6.35
<b>Other information</b>						
Closing net asset value (£000)	343,151	366,482	246,874	80,782	76,370	113,092
Closing number of shares	158,381,220	191,368,225	140,661,529	56,908,346	61,174,037	99,839,877
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)	0.08	0.16	0.14	0.08	0.16	0.14
<b>Prices</b>						
Highest share price (p)	221.72	197.53	175.70	145.18	128.53	113.39
Lowest share price (p)	188.19	171.43	141.13	122.68	110.65	90.73
	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016 <sup>‡</sup>		07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.11	100.00		136.09	124.50	118.02
Return before operating charges (p)	14.53	6.49		18.63	12.74	7.48
Operating charges (p)	(0.49)	(0.38)		(0.63)	(1.15)	(1.00)
Return after operating charges (p)*	14.04	6.11		18.00	11.59	6.48
Closing net asset value per share (p)	120.15	106.11		154.09	136.09	124.50
Retained distribution on accumulation shares (p)	–	–		–	1.11	1.19
*after direct transaction costs <sup>†</sup> of (p)	0.04	0.06		0.06	0.22	0.17
<b>Performance</b>						
Return after charges (%)	13.23	6.11		13.23	9.31	5.49
<b>Other information</b>						
Closing net asset value (£000)	48	42		509,698	561,806	367,930
Closing number of shares	40,001	40,001		330,769,248	412,834,424	295,526,612
Operating charges (%)**	0.87 <sup>†</sup>	0.98 <sup>†</sup>		0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.08	0.16		0.08	0.16	0.14
<b>Prices</b>						
Highest share price (p)	122.95	109.41		157.68	140.32	124.63
Lowest share price (p)	104.27	97.03		133.73	121.61	100.04

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Net accumulation shares		Class Z USD Hedged – Net accumulation shares	
	07/09/2016	07/03/2016 <sup>5</sup>	07/09/2016	07/03/2016 <sup>6</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	98.86	100.00	105.54	100.00
Return before operating charges (p)	13.87	(0.53)	12.23	6.11
Operating charges (p)	(0.46)	(0.61)	(0.48)	(0.57)
Return after operating charges (p)*	13.41	(1.14)	11.75	5.54
Closing net asset value per share (p)	112.27	98.86	117.29	105.54
Retained distribution on accumulation shares (p)	–	0.03	–	–
*after direct transaction costs <sup>4</sup> of (p)	0.04	0.11	0.04	0.10
<b>Performance</b>				
Return after charges (%)	13.56	(1.14)	11.13	5.54
<b>Other information</b>				
Closing net asset value (€000)	353	296	3,215	2,360
Closing number of shares	314,588	299,142	2,740,797	2,236,141
Operating charges (%)**	0.88 <sup>1</sup>	0.89 <sup>1</sup>	0.88 <sup>1</sup>	0.90 <sup>1</sup>
Direct transaction costs (%)	0.08	0.16	0.08	0.16
<b>Prices</b>				
Highest share price (p)	115.40	103.35	120.22	109.64
Lowest share price (p)	97.02	90.04	100.80	91.34

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

<sup>1</sup>Class 1 – Net income shares commenced 10 March 2016.

<sup>2</sup>Class 1 CHF Hedged – Net accumulation shares commenced 24 June 2015.

<sup>3</sup>Class 1 USD Hedged – Net accumulation shares commenced 25 February 2015.

<sup>4</sup>Class Z – Net income shares commenced 13 October 2015.

<sup>5</sup>Class Z CHF Hedged – Net accumulation shares commenced 24 June 2015.

<sup>6</sup>Class Z USD Hedged – Net accumulation shares commenced 29 July 2015.

<sup>7</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>8</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Pan European Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares*</b>	
Opening shares	–
Shares issued	82,420
Shares redeemed	–
Net conversions	–
Closing shares	<u>82,420</u>
<b>Class 1 – Net accumulation shares</b>	
Opening shares	333,684,421
Shares issued	46,623,739
Shares redeemed	(79,794,001)
Net conversions	(1,100,979)
Closing shares	<u>299,413,180</u>
<b>Class 1 CHF Hedged – Net accumulation shares</b>	
Opening shares	101,228
Shares issued	110,000
Shares redeemed	(30,000)
Net conversions	–
Closing shares	<u>181,228</u>
<b>Class 1 USD Hedged – Net accumulation shares</b>	
Opening shares	61,880,360
Shares issued	950,644
Shares redeemed	(22,751,472)
Net conversions	(331,558)
Closing shares	<u>39,747,974</u>
<b>Class 2 – Net accumulation shares</b>	
Opening shares	191,368,225
Shares issued	5,857,917
Shares redeemed	(38,783,415)
Net conversions	(61,507)
Closing shares	<u>158,381,220</u>
<b>Class X – Net accumulation shares</b>	
Opening shares	61,174,037
Shares issued	–
Shares redeemed	(4,265,691)
Net conversions	–
Closing shares	<u>56,908,346</u>
<b>Class Z – Net income shares</b>	
Opening shares	40,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>40,001</u>

	2016
<b>Class Z – Net accumulation shares</b>	
Opening shares	412,834,424
Shares issued	8,744,859
Shares redeemed	(92,346,570)
Net conversions	1,536,535
Closing shares	<u>330,769,248</u>
<b>Class Z CHF Hedged – Net accumulation shares</b>	
Opening shares	299,142
Shares issued	27,196
Shares redeemed	(11,750)
Net conversions	–
Closing shares	<u>314,588</u>
<b>Class Z USD Hedged – Net accumulation shares</b>	
Opening shares	2,236,141
Shares issued	1,589,921
Shares redeemed	(1,441,682)
Net conversions	356,417
Closing shares	<u>2,740,797</u>

\*Class 1 – Net income shares commenced 10 March 2016.

## Threadneedle Pan 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 the equity of large companies domiciled in Continental Europe or the UK or with significant Continental European or UK activities. The ACD may, however, invest in the equity of smaller companies.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Pan European Fund has risen from 131.18p to 147.90p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +12.64% as compared to a median return of +13.43% over the same period. (For information the MSCI World Europe Index returned +15.57% over the same period).

#### Market Overview and Portfolio Activity

At the start of the review period, investors were heartened by news that the European Central Bank had unleashed a further round of measures designed to stimulate the economy and drive inflation upwards. Economic data in the UK and the eurozone provided grounds for optimism, as did a firmer oil

price and some more positive economic news from China, a key export market.

However, markets received a shock in June when the UK voted to leave the EU, introducing a period of political and economic uncertainty, and boosting support for anti-EU and anti-euro factions elsewhere. Sterling fell sharply, ratings agency Standard & Poor's removed the UK's AAA credit rating, the UK prime minister resigned and the Scottish National Party called for another independence referendum.

Mindful of recessionary risks, the Bank of England provided economic support and reassured markets by cutting interest rates to a new record low, expanding its bond-purchase scheme, and introducing a bank-funding programme. In the US, the uncertain economic outlook led to a delay in raising interest rates, which helped propel equities to fresh record highs, further boosting market sentiment in Europe.

Major transactions included purchasing new holdings in Nestlé and Atlas Copco. Food group Nestlé has a powerful brand portfolio and an extensive global presence; the stock also has defensive merits. In the industrial sector, depressed commodity prices had caused Atlas Copco's share price to weaken, but metal prices now appear to have troughed. We sold shares in the London Stock Exchange following a rally prompted by news of a potential merger with Deutsche Boerse. We also sold the position in UK technology firm ARM; the stock had risen strongly following a takeover bid from Japan's SoftBank.

Equity markets may be volatile in the wake of the UK's Brexit vote – it will take time before the full political, financial and economic repercussions become clear. There is also the risk of anti-EU political contagion; Italy's banking system is under strain and factions are clamouring for an EU-membership referendum, Spain's general election yielded another inconclusive result, while France and Germany head to the polls next year. We continue to monitor US politics, the oil price and China's economic outlook; these have all affected equity markets in recent months.

However, volatile markets provide us with investment opportunities, and we may see a resurgence in mergers and acquisitions, particularly as interest rates are likely to remain low in the UK and Europe, and also in the US. Quantitative easing, relatively low energy prices and loose credit conditions continue to help the trading environment for European companies. In the UK, exporters and global businesses will benefit from sterling's weakness. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	40,212	(22,126)
Revenue	7,868	7,689
Expenses	(1,908)	(2,159)
Interest payable and similar charges	(6)	(3)
Net revenue before taxation	5,954	5,527
Taxation	(479)	(377)
Net revenue after taxation	5,475	5,150
<b>Total return before equalisation</b>	<b>45,687</b>	<b>(16,976)</b>
Equalisation	(612)	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>45,075</b>	<b>(16,976)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	365,698	362,387
<b>Current assets:</b>		
Debtors	7,463	3,669
Cash and bank balances	4,057	2,747
<b>Total assets</b>	<b>377,218</b>	<b>368,803</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(789)	(5,189)
<b>Total liabilities</b>	<b>(789)</b>	<b>(5,189)</b>
<b>Net assets attributable to shareholders</b>	<b>376,429</b>	<b>363,614</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>363,614</b>	<b>368,340</b>
Amounts receivable on the issue of shares	94,021	124,566
Amounts payable on the cancellation of shares	(126,439)	(67,832)
Amounts payable on inspecie transfers	–	(52,184)
	(32,418)	4,550
Dilution adjustment	158	200
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	45,075	(16,976)
<b>Closing net assets attributable to shareholders</b>	<b>376,429</b>	<b>356,114</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle Pan European Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016 <sup>1</sup>			07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.00			131.13	137.65	131.18
Return before operating charges (p)	13.26			17.87	(4.27)	8.59
Operating charges (p)	(0.85)			(1.15)	(2.25)	(2.12)
Return after operating charges (p)*	12.41			16.72	(6.52)	6.47
Closing net asset value per share (p)	112.41			147.85	131.13	137.65
Retained distribution on accumulation shares (p)	–			–	0.90	1.01
*after direct transaction costs <sup>2</sup> of (p)	0.14			0.19	0.42	0.45
<b>Performance</b>						
Return after charges (%)	12.41			12.75	(4.74)	4.93
<b>Other information</b>						
Closing net asset value (£000)	3			77,763	115,291	87,977
Closing number of shares	3,000			52,594,181	87,920,697	63,913,118
Operating charges (%)**	1.63 <sup>1</sup>			1.67 <sup>1</sup>	1.67	1.68
Direct transaction costs (%)	0.27			0.27	0.31	0.35
<b>Prices</b>						
Highest share price (p)	114.73			150.92	144.43	137.71
Lowest share price (p)	98.41			129.46	120.10	112.26

  

	Class 2 – Net accumulation shares			Class 2i – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.70	150.96	142.98	156.60	163.38	154.75
Return before operating charges (p)	19.76	(4.68)	9.46	21.40	(5.07)	10.25
Operating charges (p)	(0.81)	(1.58)	(1.48)	(0.88)	(1.71)	(1.62)
Return after operating charges (p)*	18.95	(6.26)	7.98	20.52	(6.78)	8.63
Closing net asset value per share (p)	163.65	144.70	150.96	177.12	156.60	163.38
Retained distribution on accumulation shares (p)	–	2.77	1.53	–	3.29	13.16
*after direct transaction costs <sup>2</sup> of (p)	0.20	0.47	0.49	0.22	0.51	0.53
<b>Performance</b>						
Return after charges (%)	13.10	(4.15)	5.58	13.10	(4.15)	5.58
<b>Other information</b>						
Closing net asset value (£000)	156,529	140,990	197,590	362	349	549
Closing number of shares	95,646,064	97,438,913	130,890,817	204,308	222,944	335,825
Operating charges (%)**	1.06 <sup>1</sup>	1.06	1.07	1.06 <sup>1</sup>	1.06	1.08
Direct transaction costs (%)	0.27	0.31	0.35	0.27	0.31	0.35
<b>Prices</b>						
Highest share price (p)	166.98	158.49	151.01	180.73	171.53	163.44
Lowest share price (p)	143.09	132.47	122.82	154.87	143.37	132.93

## Threadneedle Pan European Fund

### Comparative Table Disclosure

(continued)

	Class X – Net accumulation shares			Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	140.15	144.76	135.75	105.94	112.20	107.55
Return before operating charges (p)	19.20	(4.52)	9.10	14.52	(3.44)	7.12
Operating charges (p)	(0.04)	(0.09)	(0.09)	(0.46)	(0.91)	(0.84)
Return after operating charges (p)*	19.16	(4.61)	9.01	14.06	(4.35)	6.28
Distributions on income shares (p)	–	–	–	–	(1.91)	(1.63)
Closing net asset value per share (p)	159.31	140.15	144.76	120.00	105.94	112.20
Retained distribution on accumulation shares (p)	–	3.27	3.22	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	0.20	0.45	0.47	0.15	0.34	0.37
<b>Performance</b>						
Return after charges (%)	13.67	(3.18)	6.64	13.27	(3.88)	5.84
<b>Other information</b>						
Closing net asset value (£000)	44,859	46,654	46,539	1	8	1
Closing number of shares	28,158,255	33,289,784	32,149,636	1,000	7,508	1,000
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.07	0.83 <sup>†</sup>	0.84	0.81
Direct transaction costs (%)	0.27	0.31	0.35	0.27	0.31	0.35
<b>Prices</b>						
Highest share price (p)	162.45	152.13	144.80	122.41	117.87	113.88
Lowest share price (p)	138.98	128.22	117.32	104.84	98.73	92.53

	Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	139.30	145.08	137.17
Return before operating charges (p)	19.04	(4.53)	9.09
Operating charges (p)	(0.65)	(1.25)	(1.18)
Return after operating charges (p)*	18.39	(5.78)	7.91
Closing net asset value per share (p)	157.69	139.30	145.08
Retained distribution on accumulation shares (p)	–	2.05	0.94
*after direct transaction costs <sup>‡</sup> of (p)	0.20	0.45	0.47
<b>Performance</b>			
Return after charges (%)	13.20	(3.98)	5.77
<b>Other information</b>			
Closing net asset value (£000)	96,912	60,322	35,684
Closing number of shares	61,457,417	43,303,926	24,597,128
Operating charges (%)**	0.89 <sup>†</sup>	0.88	0.89
Direct transaction costs (%)	0.27	0.31	0.35
<b>Prices</b>			
Highest share price (p)	160.88	152.34	145.12
Lowest share price (p)	137.82	127.52	117.96

\*\*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](http://columbiathreadneedle.com/fees).

<sup>†</sup>Class 1 – Net income shares commenced 9 March 2016.

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

<sup>§</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.



# Threadneedle Pan European Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares*</b>	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class 1 – Net accumulation shares</b>	
Opening shares	87,920,697
Shares issued	5,464,173
Shares redeemed	(40,732,142)
Net conversions	(58,547)
Closing shares	<u>52,594,181</u>
<b>Class 2 – Net accumulation shares</b>	
Opening shares	97,438,913
Shares issued	6,206,421
Shares redeemed	(7,999,270)
Net conversions	–
Closing shares	<u>95,646,064</u>
<b>Class 2i – Net accumulation shares</b>	
Opening shares	222,944
Shares issued	–
Shares redeemed	(18,636)
Net conversions	–
Closing shares	<u>204,308</u>
<b>Class X – Net accumulation shares</b>	
Opening shares	33,289,784
Shares issued	–
Shares redeemed	(5,131,529)
Net conversions	–
Closing shares	<u>28,158,255</u>
<b>Class Z – Net income shares</b>	
Opening shares	7,508
Shares issued	–
Shares redeemed	(6,508)
Net conversions	–
Closing shares	<u>1,000</u>
<b>Class Z – Net accumulation shares</b>	
Opening shares	43,303,926
Shares issued	54,766,641
Shares redeemed	(36,668,232)
Net conversions	55,082
Closing shares	<u>61,457,417</u>

\*Class 1 – Net income shares commenced 9 March 2016.

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle European Bond Fund has risen from 69.89p to 78.67p.

The sterling total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +12.33%, which equates approximately to +14.00% gross of tax and charges\*\*. For information the ML Pan Europe Large Cap Index returned +12.62% over the same period.

#### Market Overview and Portfolio Activity

Overall, the six months in review constituted a strong period for European bonds. Broadly speaking, corporate and

emerging-market government bonds comfortably outperformed developed government debt. With core yields at very low levels – below zero in many cases – investors were tempted further out the risk spectrum in the search for higher income. Gilts were among notable exceptions to this trend, trailing only slightly behind UK corporate bonds. Index-linked gilts easily outperformed the corporate market as investors sought protection against the higher inflation a “Brexit” vote would entail. After the UK's shock decision to leave the EU, conventional gilt yields fell to record lows on the correct assumption that the Bank of England (BoE) would respond by cutting interest rates and restarting its asset-purchase programme.

Indeed, central banks were a key driver of market direction generally. The Federal Reserve opted against a further rate hike during the period, concerned primarily by international developments including the EU referendum. Meanwhile, a number of other major central banks, including the European Central Bank (ECB) and the aforementioned BoE, announced additional monetary stimulus. Of the two, the ECB acted first, revealing its package of new measures in March, while the BoE followed suit in August, anxious to head off a Brexit-related recession. As well as cutting interest rates, both institutions expanded their government-bond purchases and, in a move that prompted a marked tightening in credit spreads, added the buying of corporate bonds to their stimulus efforts.

The fund continued to hold a well-diversified allocation across sovereign, corporate and collateralised bonds, predominantly denominated in euros, but also in other European currencies. We generally maintained an underweight duration position, but this was adjusted tactically over the six months. Indeed, we ended the period modestly long duration versus the index, primarily via our holdings in investment-grade corporate and index-linked bonds. Over the period, we significantly increased the portfolio's existing investment-grade overweight in expectation that the central-bank actions described above would support a continued narrowing in spreads. Credit-default-swap contracts were used to reduce the credit risk associated with underlying corporate-bond holdings. On the other side, we reduced exposure to the high-yield market, and more marginally, to emerging-market debt. Within the underweight exposure to developed government bonds, we moved from long duration positions in UK gilts and German bunds to short effective durations. With their yields having plumbed record lows following the Brexit vote, we see little scope for further declines.

At some point, yields will rise, but it may not be imminent, as central banks will endeavour to keep yields low to encourage growth. Until they do, banking profitability may be depressed, and in such an environment, banks may be less likely to create credit, undermining economic growth.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	19,649	(3,173)
Revenue	1,281	1,635
Expenses	(899)	(959)
Interest payable and similar charges	(238)	(186)
Net revenue before taxation	144	490
Taxation	–	–
Net revenue after taxation	144	490
<b>Total return before distributions</b>	<b>19,793</b>	<b>(2,683)</b>
Distributions	(904)	(1,304)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>18,889</b>	<b>(3,987)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	161,463	132,392
<b>Current assets:</b>		
Debtors	1,771	4,255
Cash and bank balances	7,719	9,319
<b>Total assets</b>	<b>170,953</b>	<b>145,966</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1,864)	(468)
<b>Creditors:</b>		
Bank overdrafts	–	(711)
Distribution payable	(231)	(300)
Other creditors	(1,126)	(1,684)
<b>Total liabilities</b>	<b>(3,221)</b>	<b>(3,163)</b>
<b>Net assets attributable to shareholders</b>	<b>167,732</b>	<b>142,803</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>142,803</b>	<b>197,075</b>
Amounts receivable on the issue of shares	43,828	35,380
Amounts payable on the cancellation of shares	(38,519)	(87,780)
	5,309	(52,400)
Dilution adjustment	35	74
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,889	(3,987)
Retained distribution on accumulation shares	696	709
<b>Closing net assets attributable to shareholders</b>	<b>167,732</b>	<b>141,471</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.4296	0.0859	0.3437	–	0.3437	0.4010
<b>Group 2</b>						
08/03/16 to 07/09/16	0.1685	0.0337	0.1348	0.2089	0.3437	0.4010
<b>Total distributions in the period</b>					<b>0.3437</b>	<b>0.4010</b>

#### Class 1 Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.8354	–	0.8354	0.9608
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3715	0.4639	0.8354	0.9608
<b>Total distributions in the period</b>			<b>0.8354</b>	<b>0.9608</b>

## Threadneedle European Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	0.8367	—	0.8367	0.9358
<b>Group 2</b> 08/03/16 to 07/09/16	0.1278	0.7089	0.8367	0.9358
<b>Total distributions in the period</b>			<b>0.8367</b>	<b>0.9358</b>

#### Class Z Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	0.6399	0.1280	0.5119	—	0.5119	0.5897
<b>Group 2</b> 08/03/16 to 07/09/16	0.3420	0.0684	0.2736	0.2383	0.5119	0.5897
<b>Total distributions in the period</b>					<b>0.5119</b>	<b>0.5897</b>

Group 2: shares purchased during a distribution period.

## Threadneedle European Bond Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	69.40	66.99	69.05	134.93	128.40	129.81
Return before operating charges (p)	9.56	3.98	(0.17)	18.77	8.05	0.14
Operating charges (p)	(0.44)	(0.79)	(0.82)	(0.85)	(1.52)	(1.55)
Return after operating charges (p)*	9.12	3.19	(0.99)	17.92	6.53	(1.41)
Distributions on income shares (p)	(0.34)	(0.78)	(1.07)	–	–	–
Closing net asset value per share (p)	78.18	69.40	66.99	152.85	134.93	128.40
Retained distribution on accumulation shares (p)	–	–	–	0.84	1.87	2.52
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	13.14	4.76	(1.43)	13.28	5.09	(1.09)
<b>Other information</b>						
Closing net asset value (£000)	35,040	38,169	51,574	118,544	97,093	120,516
Closing number of shares	44,816,966	55,002,053	76,988,758	77,556,153	71,959,103	93,863,284
Operating charges (%)**	1.18 <sup>†</sup>	1.19	1.18	1.18 <sup>†</sup>	1.19	1.18
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	80.82	71.18	71.36	157.30	137.63	135.75
Lowest share price (p)	69.20	63.04	66.86	134.64	120.97	128.14

  

	Class 2 – Gross accumulation shares <sup>§</sup>			Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	122.70	116.05	110.78	99.77	95.82	98.28
Return before operating charges (p)	17.11	7.33	5.95	13.76	5.72	(0.27)
Operating charges (p)	(0.37)	(0.68)	(0.68)	(0.34)	(0.62)	(0.64)
Return after operating charges (p)*	16.74	6.65	5.27	13.42	5.10	(0.91)
Distributions on income shares (p)	–	–	–	(0.51)	(1.15)	(1.55)
Closing net asset value per share (p)	139.44	122.70	116.05	112.68	99.77	95.82
Retained distribution on accumulation shares (p)	0.84	1.83	2.42	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	13.64	5.73	4.76	13.45	5.32	(0.93)
<b>Other information</b>						
Closing net asset value (£000)	8,029	1,900	11,800	6,119	5,641	13,185
Closing number of shares	5,758,448	1,548,216	10,168,488	5,429,888	5,654,070	13,760,645
Operating charges (%)**	0.55 <sup>†</sup>	0.59	0.57	0.64 <sup>†</sup>	0.65	0.64
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	143.45	125.13	122.52	116.46	102.33	101.96
Lowest share price (p)	122.60	109.56	115.82	99.60	90.35	95.63

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

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle European Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	55,002,053
Shares issued	1,249,286
Shares redeemed	(11,376,508)
Net conversions	(57,865)
Closing shares	<u>44,816,966</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	71,959,103
Shares issued	15,679,756
Shares redeemed	(10,082,706)
Net conversions	—
Closing shares	<u>77,556,153</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	1,548,216
Shares issued	12,055,562
Shares redeemed	(7,845,330)
Net conversions	—
Closing shares	<u>5,758,448</u>
<b>Class Z – Net income shares</b>	
Opening shares	5,654,070
Shares issued	3,964,021
Shares redeemed	(4,228,449)
Net conversions	40,246
Closing shares	<u>5,429,888</u>

## Threadneedle European Corporate Bond Fund

### Investment Report

#### Investment Objective

To achieve total return.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of fixed interest securities which are primarily Euro denominated. The portfolio will consist primarily of a broad range of investment grade corporate fixed interest investments in companies domiciled in Europe or which have significant European operations. From time to time, it may also invest in securities issued by investment grade sovereign and supranational borrowers. However, it is intended that the portfolio will not be more than 25% invested in securities rated AAA (Standard & Poor's) or equivalent rating by another leading rating agency. A maximum of 10% of the portfolio can be invested in below investment grade securities. Where securities are non-Euro denominated it is intended that they will typically be hedged into Euro.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle European Corporate Bond Fund has risen from 92.64 to 106.36p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016,

including net reinvested income, is +14.35%. The fund return equates approximately to +16.12% gross of tax and charges\*\*. (For information the iBoxx European All Corporate Bond Index gave a total return of +14.65% for the same period).

#### Market Overview and Portfolio Activity

European corporate bond returns were positive over the six months under review. The period saw a trend of credit spread tightening following the volatile start to the year across global financial markets. The European Central Bank augmented its quantitative easing by increasing the size of its bond purchases from €60 billion to €80 billion per month and expanding the programme to include investment-grade (excluding financial) corporate bonds. Consequently, the yield on the 10-year German bund fell from 0.18% to negative territory, ending the period at -0.12%. Credit spreads tightened by around 40 basis points (bps), resulting in excess returns of 3.6% over bunds.

We have reduced the amount of relative credit risk (beta) in the portfolio, due to the maturing stages of the credit cycle and tighter credit market spreads. We are invested closer to neutral; although we believe the market is well supported, we do not expect spreads to tighten significantly from current levels. We also retain a short-duration position as government bond yields are at record lows.

Across markets, euro spreads appear to be richer than their sterling and dollar counterparts. As a result, we have allocated to and benefitted from holding non-euro bonds, particularly sterling short-dated corporate bonds, with currency risk fully hedged to euros. We rotated the fund's positioning thematically towards more defensive sectors such as regulated utilities and consumer goods. Examples of such purchases include RWE, Ab Inbev and British American Tobacco. RWE had a material change to its credit outlook as it reorganised itself and bonds were moved closer to the regulated-operating-company businesses. We also continued to purchase US pipelines which have limited direct exposure to commodity prices and therefore presented a sub-sector opportunity – examples include Kinder Morgan and APT.

European corporate credit remains supported by expansionary monetary policy, an economic background that is neither recession-like nor boom-like, market valuations (spreads) that are close to long-term averages and a demand for income that is not being satisfied by cash rates or government bonds. Balancing these considerations is corporate behaviour that has become more equity-holder friendly – including rising share buybacks and heightened mergers and acquisitions activity. We expect to see a continuation of the trend of global issuers taking advantage of low yields and tight spreads to issue euro-dominated bonds.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	14,908	(1,272)
Revenue	1,167	936
Expenses	(532)	(356)
Interest payable and similar charges	(114)	(222)
Net revenue before taxation	521	358
Taxation	–	–
Net revenue after taxation	521	358
<b>Total return before distributions</b>	<b>15,429</b>	<b>(914)</b>
Distributions	(521)	(358)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>14,908</b>	<b>(1,272)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	158,311	67,623
<b>Current assets:</b>		
Debtors	4,822	2,744
Cash and bank balances	15,249	1,466
<b>Total assets</b>	<b>178,382</b>	<b>71,833</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(880)	(235)
<b>Creditors:</b>		
Distribution payable	(37)	(44)
Other creditors	(1,704)	(1,941)
<b>Total liabilities</b>	<b>(2,621)</b>	<b>(2,220)</b>
<b>Net assets attributable to shareholders</b>	<b>175,761</b>	<b>69,613</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>69,613</b>	<b>74,777</b>
Amounts receivable on the issue of shares	107,373	11,522
Amounts payable on the cancellation of shares	(17,140)	(27,418)
	90,233	(15,896)
Dilution adjustment	189	65
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	14,908	(1,272)
Retained distribution on accumulation shares	818	317
<b>Closing net assets attributable to shareholders</b>	<b>175,761</b>	<b>57,991</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net accumulation

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2016	Net Revenue Accumulated 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.3331	0.0666	0.2665	–	0.2665	0.3421
<b>Group 2</b>						
08/03/16 to 07/09/16	0.1564	0.0313	0.1251	0.1414	0.2665	0.3421
<b>Total distributions in the period</b>					<b>0.2665</b>	<b>0.3421</b>

#### Class 1 Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.3616	–	0.3616	0.4504
<b>Group 2</b>				
08/03/16 to 07/09/16	0.0999	0.2617	0.3616	0.4504
<b>Total distributions in the period</b>			<b>0.3616</b>	<b>0.4504</b>

## Threadneedle European Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.8475	—	0.8475	1.3023
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3281	0.5194	0.8475	1.3023
<b>Total distributions in the period</b>			<b>0.8475</b>	<b>1.3023</b>

#### Class Z Shares

##### Net accumulation

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2016	Net Revenue Accumulated 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.6614	0.1323	0.5291	—	0.5291	0.5468
<b>Group 2</b>						
08/03/16 to 07/09/16	0.3323	0.0665	0.2658	0.2633	0.5291	0.5468
<b>Total distributions in the period</b>					<b>0.5291</b>	<b>0.5468</b>

Group 2: shares purchased during a distribution period.

## Threadneedle European Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	92.36	87.75	94.13	100.25	95.07	101.73
Return before operating charges (p)	14.36	5.68	(5.26)	15.66	6.30	(5.45)
Operating charges (p)	(0.60)	(1.07)	(1.12)	(0.66)	(1.12)	(1.21)
Return after operating charges (p)*	13.76	4.61	(6.38)	15.00	5.18	(6.66)
Closing net asset value per share (p)	106.12	92.36	87.75	115.25	100.25	95.07
Retained distribution on accumulation shares (p)	0.27	0.67	0.92	0.36	0.90	1.44
*after direct transaction costs <sup>4</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	14.90	5.25	(6.78)	14.96	5.45	(6.55)
<b>Other information</b>						
Closing net asset value (£000)	57,068	49,576	44,645	13,384	5,869	5,890
Closing number of shares	53,776,202	53,674,429	50,875,455	11,612,179	5,854,482	6,194,967
Operating charges (%)**	1.19 <sup>1</sup>	1.21	1.20	1.19 <sup>1</sup>	1.20	1.20
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	109.68	94.07	95.44	119.11	102.10	103.23
Lowest share price (p)	92.33	82.78	87.73	100.21	89.74	95.04
	Class 2 – Gross accumulation shares <sup>5</sup>			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.59	114.61	121.91	100.85	95.35	101.84
Return before operating charges (p)	19.03	7.61	(6.58)	15.62	6.17	(5.82)
Operating charges (p)	(0.39)	(0.63)	(0.72)	(0.36)	(0.67)	(0.67)
Return after operating charges (p)*	18.64	6.98	(7.30)	15.26	5.50	(6.49)
Closing net asset value per share (p)	140.23	121.59	114.61	116.11	100.85	95.35
Retained distribution on accumulation shares (p)	0.85	2.06	2.11	0.53	1.07	1.43
*after direct transaction costs <sup>4</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	15.33	6.09	(5.99)	15.13	5.77	(6.37)
<b>Other information</b>						
Closing net asset value (£000)	102,915	13,516	23,974	2,394	652	268
Closing number of shares	73,391,068	11,115,569	20,918,335	2,062,132	646,058	281,126
Operating charges (%)**	0.57 <sup>1</sup>	0.59	0.59	0.64 <sup>1</sup>	0.67	0.66
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	144.86	123.81	124.30	119.98	102.65	103.48
Lowest share price (p)	121.55	108.42	114.57	100.81	90.09	95.33

\*\*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](http://columbiathreadneedle.com/fees).

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

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

<sup>4</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.



# Threadneedle European Corporate Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net accumulation shares

Opening shares	53,674,429
Shares issued	454,547
Shares redeemed	(349,501)
Net conversions	(3,273)
Closing shares	<u>53,776,202</u>

#### Class 1 – Gross accumulation shares

Opening shares	5,854,482
Shares issued	8,764,848
Shares redeemed	(3,007,151)
Net conversions	–
Closing shares	<u>11,612,179</u>

#### Class 2 – Gross accumulation shares

Opening shares	11,115,569
Shares issued	71,957,393
Shares redeemed	(9,683,427)
Net conversions	1,533
Closing shares	<u>73,391,068</u>

#### Class Z – Net accumulation shares

Opening shares	646,058
Shares issued	2,136,712
Shares redeemed	(721,785)
Net conversions	1,147
Closing shares	<u>2,062,132</u>

# Threadneedle European High Yield Bond Fund

## Investment Report

### Investment Objective

To achieve total return. Over time this will be predominantly by way of income.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in corporate fixed interest securities of corporates with higher risk (that is non-investment grade credit) issued predominantly in Euro or Sterling. Where securities are non-Euro denominated it is intended they will typically be hedged into Euro. The ACD will invest predominantly in issues issued by companies domiciled in Europe, or with significant 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle European High Yield Bond Fund has risen from 126.24p to 146.87p.

The sterling total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +18.04%, which equates approximately to +19.38% gross of tax and charges\*\* and compares against a return of +20.34% for the ML European Currency High Yield Index 3% constrained ex sub-financials (100% € Hedged). The gross returns equate to approximately +9.45% for the fund and +10.33% for the index when quoted in Euros\*\*.

### Market Overview and Portfolio Activity

The high yield market performed strongly over the six month period under review. Spreads tightened from highs of 593 basis

points (bps) in early March to lows of 398 bps at the beginning of September. Risk assets sold off significantly at the beginning of the year, on continued concerns over global growth, China's economy and the effectiveness of central bank policy. But subsequently, risk assets rallied, the rise only punctuated briefly by June's Brexit-induced volatility.

A rebound in oil and commodities and renewed market support from central banks drove the strong market performance. In Europe, the European Central Bank launched its purchase programme for investment grade credit, which provided additional indirect support for high-yield assets. In the UK, the Bank of England responded to the Brexit vote with a raft of supportive measures. These included cutting the base rate by 25 bps, and launching its own expanded quantitative easing programme, which is also to include corporate bonds.

In corporate news, and in line with our expectations, Brazilian telecommunications company Oi SA filed for bankruptcy in June, with proceedings now ongoing. Prior to this, our underweight in the company had been one of the biggest contributors to relative performance over the year. Following its exit from the index, we now hold a small overweight position in the name.

An improving outlook for oil led us to cover some of our underweight in commodity-related names, adding to Petrobras, Origin Energy and Anglo American (in which we are now overweight). We also increased our overweight position in Gazprom.

In the financials space, we added to Credit Suisse and UBS following moves by Swiss authorities to phase out the use of 'low-trigger' contingent convertible bonds. More recently, we rotated our Royal Bank of Scotland Additional Tier 1 exposure into a new issue from the bank, which has a greater likelihood of being refinanced at the first call. During the period, we reduced our overweight to subordinated financials.

Finally, we have been adding to corporate hybrids, given the attractive pick-up they offer over senior paper. Trades have included Orange and KPN.

Against this, we have been cutting our position in Wind. In July, we reduced our exposure to certain UK names including Enterprise Inns and New Look. We also reduced our financials exposure (including AIB) and sold out of Avis, among others.

The surprising Brexit result presents an additional macro challenge to a world already struggling with subdued levels of growth. Increased uncertainty and elevated currency volatility will further impact corporate profits and, eventually, the level of idiosyncratic credit risk.

The market remains underpinned by strong 'technical' drivers; central banks continue to adopt accommodative policies, even more so following Brexit. Rates in the US may move higher by the end of the year, but the overall pace of tightening is expected to remain slow and heavily data- and market-dependent. Core bond yields continue to move lower, taking an ever larger share of the global bond market into negative yield territory.

European high-yield spreads have recovered to levels below their long-run average. At levels of around 350 bps compared to swaps, they are at a one-year low, but still 75 bps wider than the three-year low.

European high yield should continue to deliver modest returns, driven by a low level of default risk and the market's ongoing search for yield. But volatility is likely to stay elevated, as high yield reacts to macro-led bouts of 'risk-on' and 'risk-off' affecting other markets.

## STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	91,767	(7,655)
Revenue	18,574	16,996
Expenses	(3,788)	(3,516)
Interest payable and similar charges	(147)	(212)
Net revenue before taxation	14,639	13,268
Taxation	—	—
Net revenue after taxation	14,639	13,268
<b>Total return before distributions</b>	<b>106,406</b>	<b>5,613</b>
Distributions	681	(85)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>107,087</b>	<b>5,528</b>

## BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	<b>714,637</b>	<b>527,987</b>
<b>Current assets:</b>		
Debtors	39,894	13,636
Cash and bank balances	43,356	84,015
<b>Total assets</b>	<b>797,887</b>	<b>625,638</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	<b>(4,313)</b>	<b>(599)</b>
<b>Creditors:</b>		
Distribution payable	(97)	(3,768)
Other creditors	(6,115)	(2,652)
<b>Total liabilities</b>	<b>(10,525)</b>	<b>(7,019)</b>
<b>Net assets attributable to shareholders</b>	<b>787,362</b>	<b>618,619</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>618,619</b>	<b>574,739</b>
Amounts receivable on the issue of shares	141,052	138,021
Amounts payable on the cancellation of shares	(79,680)	(145,273)
	61,372	(7,252)
Dilution adjustment	284	418
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	107,087	5,528
<b>Closing net assets attributable to shareholders</b>	<b>787,362</b>	<b>573,433</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

## DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

### Class 1 USD Hedged Shares

#### Monthly gross income\*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3802	—	0.3802	—
08/04/16 to 07/05/16	0.2980	—	0.2980	—
08/05/16 to 07/06/16	0.3081	—	0.3081	—
08/06/16 to 07/07/16	0.4829	—	0.4829	—
08/07/16 to 07/08/16	0.3565	—	0.3565	0.2502
08/08/16 to 07/09/16	0.3439	—	0.3439	0.3804
<b>Group 2</b>				
08/03/16 to 07/04/16	0.0807	0.2995	0.3802	—
08/04/16 to 07/05/16	0.0384	0.2596	0.2980	—
08/05/16 to 07/06/16	0.2281	0.0800	0.3081	—
08/06/16 to 07/07/16	0.3029	0.1800	0.4829	—
08/07/16 to 07/08/16	0.0538	0.3027	0.3565	0.2502
08/08/16 to 07/09/16	—	0.3439	0.3439	0.3804
<b>Total distributions in the period</b>			<b>2.1696</b>	<b>0.6306</b>

Group 2: shares purchased during a distribution period.

\*Class 1 USD Hedged – Monthly gross income shares commenced 15 July 2015.

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 1 – Gross income shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	125.54	120.73	134.11	104.67	104.83	124.74
Return before operating charges (p)	21.75	6.54	(11.51)	18.51	6.51	(9.48)
Operating charges (p)	(1.08)	(1.73)	(1.87)	(0.81)	(1.50)	(1.75)
Return after operating charges (p)*	20.67	4.81	(13.38)	17.70	5.01	(11.23)
Distributions on income shares (p)	–	–	–	–	(5.17)	(8.68)
Closing net asset value per share (p)	146.21	125.54	120.73	122.37	104.67	104.83
Retained distribution on accumulation shares (p)	–	4.14	8.29	–	–	–
*after direct transaction costs <sup>2</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	16.46	3.98	(9.98)	16.91	4.78	(9.00)
<b>Other information</b>						
Closing net asset value (£000)	18,509	15,955	18,761	22,420	14,608	18,721
Closing number of shares	12,659,775	12,709,160	15,539,346	18,320,650	13,955,827	17,858,591
Operating charges (%)**	1.43 <sup>1</sup>	1.43	1.43	1.42 <sup>1</sup>	1.42	1.43
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	150.79	127.04	135.82	126.16	111.34	126.39
Lowest share price (p)	125.86	117.15	121.25	104.95	102.03	111.16
	Class 1 USD Hedged – Monthly gross income shares <sup>5</sup>			Class 1 – Gross accumulation shares <sup>5</sup>		
	07/09/2016	07/03/2016 <sup>1</sup>		07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	105.19	100.00		156.92	149.77	164.64
Return before operating charges (p)	15.99	8.44		27.73	9.29	(12.59)
Operating charges (p)	(0.80)	(0.98)		(1.22)	(2.14)	(2.28)
Return after operating charges (p)*	15.19	7.46		26.51	7.15	(14.87)
Distributions on income shares (p)	(2.17)	(2.27)		–	–	–
Closing net asset value per share (p)	118.21	105.19		183.43	156.92	149.77
Retained distribution on accumulation shares (p)	–	–		–	6.54	7.11
*after direct transaction costs <sup>2</sup> of (p)	–	–		–	–	–
<b>Performance</b>						
Return after charges (%)	14.44	7.46		16.89	4.77	(9.03)
<b>Other information</b>						
Closing net asset value (£000)	4,198	2,323		395,386	295,678	319,651
Closing number of shares	3,551,606	2,208,321		215,557,129	188,420,239	213,421,030
Operating charges (%)**	1.42 <sup>1</sup>	1.46 <sup>1</sup>		1.42 <sup>1</sup>	1.42	1.42
Direct transaction costs (%)	–	–		–	–	–
<b>Prices</b>						
Highest share price (p)	122.28	107.00		189.10	158.75	166.79
Lowest share price (p)	104.02	97.76		157.33	145.75	150.38

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>5</sup>			Class 2 – Gross accumulation shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	107.64	106.71	121.76	196.79	186.54	203.85
Return before operating charges (p)	19.06	6.70	(9.32)	34.83	11.78	(15.69)
Operating charges (p)	(0.48)	(0.87)	(0.96)	(0.87)	(1.53)	(1.62)
Return after operating charges (p)*	18.58	5.83	(10.28)	33.96	10.25	(17.31)
Distributions on income shares (p)	–	(4.90)	(4.77)	–	–	–
Closing net asset value per share (p)	126.22	107.64	106.71	230.75	196.79	186.54
Retained distribution on accumulation shares (p)	–	–	–	–	8.52	13.77
*after direct transaction costs <sup>2</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	17.26	5.46	(8.44)	17.26	5.49	(8.49)
<b>Other information</b>						
Closing net asset value (£000)	48,806	42,390	36,519	205,086	185,124	154,302
Closing number of shares	38,666,294	39,382,927	34,222,334	88,879,709	94,072,923	82,717,000
Operating charges (%)**	0.81 <sup>1</sup>	0.81	0.81	0.81 <sup>1</sup>	0.81	0.81
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	130.08	113.82	123.40	237.80	199.05	206.53
Lowest share price (p)	107.93	104.10	107.20	197.30	181.94	187.32

  

	Class 2 CHF Hedged – Gross accumulation shares <sup>5</sup>			Class X – Gross income shares <sup>5</sup>	
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016 <sup>2</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	126.24	123.73	119.56	102.12	100.00
Return before operating charges (p)	22.72	3.52	5.33	18.11	4.11
Operating charges (p)	(0.56)	(1.01)	(1.16)	(0.03)	(0.05)
Return after operating charges (p)*	22.16	2.51	4.17	18.08	4.06
Distributions on income shares (p)	–	–	–	–	(1.94)
Closing net asset value per share (p)	148.40	126.24	123.73	120.20	102.12
Retained distribution on accumulation shares (p)	–	9.85	8.66	–	–
*after direct transaction costs <sup>2</sup> of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	17.55	2.03	3.49	17.70	4.06
<b>Other information</b>					
Closing net asset value (£000)	201	171	277	49,806	28,502
Closing number of shares	135,581	135,581	224,150	41,436,105	27,911,733
Operating charges (%)**	0.81 <sup>1</sup>	0.81	0.81	0.06 <sup>1</sup>	0.07 <sup>1</sup>
Direct transaction costs (%)	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	153.61	133.27	138.95	123.82	105.24
Lowest share price (p)	126.15	119.04	115.30	102.40	95.81

(continued)

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## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares <sup>5</sup>			Class Z CHF Hedged – Gross accumulation shares <sup>5</sup>	
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016 <sup>4</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	117.49	111.36	121.57	103.00	100.00
Return before operating charges (p)	20.77	6.95	(9.34)	18.57	3.46
Operating charges (p)	(0.47)	(0.82)	(0.87)	(0.41)	(0.46)
Return after operating charges (p)*	20.30	6.13	(10.21)	18.16	3.00
Closing net asset value per share (p)	137.79	117.49	111.36	121.16	103.00
Retained distribution on accumulation shares (p)	–	4.98	8.23	–	1.02
*after direct transaction costs <sup>1</sup> of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	17.28	5.50	(8.40)	17.63	3.00
<b>Other information</b>					
Closing net asset value (£000)	26,929	17,465	13,222	1,403	806
Closing number of shares	19,543,594	14,865,324	11,872,584	1,158,154	782,583
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73	0.73 <sup>1</sup>	0.75 <sup>1</sup>
Direct transaction costs (%)	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	142.00	118.84	123.18	125.41	104.55
Lowest share price (p)	117.80	108.64	111.82	102.97	97.14
<b>Class Z USD Hedged – Gross accumulation shares<sup>5</sup></b>					
	07/09/2016 <sup>5</sup>				
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00				
Return before operating charges (p)	13.74				
Operating charges (p)	(0.29)				
Return after operating charges (p)*	13.45				
Closing net asset value per share (p)	113.45				
*after direct transaction costs <sup>1</sup> of (p)	–				
<b>Performance</b>					
Return after charges (%)	13.45				
<b>Other information</b>					
Closing net asset value (£000)	11				
Closing number of shares	10,000				
Operating charges (%)**	0.72 <sup>1</sup>				
Direct transaction costs (%)	–				
<b>Prices</b>					
Highest share price (p)	116.96				
Lowest share price (p)	98.70				

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

<sup>1</sup>Only available to eligible investors.

<sup>2</sup>Class 1 USD Hedged – Monthly gross income shares commenced 15 July 2015.

<sup>3</sup>Class X – Gross income shares commenced 10 June 2015.

<sup>4</sup>Class Z CHF Hedged – Gross income shares commenced 29 July 2015.

<sup>5</sup>Class Z CHF Hedged – Gross accumulation shares commenced 29 July 2015.

<sup>6</sup>Class Z USD Hedged – Gross accumulation shares commenced 4 May 2016.

<sup>7</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>8</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle European High Yield Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net accumulation shares</b>	
Opening shares	12,709,160
Shares issued	2,997,152
Shares redeemed	(2,643,157)
Net conversions	(403,380)
Closing shares	12,659,775
<b>Class 1 – Gross income shares</b>	
Opening shares	13,955,827
Shares issued	7,732,005
Shares redeemed	(3,349,791)
Net conversions	(17,391)
Closing shares	18,320,650
<b>Class 1 USD Hedged – Monthly gross income shares</b>	
Opening shares	2,208,321
Shares issued	1,551,476
Shares redeemed	(208,191)
Net conversions	–
Closing shares	3,551,606
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	188,420,239
Shares issued	41,920,525
Shares redeemed	(14,417,604)
Net conversions	(366,031)
Closing shares	215,557,129
<b>Class 2 – Gross income shares</b>	
Opening shares	39,382,927
Shares issued	486,984
Shares redeemed	(1,203,617)
Net conversions	–
Closing shares	38,666,294
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	94,072,923
Shares issued	9,995,623
Shares redeemed	(14,837,233)
Net conversions	(351,604)
Closing shares	88,879,709
<b>Class 2 CHF Hedged – Gross accumulation shares</b>	
Opening shares	135,581
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	135,581

	2016
<b>Class X – Gross income shares</b>	
Opening shares	27,911,733
Shares issued	20,760,447
Shares redeemed	(7,236,075)
Net conversions	–
Closing shares	41,436,105
<b>Class X – Gross accumulation shares</b>	
Opening shares	3,940,079
Shares issued	–
Shares redeemed	(994,505)
Net conversions	–
Closing shares	2,945,574
<b>Class Z – Net accumulation shares</b>	
Opening shares	4,137,461
Shares issued	717,060
Shares redeemed	(771,304)
Net conversions	514,637
Closing shares	4,597,854
<b>Class Z – Gross income shares</b>	
Opening shares	8,168,294
Shares issued	592,668
Shares redeemed	(3,439,331)
Net conversions	17,937
Closing shares	5,339,568
<b>Class Z CHF Hedged – Gross income shares</b>	
Opening shares	47,266
Shares issued	99,105
Shares redeemed	–
Net conversions	–
Closing shares	146,371
<b>Class Z – Gross accumulation shares</b>	
Opening shares	14,865,324
Shares issued	4,920,898
Shares redeemed	(1,323,719)
Net conversions	1,081,091
Closing shares	19,543,594
<b>Class Z CHF Hedged – Gross accumulation shares</b>	
Opening shares	782,583
Shares issued	375,571
Shares redeemed	–
Net conversions	–
Closing shares	1,158,154
<b>Class Z USD Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	10,000
Shares redeemed	–
Net conversions	–
Closing shares	10,000

\*Class Z USD Hedged – Gross accumulation shares commenced 4 May 2016.

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Strategic Bond Fund has risen from 44.94p to 47.90p.

The total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +9.56%, which equates approximately to +10.46% gross of tax and charges\*\*. This compares against a return of +8.28% for a composite index of

60% iBoxx Sterling Non Gilts Index & 40% ML European Currency High Yield Index 3% constrained B-BB (100% £ Hedged).

#### Market Overview and Portfolio Activity

The fixed-income market posted strong performance over the six months to September 2016. Strong performance was driven by a rebound in oil and commodities as well as renewed market support from central banks. The European Central Bank launched its Corporate Sector Purchase Programme which provided direct support for investment grade assets and a knock-on boost for high yield. Then in the UK, the Bank of England (BoE) responded to the shock Brexit vote with a raft of supportive measures including cutting the policy rate by 25 basis points (bps) and launching its own expanded quantitative easing programme. Elsewhere, the US Federal Reserve maintained its easy policy stance and continued to hold fire on raising interest rates. Over the period the yield on the UK 10-year gilt fell from 1.48% to 0.68%. Credit spreads respectively tightened by approximately -47 bps and -191 bps for the Merrill Lynch GBP 1-10-year Non-Gilt index and the Merrill Lynch EUR HY ex-fins index from their March wides.

Overall we held a cautious position with respect to interest-rate risk throughout the period, with an average duration of around 2.7 years. For corporate credit, companies have continued to pursue more shareholder-friendly policies – such as share buybacks and mergers and acquisitions. Given the current stage of the credit cycle, as well as less compelling valuations, we reduced credit risk in the portfolio.

In the investment grade space we rotated the fund's positioning thematically towards more defensive sectors such as regulated

utilities and consumer goods. Examples of such purchases include RWE and AB InBev. RWE's credit profile in particular benefitted from a company reorganisation with bonds moving closer to the regulated operating company businesses. We also increased our US pipeline exposure, adding Transcontinental Gas Pipe Line. These companies have limited direct exposure to commodity prices and therefore present a sub-sector opportunity.

Within high yield we added to our overweight in the leisure sector. Trades included William Hill and Codere. We also added to retail names such as Travis Perkins, a BB UK company that is likely to benefit indirectly from the BoE's bond buying programme. Against this, we made reductions to various names including Wind and Softbank on valuation concerns. We also sold out of Ecobat.

European corporate credit remains supported by the aforementioned policy actions, an economic background that is neither recessionary nor boom-like, market valuations (spreads) that are close to the long term average and a demand for income that is not being satisfied by cash rates or government bonds. Balancing these considerations is corporate behaviour that has become more equity-holder friendly. Global investment grade credit spreads are in line with the long-term average while European high yield spreads have recovered to levels below their long-run average; at levels of c. 350bps (to swaps) they are at a one-year low but still 75 bps wider than the three-year low. Corporate credit should continue to deliver low but positive returns, driven by a low level of default risk, the market's ongoing search for yield and supportive European and UK central bank action.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	18,438	(8,015)
Revenue	6,618	8,279
Expenses	(1,218)	(1,576)
Interest payable and similar charges	(751)	(1,428)
Net revenue before taxation	4,649	5,275
Taxation	–	–
Net revenue after taxation	4,649	5,275
<b>Total return before distributions</b>	<b>23,087</b>	<b>(2,740)</b>
Distributions	(5,722)	(6,676)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>17,365</b>	<b>(9,416)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	258,227	249,026
<b>Current assets:</b>		
Debtors	4,913	8,626
Cash and bank balances	3,971	7,164
Total assets	267,111	264,816
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(2,386)	(3,119)
<b>Creditors:</b>		
Bank overdrafts	(133)	(174)
Distribution payable	(814)	(852)
Other creditors	(859)	(4,715)
Total liabilities	(4,192)	(8,860)
<b>Net assets attributable to shareholders</b>	<b>262,919</b>	<b>255,956</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>255,956</b>	<b>329,528</b>
Amounts receivable on the issue of shares	13,049	5,991
Amounts payable on the cancellation of shares	(25,735)	(42,581)
	(12,686)	(36,590)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,365	(9,416)
Retained distribution on accumulation shares	2,282	2,626
Unclaimed distributions	2	2
<b>Closing net assets attributable to shareholders</b>	<b>262,919</b>	<b>286,150</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.1751	0.0350	0.1401	–	0.1401	0.1346
08/04/16 to 07/05/16	0.1629	0.0326	0.1303	–	0.1303	0.1401
08/05/16 to 07/06/16	0.1599	0.0320	0.1279	–	0.1279	0.1343
08/06/16 to 07/07/16	0.1941	0.0388	0.1553	–	0.1553	0.1236
08/07/16 to 07/08/16	0.1555	0.0311	0.1244	–	0.1244	0.1328
08/08/16 to 07/09/16	0.1655	0.0331	0.1324	–	0.1324	0.1405
<b>Group 2</b>						
08/03/16 to 07/04/16	0.0703	0.0141	0.0562	0.0839	0.1401	0.1346
08/04/16 to 07/05/16	0.0061	0.0012	0.0049	0.1254	0.1303	0.1401
08/05/16 to 07/06/16	0.0046	0.0009	0.0037	0.1242	0.1279	0.1343
08/06/16 to 07/07/16	0.0848	0.0170	0.0678	0.0875	0.1553	0.1236
08/07/16 to 07/08/16	0.0479	0.0096	0.0383	0.0861	0.1244	0.1328
08/08/16 to 07/09/16	0.1171	0.0234	0.0937	0.0387	0.1324	0.1405
<b>Total distributions in the period</b>					<b>0.8104</b>	<b>0.8059</b>



# Threadneedle Strategic Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.1755	—	0.1755	0.1685
08/04/16 to 07/05/16	0.1632	—	0.1632	0.1755
08/05/16 to 07/06/16	0.1602	—	0.1602	0.1682
08/06/16 to 07/07/16	0.1945	—	0.1945	0.1548
08/07/16 to 07/08/16	0.1558	—	0.1558	0.1663
08/08/16 to 07/09/16	0.1658	—	0.1658	0.1759
<b>Group 2</b>				
08/03/16 to 07/04/16	0.0445	0.1310	0.1755	0.1685
08/04/16 to 07/05/16	0.0271	0.1361	0.1632	0.1755
08/05/16 to 07/06/16	—	0.1602	0.1602	0.1682
08/06/16 to 07/07/16	0.0076	0.1869	0.1945	0.1548
08/07/16 to 07/08/16	0.0240	0.1318	0.1558	0.1663
08/08/16 to 07/09/16	—	0.1658	0.1658	0.1759
<b>Total distributions in the period</b>			<b>1.0150</b>	<b>1.0092</b>

### Class 2 Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.1930	0.0386	0.1544	—	0.1544	0.1478
08/04/16 to 07/05/16	0.1798	0.0360	0.1438	—	0.1438	0.1538
08/05/16 to 07/06/16	0.1769	0.0354	0.1415	—	0.1415	0.1476
08/06/16 to 07/07/16	0.2135	0.0427	0.1708	—	0.1708	0.1361
08/07/16 to 07/08/16	0.1719	0.0344	0.1375	—	0.1375	0.1461
08/08/16 to 07/09/16	0.1835	0.0367	0.1468	—	0.1468	0.1544
<b>Group 2</b>						
08/03/16 to 07/04/16	0.0213	0.0043	0.0170	0.1374	0.1544	0.1478
08/04/16 to 07/05/16	0.0150	0.0030	0.0120	0.1318	0.1438	0.1538
08/05/16 to 07/06/16	0.0011	0.0002	0.0009	0.1406	0.1415	0.1476
08/06/16 to 07/07/16	0.0268	0.0054	0.0214	0.1494	0.1708	0.1361
08/07/16 to 07/08/16	—	—	—	0.1375	0.1375	0.1461
08/08/16 to 07/09/16	0.0039	0.0008	0.0031	0.1437	0.1468	0.1544
<b>Total distributions in the period</b>					<b>0.8948</b>	<b>0.8858</b>

### Class 2 Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.2038	—	0.2038	0.1952
08/04/16 to 07/05/16	0.1899	—	0.1899	0.2031
08/05/16 to 07/06/16	0.1868	—	0.1868	0.1949
08/06/16 to 07/07/16	0.2255	—	0.2255	0.1797
08/07/16 to 07/08/16	0.1816	—	0.1816	0.1930
08/08/16 to 07/09/16	0.1938	—	0.1938	0.2039
<b>Group 2</b>				
08/03/16 to 07/04/16	0.0138	0.1900	0.2038	0.1952
08/04/16 to 07/05/16	0.1899	—	0.1899	0.2031
08/05/16 to 07/06/16	0.0885	0.0983	0.1868	0.1949
08/06/16 to 07/07/16	0.1560	0.0695	0.2255	0.1797
08/07/16 to 07/08/16	0.0695	0.1121	0.1816	0.1930
08/08/16 to 07/09/16	0.0338	0.1600	0.1938	0.2039
<b>Total distributions in the period</b>			<b>1.1814</b>	<b>1.1698</b>

### Class 2 Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.4186	—	0.4186	0.3835
08/04/16 to 07/05/16	0.3915	—	0.3915	0.3999
08/05/16 to 07/06/16	0.3864	—	0.3864	0.3857
08/06/16 to 07/07/16	0.4682	—	0.4682	0.3568
08/07/16 to 07/08/16	0.3788	—	0.3788	0.3844
08/08/16 to 07/09/16	0.4054	—	0.4054	0.4076
<b>Group 2</b>				
08/03/16 to 07/04/16	0.4016	0.0170	0.4186	0.3835
08/04/16 to 07/05/16	0.2877	0.1038	0.3915	0.3999
08/05/16 to 07/06/16	0.2026	0.1838	0.3864	0.3857
08/06/16 to 07/07/16	0.1141	0.3541	0.4682	0.3568
08/07/16 to 07/08/16	0.2054	0.1734	0.3788	0.3844
08/08/16 to 07/09/16	0.0095	0.3959	0.4054	0.4076
<b>Total distributions in the period</b>			<b>2.4489</b>	<b>2.3179</b>

### Class Z Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.3780	0.0756	0.3024	—	0.3024	0.2888
08/04/16 to 07/05/16	0.3519	0.0704	0.2815	—	0.2815	0.3007
08/05/16 to 07/06/16	0.3459	0.0692	0.2767	—	0.2767	0.2885
08/06/16 to 07/07/16	0.4193	0.0839	0.3354	—	0.3354	0.2657
08/07/16 to 07/08/16	0.3365	0.0673	0.2692	—	0.2692	0.2855
08/08/16 to 07/09/16	0.3585	0.0717	0.2868	—	0.2868	0.3021
<b>Group 2</b>						
08/03/16 to 07/04/16	0.1539	0.0308	0.1231	0.1793	0.3024	0.2888
08/04/16 to 07/05/16	0.1493	0.0299	0.1194	0.1621	0.2815	0.3007
08/05/16 to 07/06/16	0.1070	0.0214	0.0856	0.1911	0.2767	0.2885
08/06/16 to 07/07/16	0.1388	0.0278	0.1110	0.2244	0.3354	0.2657
08/07/16 to 07/08/16	0.1356	0.0271	0.1085	0.1607	0.2692	0.2855
08/08/16 to 07/09/16	0.1634	0.0327	0.1307	0.1561	0.2868	0.3021
<b>Total distributions in the period</b>					<b>1.7520</b>	<b>1.7313</b>

### Class Z Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3780	—	0.3780	0.3609
08/04/16 to 07/05/16	0.3520	—	0.3520	0.3759
08/05/16 to 07/06/16	0.3458	—	0.3458	0.3605
08/06/16 to 07/07/16	0.4192	—	0.4192	0.3321
08/07/16 to 07/08/16	0.3365	—	0.3365	0.3571
08/08/16 to 07/09/16	0.3586	—	0.3586	0.3776
<b>Group 2</b>				
08/03/16 to 07/04/16	0.1468	0.2312	0.3780	0.3609
08/04/16 to 07/05/16	0.2450	0.1070	0.3520	0.3759
08/05/16 to 07/06/16	0.1497	0.1961	0.3458	0.3605
08/06/16 to 07/07/16	0.1975	0.2217	0.4192	0.3321
08/07/16 to 07/08/16	0.1230	0.2135	0.3365	0.3571
08/08/16 to 07/09/16	0.2098	0.1488	0.3586	0.3776
<b>Total distributions in the period</b>			<b>2.1901</b>	<b>2.1641</b>

### Class Z Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.4504	—	0.4504	0.4117
08/04/16 to 07/05/16	0.4210	—	0.4210	0.4301
08/05/16 to 07/06/16	0.4151	—	0.4151	0.4141
08/06/16 to 07/07/16	0.5049	—	0.5049	0.3823
08/07/16 to 07/08/16	0.4071	—	0.4071	0.4128
08/08/16 to 07/09/16	0.4352	—	0.4352	0.4383
<b>Group 2</b>				
08/03/16 to 07/04/16	0.1710	0.2794	0.4504	0.4117
08/04/16 to 07/05/16	0.3196	0.1014	0.4210	0.4301
08/05/16 to 07/06/16	0.3241	0.0910	0.4151	0.4141
08/06/16 to 07/07/16	0.4551	0.0498	0.5049	0.3823
08/07/16 to 07/08/16	0.3371	0.0700	0.4071	0.4128
08/08/16 to 07/09/16	0.0384	0.3968	0.4352	0.4383
<b>Total distributions in the period</b>			<b>2.6337</b>	<b>2.4893</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Gross income shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	44.58	47.97	48.15	44.66	48.06	48.24
Return before operating charges (p)	4.15	(1.11)	2.35	4.36	(0.72)	2.82
Operating charges (p)	(0.33)	(0.66)	(0.68)	(0.33)	(0.66)	(0.69)
Return after operating charges (p)*	3.82	(1.77)	1.67	4.03	(1.38)	2.13
Distributions on income shares (p)	(0.81)	(1.62)	(1.85)	(1.02)	(2.02)	(2.31)
Closing net asset value per share (p)	47.59	44.58	47.97	47.67	44.66	48.06
*after direct transaction costs <sup>4</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.57	(3.69)	3.47	9.02	(2.87)	4.42
<b>Other information</b>						
Closing net asset value (£000)	42,801	43,946	95,733	20,927	19,888	27,498
Closing number of shares	89,939,480	98,577,878	199,582,947	43,897,273	44,531,498	57,221,271
Operating charges (%)**	1.42 <sup>1</sup>	1.42	1.42	1.42 <sup>1</sup>	1.42	1.42
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	47.90	48.23	48.67	48.02	48.33	48.80
Lowest share price (p)	44.86	43.97	47.47	44.95	44.06	47.57

  

	Class 2 – Net income shares			Class 2 – Gross income shares <sup>5</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	47.88	51.26	51.20	50.58	54.15	54.09
Return before operating charges (p)	4.45	(1.19)	2.49	4.95	(0.79)	3.16
Operating charges (p)	(0.20)	(0.41)	(0.42)	(0.22)	(0.43)	(0.44)
Return after operating charges (p)*	4.25	(1.60)	2.07	4.73	(1.22)	2.72
Distributions on income shares (p)	(0.89)	(1.78)	(2.01)	(1.18)	(2.35)	(2.66)
Closing net asset value per share (p)	51.24	47.88	51.26	54.13	50.58	54.15
*after direct transaction costs <sup>4</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.88	(3.12)	4.04	9.35	(2.25)	5.03
<b>Other information</b>						
Closing net asset value (£000)	7,583	13,383	22,667	7,136	3,047	3,171
Closing number of shares	14,800,060	27,953,066	44,221,814	13,184,747	6,024,306	5,855,915
Operating charges (%)**	0.81 <sup>1</sup>	0.81	0.81	0.82 <sup>1</sup>	0.82	0.81
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	51.58	51.55	51.82	54.52	54.47	54.79
Lowest share price (p)	48.18	47.21	50.67	50.90	49.88	53.54

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares <sup>§</sup>			Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	103.86	106.34	101.14	95.33	101.91	101.64
Return before operating charges (p)	10.23	(1.62)	6.04	8.87	(2.38)	4.96
Operating charges (p)	(0.44)	(0.86)	(0.84)	(0.36)	(0.72)	(0.75)
Return after operating charges (p)*	9.79	(2.48)	5.20	8.51	(3.10)	4.21
Distributions on income shares (p)	–	–	–	(1.75)	(3.48)	(3.94)
Closing net asset value per share (p)	113.65	103.86	106.34	102.09	95.33	101.91
Retained distribution on accumulation shares (p)	2.45	4.70	5.08	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	9.43	(2.33)	5.14	8.93	(3.04)	4.14
<b>Other information</b>						
Closing net asset value (£000)	101,692	99,476	123,181	66,505	60,762	48,508
Closing number of shares	89,477,057	95,781,493	115,832,554	65,140,579	63,738,999	47,597,836
Operating charges (%)**	0.81 <sup>†</sup>	0.81	0.81	0.73 <sup>†</sup>	0.73	0.74
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	114.08	107.35	106.78	102.77	102.51	102.90
Lowest share price (p)	104.53	102.06	101.42	95.94	93.99	100.71
	Class Z – Gross income shares <sup>§</sup>			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	95.33	101.91	101.65	113.58	116.21	110.45
Return before operating charges (p)	9.31	(1.51)	5.94	11.20	(1.79)	6.59
Operating charges (p)	(0.36)	(0.72)	(0.75)	(0.44)	(0.84)	(0.83)
Return after operating charges (p)*	8.95	(2.23)	5.19	10.76	(2.63)	5.76
Distributions on income shares (p)	(2.19)	(4.35)	(4.93)	–	–	–
Closing net asset value per share (p)	102.09	95.33	101.91	124.34	113.58	116.21
Retained distribution on accumulation shares (p)	–	–	–	2.63	5.05	5.47
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	9.39	(2.19)	5.11	9.47	(2.26)	5.22
<b>Other information</b>						
Closing net asset value (£000)	14,119	13,655	7,133	2,156	1,799	1,637
Closing number of shares	13,829,696	14,324,435	6,998,904	1,734,041	1,583,685	1,408,776
Operating charges (%)**	0.73 <sup>†</sup>	0.73	0.74	0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	102.84	102.52	102.98	124.81	117.32	116.69
Lowest share price (p)	95.94	94.00	100.73	114.32	111.61	110.75

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

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Strategic Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net income shares

Opening shares	98,577,878
Shares issued	8,036,331
Shares redeemed	(15,181,813)
Net conversions	(1,492,916)
Closing shares	89,939,480

#### Class 1 – Gross income shares

Opening shares	44,531,498
Shares issued	18,137
Shares redeemed	(607,278)
Net conversions	(45,084)
Closing shares	43,897,273

#### Class 2 – Net income shares

Opening shares	27,953,066
Shares issued	53,184
Shares redeemed	(478,149)
Net conversions	(12,728,041)
Closing shares	14,800,060

#### Class 2 – Gross income shares

Opening shares	6,024,306
Shares issued	13,693,535
Shares redeemed	(6,533,094)
Net conversions	—
Closing shares	13,184,747

#### Class 2 – Gross accumulation shares

Opening shares	95,781,493
Shares issued	702,465
Shares redeemed	(7,005,434)
Net conversions	(1,467)
Closing shares	89,477,057

#### Class Z – Net income shares

Opening shares	63,738,999
Shares issued	800,766
Shares redeemed	(6,492,263)
Net conversions	7,093,077
Closing shares	65,140,579

#### Class Z – Gross income shares

Opening shares	14,324,435
Shares issued	157,076
Shares redeemed	(669,712)
Net conversions	17,897
Closing shares	13,829,696

#### Class Z – Gross accumulation shares

Opening shares	1,583,685
Shares issued	252,622
Shares redeemed	(103,607)
Net conversions	1,341
Closing shares	1,734,041

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle American Fund has risen from 195.80p to 224.38p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +15.83% as compared to a median return of +18.82% over the same period. (For information the S&P 500 Composite Index returned +20.88% over the same period).

#### Market Overview and Portfolio Activity

US equities continued to rally over the past six months, despite significant headwinds, including muted earnings growth and the Brexit referendum. The UK's vote to leave the European Union resulted in some

short-term market weakness and a rally in the dollar. But risk assets subsequently gained ground with the dollar stabilising. Bond yields continued to decline, with the US 10-year falling below 1.40% in the immediate aftermath of Brexit. Risk assets rebounded following Brexit, with volatility declining rapidly during the summer months.

Domestic economic data over the period continued to point to expansion. Hiring trends were volatile during the period, but in aggregate showed that the US economy continues to add jobs. Data from the Institute of Supply Management showed that services continued to expand, while the manufacturing sector recovered. Manufacturing had been impacted by the stronger dollar and weaker oil prices, but began to recover as these headwinds began to fade. Similarly, muted earnings results for the second quarter reflected weakness in energy and exports, but are expected to improve in the second half of the year. The consumer, the backbone of the US economy, still appears to be spending, albeit at a modest rate. In terms of sector performance, firmer oil prices helped energy stocks outperform with West Texas Intermediate crude remaining above \$40 per barrel.

Following Brexit, we implemented a number of changes to the portfolio in order to position for the expected market impact. These included:

- Introducing a more domestic bias in the portfolio, which involved exiting positions in a number of

companies, including Magna International, an auto-parts supplier with significant international revenue exposure. We subsequently re-established a position.

- Moderating energy and health betas, which led to selling biopharmaceutical firm Incyte and buying Johnson & Johnson, whose business is diversified into consumer goods.
- Tempering our interest-rate sensitivity, by exiting, for example, our position in life insurer Lincoln Financial which we had purchased at the beginning of the period.
- Adding quality growth, particularly within the technology sector. Having exited the stock at the start of the period, re-established a position in Facebook, which continues to demonstrate strong growth and success in monetising its user base.

While equity markets have rallied following the UK's Brexit vote, we believe that risks remain in the political and economic spheres. We see the US as relatively better placed to weather further potential turbulence, given a supportive domestic economy and a diverse equity market. While we expect a rise in volatility from recent very low levels, we will continue actively seeking attractive long-term investment opportunities that occur when businesses are mispriced by the market.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	253,105	(145,901)
Revenue	17,552	14,270
Expenses	(10,976)	(11,359)
Interest payable and similar charges	–	(1)
Net revenue before taxation	6,576	2,910
Taxation	(2,329)	(1,729)
Net revenue after taxation	4,247	1,181
<b>Total return before equalisation</b>	<b>257,352</b>	<b>(144,720)</b>
Equalisation	(114)	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>257,238</b>	<b>(144,720)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,945,820	1,791,639
<b>Current assets:</b>		
Debtors	6,592	78,538
Cash and bank balances	23,209	15,689
<b>Total assets</b>	<b>1,975,621</b>	<b>1,885,866</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1)	(21)
<b>Creditors:</b>		
Distribution payable	–	(110)
Other creditors	(8,133)	(66,272)
<b>Total liabilities</b>	<b>(8,134)</b>	<b>(66,403)</b>
<b>Net assets attributable to shareholders</b>	<b>1,967,487</b>	<b>1,819,463</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,819,463</b>	<b>1,996,049</b>
Amounts receivable on the issue of shares	83,845	71,091
Amounts payable on the cancellation of shares	(193,059)	(270,804)
	(109,214)	(199,713)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	257,238	(144,720)
<b>Closing net assets attributable to shareholders</b>	<b>1,967,487</b>	<b>1,651,616</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle American Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	195.74	194.24	160.51	195.75	194.25	160.53
Return before operating charges (p)	30.29	4.62	36.31	30.30	4.62	36.52
Operating charges (p)	(1.69)	(3.12)	(2.58)	(1.70)	(3.12)	(2.80)
Return after operating charges (p)*	28.60	1.50	33.73	28.60	1.50	33.72
Closing net asset value per share (p)	224.34	195.74	194.24	224.35	195.75	194.25
*after direct transaction costs <sup>†</sup> of (p)	0.19	0.52	0.53	0.19	0.52	0.57
<b>Performance</b>						
Return after charges (%)	14.61	0.77	21.01	14.61	0.77	21.01
<b>Other information</b>						
Closing net asset value (£000)	4,814	4,854	6,160	545,278	530,520	731,858
Closing number of shares	2,146,011	2,479,894	3,171,262	243,047,873	271,020,970	376,761,078
Operating charges (%)**	1.62 <sup>†</sup>	1.64	1.66	1.62 <sup>†</sup>	1.64	1.66
Direct transaction costs (%)	0.18	0.27	0.33	0.18	0.27	0.33
<b>Prices</b>						
Highest share price (p)	232.92	202.21	195.27	232.92	202.21	195.30
Lowest share price (p)	192.15	171.46	150.56	192.15	171.46	150.57

  

	Class 1 EUR Hedged – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	196.48	194.51	204.70	218.43	215.49	176.98
Return before operating charges (p)	35.00	5.13	(6.87)	33.87	5.18	40.48
Operating charges (p)	(1.73)	(3.16)	(3.32)	(1.23)	(2.24)	(1.97)
Return after operating charges (p)*	33.27	1.97	(10.19)	32.64	2.94	38.51
Closing net asset value per share (p)	229.75	196.48	194.51	251.07	218.43	215.49
Retained distribution on accumulation shares (p)	–	–	–	–	0.87	0.64
*after direct transaction costs <sup>†</sup> of (p)	0.19	0.53	0.68	0.21	0.58	0.63
<b>Performance</b>						
Return after charges (%)	16.93	1.01	(4.98)	14.94	1.36	21.76
<b>Other information</b>						
Closing net asset value (£000)	3,286	3,127	8,463	1,043,727	940,787	943,677
Closing number of shares	1,430,125	1,591,411	4,350,761	415,717,660	430,711,104	437,919,721
Operating charges (%)**	1.62 <sup>†</sup>	1.65	1.66	1.05 <sup>†</sup>	1.06	1.05
Direct transaction costs (%)	0.18	0.27	0.33	0.18	0.27	0.33
<b>Prices</b>						
Highest share price (p)	238.92	199.93	209.96	260.57	224.46	216.63
Lowest share price (p)	193.21	179.43	185.31	214.42	190.75	166.10

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

	Class X – Net accumulation shares			Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	229.83	225.37	182.51	164.04	162.57	134.03
Return before operating charges (p)	35.72	4.59	42.95	25.45	3.91	30.70
Operating charges (p)	(0.06)	(0.13)	(0.09)	(0.72)	(1.33)	(1.16)
Return after operating charges (p)*	35.66	4.46	42.86	24.73	2.58	29.54
Distributions on income shares (p)	–	–	–	–	(1.11)	(1.00)
Closing net asset value per share (p)	265.49	229.83	225.37	188.77	164.04	162.57
Retained distribution on accumulation shares (p)	–	3.10	225.62	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	0.22	0.61	0.62	0.16	0.44	0.48
<b>Performance</b>						
Return after charges (%)	15.52	1.98	23.48	15.08	1.59	22.04
<b>Other information</b>						
Closing net asset value (£000)	8	7	7	17,812	16,342	20,190
Closing number of shares	3,000	3,000	3,000	9,435,463	9,961,959	12,419,419
Operating charges (%)**	0.05 <sup>†</sup>	0.06	0.05	0.82 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)	0.18	0.27	0.33	0.18	0.27	0.33
<b>Prices</b>						
Highest share price (p)	275.36	234.11	225.68	195.89	169.37	164.43
Lowest share price (p)	225.62	199.65	171.50	161.12	144.05	125.83

	Class Z – Net accumulation shares			Class Z EUR Hedged – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	167.84	165.21	135.39	109.07	106.95	111.62
Return before operating charges (p)	26.04	3.98	31.00	19.48	3.00	(3.75)
Operating charges (p)	(0.74)	(1.35)	(1.18)	(0.49)	(0.88)	(0.92)
Return after operating charges (p)*	25.30	2.63	29.82	18.99	2.12	(4.67)
Closing net asset value per share (p)	193.14	167.84	165.21	128.06	109.07	106.95
Retained distribution on accumulation shares (p)	–	1.06	0.93	–	0.59	0.43
*after direct transaction costs <sup>‡</sup> of (p)	0.16	0.45	0.49	0.11	0.29	0.38
<b>Performance</b>						
Return after charges (%)	15.07	1.59	22.03	17.41	1.98	(4.18)
<b>Other information</b>						
Closing net asset value (£000)	352,109	323,645	285,586	453	181	108
Closing number of shares	182,309,779	192,830,276	172,859,877	353,799	165,750	101,503
Operating charges (%)**	0.82 <sup>†</sup>	0.83	0.82	0.82 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)	0.18	0.27	0.33	0.18	0.27	0.33
<b>Prices</b>						
Highest share price (p)	200.42	172.12	166.08	133.11	110.79	115.12
Lowest share price (p)	164.76	146.39	127.09	107.26	99.04	101.50

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle American Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2016

##### Class 1 – Net income shares

Opening shares	2,479,894
Shares issued	116,047
Shares redeemed	(393,816)
Net conversions	(56,114)
Closing shares	<u>2,146,011</u>

##### Class 1 – Net accumulation shares

Opening shares	271,020,970
Shares issued	11,332,941
Shares redeemed	(32,235,782)
Net conversions	(7,070,256)
Closing shares	<u>243,047,873</u>

##### Class 1 EUR Hedged – Net accumulation shares

Opening shares	1,591,411
Shares issued	372,987
Shares redeemed	(534,273)
Net conversions	–
Closing shares	<u>1,430,125</u>

##### Class 2 – Net accumulation shares

Opening shares	430,711,104
Shares issued	22,608,286
Shares redeemed	(37,330,317)
Net conversions	(271,413)
Closing shares	<u>415,717,660</u>

##### Class X – Net accumulation shares

Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

##### Class Z – Net income shares

Opening shares	9,961,959
Shares issued	384,492
Shares redeemed	(1,205,143)
Net conversions	294,155
Closing shares	<u>9,435,463</u>

##### Class Z – Net accumulation shares

Opening shares	192,830,276
Shares issued	2,181,457
Shares redeemed	(21,073,772)
Net conversions	8,371,818
Closing shares	<u>182,309,779</u>

##### Class Z EUR Hedged – Net accumulation shares

Opening shares	165,750
Shares issued	270,000
Shares redeemed	(81,951)
Net conversions	–
Closing shares	<u>353,799</u>

2016



## Threadneedle American 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 in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular specialisation. 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.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle American Select Fund has risen from 199.07p to 232.21p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +19.04% as compared to a median return of +18.82% over the same period. (For information the S&P 500 Composite Index returned +20.88% over the same period, and the NASDAQ Composite Index returned +18.14%).

### Market Overview and Portfolio Activity

US equities continued to rally over the past six months, despite significant headwinds, including muted earnings growth and the Brexit referendum. The UK's vote to leave the European Union resulted in some short-term market weakness and a rally in the dollar. But risk assets subsequently gained ground with the dollar stabilising. Bond yields continued to decline, with the US 10-year falling below 1.40% in the immediate aftermath of Brexit. Risk assets rebounded following Brexit, with volatility declining rapidly during the summer months.

Domestic economic data over the period continued to point to expansion. Hiring trends were volatile during the period, but in aggregate showed that the US economy continues to add jobs. Data from the Institute of Supply Management showed that services continued to expand, while the manufacturing sector recovered. Manufacturing had been impacted by the stronger dollar and weaker oil prices, but began to recover as these headwinds began to fade. Similarly, muted earnings results for the second quarter reflected weakness in energy and exports, but are expected to improve in the second half of the year. The consumer, the backbone of the US economy, still appears to be spending, albeit at a modest rate. In terms of sector performance, firmer oil prices helped energy stocks outperform with WTI crude remaining above \$40 per barrel.

Following Brexit we implemented a number of changes to the portfolio in order to position for the expected market impact. These included:

- Introducing a more domestic bias in the portfolio, which involved exiting positions in a number of companies, including PVH, a clothing company geared towards an international presence, which we purchased at the beginning of the period;
- Tempering our interest-rate sensitivity, with portfolio additions such as Berkshire Hathaway, an insurance and investment business;
- Adding quality growth, particularly within the technology sector. New names to the portfolio include Facebook, which continues to demonstrate strong growth and success in monetising its user base.

While equity markets have rallied following the UK's Brexit vote, we believe that risks remain in the political and economic spheres. We see the US as relatively better placed to weather further potential turbulence, given a supportive domestic economy and a diverse equity market. While we expect a rise in volatility from recent very low levels, we will continue actively seeking attractive long-term investment opportunities that occur when businesses are mispriced by the market.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	161,624	(77,772)
Revenue	8,563	9,409
Expenses	(6,629)	(7,758)
Net revenue before taxation	1,934	1,651
Taxation	(1,265)	(1,214)
Net revenue after taxation	669	437
<b>Total return before equalisation</b>	<b>162,293</b>	<b>(77,335)</b>
Equalisation	(71)	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>162,222</b>	<b>(77,335)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,047,076	1,011,034
<b>Current assets:</b>		
Debtors	2,909	25,468
Cash and bank balances	30,018	13,928
<b>Total assets</b>	<b>1,080,003</b>	<b>1,050,430</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(11)
<b>Creditors:</b>		
Distribution payable	–	(79)
Other creditors	(4,564)	(26,326)
<b>Total liabilities</b>	<b>(4,564)</b>	<b>(26,416)</b>
<b>Net assets attributable to shareholders</b>	<b>1,075,439</b>	<b>1,024,014</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,024,014</b>	<b>1,285,468</b>
Amounts receivable on the issue of shares	21,667	24,013
Amounts payable on the cancellation of shares	(132,464)	(218,379)
	(110,797)	(194,366)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	162,222	(77,335)
<b>Closing net assets attributable to shareholders</b>	<b>1,075,439</b>	<b>1,013,767</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle American Select Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	198.90	198.37	173.07	199.02	198.48	173.18
Return before operating charges (p)	34.89	3.75	28.24	34.90	3.74	28.24
Operating charges (p)	(1.74)	(3.22)	(2.94)	(1.74)	(3.20)	(2.94)
Return after operating charges (p)*	33.15	0.53	25.30	33.16	0.54	25.30
Closing net asset value per share (p)	232.05	198.90	198.37	232.18	199.02	198.48
*after direct transaction costs <sup>†</sup> of (p)	0.11	0.32	1.12	0.11	0.32	1.12
<b>Performance</b>						
Return after charges (%)	16.67	0.27	14.62	16.66	0.27	14.61
<b>Other information</b>						
Closing net asset value (£000)	2,369	2,147	3,761	521,734	492,941	677,919
Closing number of shares	1,020,637	1,079,431	1,895,876	224,706,368	247,688,801	341,547,580
Operating charges (%)**	1.62 <sup>†</sup>	1.65	1.66	1.62 <sup>†</sup>	1.64	1.66
Direct transaction costs (%)	0.11	0.16	0.63	0.11	0.16	0.63
<b>Prices</b>						
Highest share price (p)	240.25	206.38	199.47	240.39	206.50	199.60
Lowest share price (p)	195.14	176.20	159.91	195.25	176.31	160.01
	Class 1 EUR Hedged – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	165.30	164.25	182.73	222.24	220.35	191.07
Return before operating charges (p)	32.82	3.73	(15.57)	39.05	4.19	31.34
Operating charges (p)	(1.46)	(2.68)	(2.91)	(1.26)	(2.30)	(2.06)
Return after operating charges (p)*	31.36	1.05	(18.48)	37.79	1.89	29.28
Closing net asset value per share (p)	196.66	165.30	164.25	260.03	222.24	220.35
Retained distribution on accumulation shares (p)	–	–	–	–	0.92	0.26
*after direct transaction costs <sup>†</sup> of (p)	0.09	0.27	1.11	0.13	0.36	1.24
<b>Performance</b>						
Return after charges (%)	18.97	0.64	(10.11)	17.00	0.86	15.32
<b>Other information</b>						
Closing net asset value (£000)	1,189	1,150	2,973	232,198	219,012	313,755
Closing number of shares	604,771	695,947	1,810,170	89,295,962	98,546,546	142,386,152
Operating charges (%)**	1.63 <sup>†</sup>	1.65	1.67	1.05 <sup>†</sup>	1.06	1.05
Direct transaction costs (%)	0.11	0.16	0.63	0.11	0.16	0.63
<b>Prices</b>						
Highest share price (p)	204.27	170.84	183.38	269.12	229.39	221.58
Lowest share price (p)	162.45	151.48	159.89	218.05	196.27	176.66

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Net accumulation shares			Class X – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	140.23	138.43	153.69	100.00		
Return before operating charges (p)	28.00	3.25	(13.68)	16.37		
Operating charges (p)	(0.80)	(1.45)	(1.58)	(0.01)		
Return after operating charges (p)*	27.20	1.80	(15.26)	16.36		
Closing net asset value per share (p)	167.43	140.23	138.43	116.36		
Retained distribution on accumulation shares (p)	–	0.53	1.24	–		
*after direct transaction costs <sup>‡</sup> of (p)	0.08	0.23	0.94	0.06		
<b>Performance</b>						
Return after charges (%)	19.40	1.30	(9.93)	16.36		
<b>Other information</b>						
Closing net asset value (£000)	238	254	236	4		
Closing number of shares	142,369	180,989	170,640	3,000		
Operating charges (%)**	1.05 <sup>†</sup>	1.06	1.07	0.02 <sup>†</sup>		
Direct transaction costs (%)	0.11	0.16	0.63	0.11		
<b>Prices</b>						
Highest share price (p)	173.85	144.17	154.24	120.35		
Lowest share price (p)	137.82	128.33	134.74	98.50		
	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	152.91	152.34	132.99	155.60	153.93	133.17
Return before operating charges (p)	26.88	2.89	21.81	27.35	2.93	21.89
Operating charges (p)	(0.68)	(1.25)	(1.09)	(0.69)	(1.26)	(1.13)
Return after operating charges (p)*	26.20	1.64	20.72	26.66	1.67	20.76
Distributions on income shares (p)	–	(1.07)	(1.37)	–	–	–
Closing net asset value per share (p)	179.11	152.91	152.34	182.26	155.60	153.93
Retained distribution on accumulation shares (p)	–	–	–	–	1.03	0.55
*after direct transaction costs <sup>‡</sup> of (p)	0.09	0.25	0.83	0.09	0.25	0.87
<b>Performance</b>						
Return after charges (%)	17.13	1.08	15.58	17.13	1.08	15.59
<b>Other information</b>						
Closing net asset value (£000)	11,613	11,326	16,114	306,046	297,160	270,683
Closing number of shares	6,483,659	7,407,087	10,577,488	167,915,748	190,980,088	175,845,161
Operating charges (%)**	0.82 <sup>†</sup>	0.83	0.83	0.82 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)	0.11	0.16	0.63	0.11	0.16	0.63
<b>Prices</b>						
Highest share price (p)	185.34	158.61	154.57	188.61	160.28	154.78
Lowest share price (p)	150.02	135.84	122.98	152.66	137.25	123.15

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Net accumulation shares			Class Z EUR Hedged – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015 <sup>2</sup>	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	101.75	103.69	100.00	129.99	128.31	114.62
Return before operating charges (p)	20.61	(1.09)	4.66	25.86	2.72	14.60
Operating charges (p)	(0.46)	(0.85)	(0.97)	(0.59)	(1.04)	(0.91)
Return after operating charges (p)*	20.15	(1.94)	3.69	25.27	1.68	13.69
Closing net asset value per share (p)	121.90	101.75	103.69	155.26	129.99	128.31
Retained distribution on accumulation shares (p)	–	0.63	0.34	–	0.89	5.57
*after direct transaction costs <sup>†</sup> of (p)	0.06	0.17	0.74	0.08	0.21	0.72
<b>Performance</b>						
Return after charges (%)	19.80	(1.87)	3.69	19.44	1.31	11.94
<b>Other information</b>						
Closing net asset value (£000)	12	10	11	5	4	5
Closing number of shares	10,000	10,000	10,000	3,001	3,001	3,938
Operating charges (%)**	0.81 <sup>†</sup>	0.83	0.83 <sup>†</sup>	0.82 <sup>†</sup>	0.82	0.81
Direct transaction costs (%)	0.11	0.16	0.63	0.11	0.16	0.63
<b>Prices</b>						
Highest share price (p)	127.11	110.44	113.64	161.20	133.68	141.28
Lowest share price (p)	99.70	92.68	88.79	127.75	119.00	109.05
<b>Class Z GBP Hedged – Net accumulation shares</b>						
	07/09/2016	07/03/2016	07/03/2015 <sup>2</sup>			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.75	105.72	100.00			
Return before operating charges (p)	10.87	(5.14)	6.54			
Operating charges (p)	(0.44)	(0.83)	(0.82)			
Return after operating charges (p)*	10.43	(5.97)	5.72			
Closing net asset value per share (p)	110.18	99.75	105.72			
Retained distribution on accumulation shares (p)	–	0.64	0.35			
*after direct transaction costs <sup>†</sup> of (p)	0.06	0.17	0.63			
<b>Performance</b>						
Return after charges (%)	10.46	(5.65)	5.72			
<b>Other information</b>						
Closing net asset value (£000)	31	10	11			
Closing number of shares	28,386	10,000	10,000			
Operating charges (%)**	0.82 <sup>†</sup>	0.81	0.83 <sup>†</sup>			
Direct transaction costs (%)	0.11	0.16	0.63			
<b>Prices</b>						
Highest share price (p)	110.64	109.61	106.55			
Lowest share price (p)	98.33	89.97	92.48			

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

<sup>1</sup>Class X – Net accumulation shares commenced 16 March 2016.

<sup>2</sup>Class Z CHF Hedged – Net accumulation shares commenced 13 March 2014.

<sup>3</sup>Class Z GBP Hedged – Net accumulation shares commenced 13 March 2014.

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

<sup>5</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle American Select Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	1,079,431
Shares issued	185,107
Shares redeemed	(225,052)
Net conversions	(18,849)
Closing shares	1,020,637
<b>Class 1 – Net accumulation shares</b>	
Opening shares	247,688,801
Shares issued	429,302
Shares redeemed	(22,491,532)
Net conversions	(920,203)
Closing shares	224,706,368
<b>Class 1 EUR Hedged – Net accumulation shares</b>	
Opening shares	695,947
Shares issued	1,451,709
Shares redeemed	(1,542,885)
Net conversions	–
Closing shares	604,771
<b>Class 2 – Net accumulation shares</b>	
Opening shares	98,546,546
Shares issued	7,056,321
Shares redeemed	(15,589,369)
Net conversions	(717,536)
Closing shares	89,295,962
<b>Class 2 EUR Hedged – Net accumulation shares</b>	
Opening shares	180,989
Shares issued	365,484
Shares redeemed	(404,104)
Net conversions	–
Closing shares	142,369
<b>Class X – Net accumulation shares*</b>	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	3,000
<b>Class Z – Net income shares</b>	
Opening shares	7,407,087
Shares issued	207,471
Shares redeemed	(1,184,494)
Net conversions	53,595
Closing shares	6,483,659

2016

#### Class Z – Net accumulation shares

Opening shares	190,980,088
Shares issued	113,525
Shares redeemed	(25,338,840)
Net conversions	2,160,975
Closing shares	167,915,748

#### Class Z CHF Hedged – Net accumulation shares

Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

#### Class Z EUR Hedged – Net accumulation shares

Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,001

#### Class Z GBP Hedged – Net accumulation shares

Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	18,386
Closing shares	28,386

\*Class X – Net accumulation shares commenced 16 March 2016.

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 215.42p to 262.03p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +24.56% as compared to a median return of +23.39% over the same period. (For information the S&P 400 Mid Cap Index returned +25.86% over the same period).

#### Market Overview and Portfolio Activity

US equities continued to rally over the past six months, despite significant headwinds, including muted earnings growth and the Brexit referendum. The UK's vote to

leave the European Union resulted in some short-term market weakness and a rally in the dollar. But risk assets subsequently gained ground with the dollar stabilising. Bond yields continued to decline, with the US 10-year falling below 1.40% in the immediate aftermath of Brexit. Risk assets rebounded following Brexit, with volatility declining rapidly during the summer months.

Domestic economic data over the period continued to point to expansion. Hiring trends were volatile during the period, but in aggregate showed that the US economy continues to add jobs. Data from the Institute of Supply Management (ISM) showed that services continued to expand, while the manufacturing sector recovered. Manufacturing had been impacted by the stronger dollar and weaker oil prices, but began to recover as these headwinds began to fade. Similarly, muted earnings results for the second quarter reflected weakness in energy and exports, but are expected to improve in the second half of the year. The consumer, the backbone of the US economy, still appears to be spending, albeit at a modest rate. In terms of sector performance, firmer oil prices helped energy stocks outperform with WTI crude remaining above \$40 per barrel.

Over the quarter we've added to the portfolio a number of companies that we believe are strongly positioned to capitalise on current market dynamics. These included:

– PNM, New Mexico's largest electricity provider, is trading at a discount to regulated utilities, and its customer base growth rate is above the industry average. The company

can potentially grow dividends in line with earnings-per-share growth, with an opportunity to raise the payout ratio.

– Banking group Zion is a preferred interest-sensitive name. It offers an additional opportunity for increased margins following the restructuring of its business units to lower expenses.

– Nabor, a drilling contractor for the energy industry, was added to the portfolio at an attractive entry point, when its stock weakened as it lagged other service companies. But the company has a good business mix, a strong balance sheet and is focused on returns on capital.

During the period we have exited FLIR Systems, Westar Energy and Tempur Sealey, as they no longer offered a compelling risk/reward profile.

While equity markets have rallied following the UK's Brexit vote, we believe that risks remain in the political and economic spheres. We see the US as relatively better placed to weather further potential turbulence, given a supportive domestic economy and a diverse equity market. While we expect a rise in volatility from recent very low levels, we will continue actively seeking attractive long-term investment opportunities that occur when businesses are mispriced by the market.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	119,447	(27,234)
Revenue	4,120	2,996
Expenses	(3,575)	(3,789)
Net revenue/(expense) before taxation	545	(793)
Taxation	(617)	(313)
Net expense after taxation	(72)	(1,106)
<b>Total return before equalisation</b>	<b>119,375</b>	<b>(28,340)</b>
Equalisation	19	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>119,394</b>	<b>(28,340)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	658,880	527,154
<b>Current assets:</b>		
Debtors	489	2,820
Cash and bank balances	10,967	13,480
<b>Total assets</b>	<b>670,336</b>	<b>543,454</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(1)
<b>Creditors:</b>		
Distribution payable	–	(9)
Other creditors	(1,766)	(3,328)
<b>Total liabilities</b>	<b>(1,766)</b>	<b>(3,338)</b>
<b>Net assets attributable to shareholders</b>	<b>668,570</b>	<b>540,116</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>540,116</b>	<b>608,600</b>
Amounts receivable on the issue of shares	62,063	83,256
Amounts payable on the cancellation of shares	(53,033)	(79,673)
	9,030	3,583
Dilution adjustment	30	22
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	119,394	(28,340)
<b>Closing net assets attributable to shareholders</b>	<b>668,570</b>	<b>583,865</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	215.26	227.27	187.90	215.35	225.85	187.97
Return before operating charges (p)	48.57	(8.32)	42.66	48.59	(6.82)	41.14
Operating charges (p)	(1.98)	(3.69)	(3.29)	(1.98)	(3.68)	(3.26)
Return after operating charges (p)*	46.59	(12.01)	39.37	46.61	(10.50)	37.88
Closing net asset value per share (p)	261.85	215.26	227.27	261.96	215.35	225.85
*after direct transaction costs <sup>†</sup> of (p)	0.16	0.31	0.26	0.16	0.31	0.26
<b>Performance</b>						
Return after charges (%)	21.64	(5.28)	20.95	21.64	(4.65)	20.15
<b>Other information</b>						
Closing net asset value (£000)	14,201	12,018	18,729	191,485	170,238	201,498
Closing number of shares	5,423,307	5,582,910	8,240,803	73,098,005	79,052,373	89,217,325
Operating charges (%)**	1.66 <sup>†</sup>	1.67	1.67	1.66 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)	0.13	0.14	0.13	0.13	0.14	0.13
<b>Prices</b>						
Highest share price (p)	267.99	241.52	227.09	268.11	241.61	227.18
Lowest share price (p)	211.79	187.22	176.34	211.87	187.29	176.41

  

	Class 2 – Net accumulation shares			Class X – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	240.94	251.29	207.72	195.43	201.85	165.21
Return before operating charges (p)	54.45	(7.74)	45.88	44.26	(6.30)	36.75
Operating charges (p)	(1.40)	(2.61)	(2.31)	(0.05)	(0.12)	(0.11)
Return after operating charges (p)*	53.05	(10.35)	43.57	44.21	(6.42)	36.64
Closing net asset value per share (p)	293.99	240.94	251.29	239.64	195.43	201.85
Retained distribution on accumulation shares (p)	–	–	–	–	1.88	0.67
*after direct transaction costs <sup>†</sup> of (p)	0.18	0.35	0.29	0.14	0.28	0.25
<b>Performance</b>						
Return after charges (%)	22.02	(4.12)	20.98	22.62	(3.18)	22.18
<b>Other information</b>						
Closing net asset value (£000)	239,281	209,416	265,190	8,346	6,807	7,051
Closing number of shares	81,390,955	86,917,770	105,531,995	3,483,000	3,483,000	3,493,001
Operating charges (%)**	1.05 <sup>†</sup>	1.06	1.06	0.05 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)	0.13	0.14	0.13	0.13	0.14	0.13
<b>Prices</b>						
Highest share price (p)	300.78	268.83	252.59	245.03	216.15	202.90
Lowest share price (p)	237.06	209.46	195.07	192.29	169.83	155.32

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

	Class Z – Net income shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	128.26	133.72	110.48	168.18	175.10	144.49
Return before operating charges (p)	29.01	(4.14)	24.46	38.02	(5.42)	31.98
Operating charges (p)	(0.63)	(1.14)	(1.06)	(0.81)	(1.50)	(1.37)
Return after operating charges (p)*	28.38	(5.28)	23.40	37.21	(6.92)	30.61
Distributions on income shares (p)	–	(0.18)	(0.16)	–	–	–
Closing net asset value per share (p)	156.64	128.26	133.72	205.39	168.18	175.10
Retained distribution on accumulation shares (p)	–	–	–	–	0.26	0.12
*after direct transaction costs <sup>‡</sup> of (p)	0.10	0.18	0.16	0.12	0.24	0.21
<b>Performance</b>						
Return after charges (%)	22.13	(3.95)	21.18	22.13	(3.95)	21.18
<b>Other information</b>						
Closing net asset value (£000)	10,789	6,515	5,153	204,468	135,122	110,979
Closing number of shares	6,887,829	5,080,103	3,853,753	99,550,071	80,343,853	63,380,748
Operating charges (%)**	0.87 <sup>†</sup>	0.88	0.88	0.87 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.13	0.14	0.13	0.13	0.14	0.13
<b>Prices</b>						
Highest share price (p)	160.24	143.08	134.58	210.11	187.35	176.01
Lowest share price (p)	126.34	111.64	103.77	165.47	146.19	135.72

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.



## Threadneedle American Smaller Companies Fund (US)

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	5,582,910
Shares issued	243,375
Shares redeemed	(294,915)
Net conversions	(108,063)
Closing shares	5,423,307
<b>Class 1 – Net accumulation shares</b>	
Opening shares	79,052,373
Shares issued	2,852,400
Shares redeemed	(8,171,864)
Net conversions	(634,904)
Closing shares	73,098,005
<b>Class 2 – Net accumulation shares</b>	
Opening shares	86,917,770
Shares issued	2,828,937
Shares redeemed	(7,316,425)
Net conversions	(1,039,327)
Closing shares	81,390,955
<b>Class X – Net accumulation shares</b>	
Opening shares	3,483,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,483,000
<b>Class Z – Net income shares</b>	
Opening shares	5,080,103
Shares issued	714,472
Shares redeemed	(475,041)
Net conversions	1,568,295
Closing shares	6,887,829
<b>Class Z – Net accumulation shares</b>	
Opening shares	80,343,853
Shares issued	25,395,511
Shares redeemed	(7,432,039)
Net conversions	1,242,746
Closing shares	99,550,071

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Dollar Bond Fund has risen from 56.38p to 62.09p.

The sterling total return on the fund for the six months ending 31 August 2016, including gross reinvested

income, is +12.25% gross of tax and charges\*\*. (For information the 50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master Index gave a total return of +11.07% in sterling terms for the same period).

#### Market Overview and Portfolio Activity

US government-bond yields fell through the last six months from around 1.90% to 1.50% and followed a broad global trend. US economic data was largely disappointing through the period, which reduced the pressure on the Federal Reserve to raise interest rates. Meanwhile, although the unemployment rate continues to fall, there are scant signs of building inflation pressure.

For corporate bonds, it was also a very constructive period, with spreads compressing from around 190 basis points over US government bonds to end the period at close to 140 basis points. This area of the market remains supported by loose monetary policy and attractive valuations after the sell-off at the beginning of this year.

In terms of portfolio activity, we have maintained our short duration position. We have also trimmed our

overweight to credit market risk. We rotated the fund's positioning thematically out of cyclical sectors such as financials and commodities towards more defensive sectors such as regulated utilities and consumer goods. Examples of such purchases include Southern Co, AB InBev and Japan Tobacco.

Government-bond yields are very low both in terms of nominal yield but also when compared to present and expected levels of growth and inflation. Corporate-bond spreads have also tightened meaningfully and are now back at levels close to the long-term average. The credit cycle appears fairly mature, and the level of issuance and more equity-friendly activity are both examples of end-of-cycle behaviour. Bond returns have been strong over the last six months but the outlook appears somewhat more challenging.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	9,088	(1,653)
Revenue	1,038	980
Expenses	(453)	(332)
Interest payable and similar charges	(150)	(322)
Net revenue before taxation	435	326
Taxation	–	–
Net revenue after taxation	435	326
<b>Total return before distributions</b>	<b>9,523</b>	<b>(1,327)</b>
Distributions	(812)	(602)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>8,711</b>	<b>(1,929)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	68,836	55,974
<b>Current assets:</b>		
Debtors	1,020	626
Cash and bank balances	11,491	6,945
<b>Total assets</b>	<b>81,347</b>	<b>63,545</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(80)	–
<b>Creditors:</b>		
Distribution payable	(626)	(552)
Other creditors	(495)	(151)
<b>Total liabilities</b>	<b>(1,201)</b>	<b>(703)</b>
<b>Net assets attributable to shareholders</b>	<b>80,146</b>	<b>62,842</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>62,842</b>	<b>65,781</b>
Amounts receivable on the issue of shares	42,396	2,848
Amounts payable on the cancellation of shares	(34,052)	(12,760)
	8,344	(9,912)
Dilution adjustment	93	19
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	8,711	(1,929)
Retained distribution on accumulation shares	156	148
<b>Closing net assets attributable to shareholders</b>	<b>80,146</b>	<b>54,107</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	0.6028	0.1206	0.4822	–	0.4822	0.4403
<b>Group 2</b> 08/03/16 to 07/09/16	0.2726	0.0545	0.2181	0.2641	0.4822	0.4403
<b>Total distributions in the period</b>					<b>0.4822</b>	<b>0.4403</b>

#### Class 1 Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	1.2738	–	1.2738	1.1389
<b>Group 2</b> 08/03/16 to 07/09/16	0.6867	0.5871	1.2738	1.1389
<b>Total distributions in the period</b>			<b>1.2738</b>	<b>1.1389</b>

## Threadneedle Dollar Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b> 08/03/16 to 07/09/16	1.1608	0.2322	0.9286	—	0.9286	0.8434
<b>Group 2</b> 08/03/16 to 07/09/16	0.4655	0.0931	0.3724	0.5562	0.9286	0.8434
<b>Total distributions in the period</b>					<b>0.9286</b>	<b>0.8434</b>

#### Class Z Shares

##### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b> 08/03/16 to 07/09/16	1.3362	—	1.3362	1.1878
<b>Group 2</b> 08/03/16 to 07/09/16	0.5150	0.8212	1.3362	1.1878
<b>Total distributions in the period</b>			<b>1.3362</b>	<b>1.1878</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Dollar Bond Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	55.74	54.15	48.03	117.79	112.05	97.15
Return before operating charges (p)	6.59	3.16	7.68	14.20	7.08	16.14
Operating charges (p)	(0.35)	(0.65)	(0.61)	(0.74)	(1.34)	(1.24)
Return after operating charges (p)*	6.24	2.51	7.07	13.46	5.74	14.90
Distributions on income shares (p)	(0.48)	(0.92)	(0.95)	–	–	–
Closing net asset value per share (p)	61.50	55.74	54.15	131.25	117.79	112.05
Retained distribution on accumulation shares (p)	–	–	–	1.27	2.39	2.43
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	11.19	4.64	14.72	11.43	5.12	15.34
<b>Other information</b>						
Closing net asset value (£000)	55,593	46,054	39,394	15,036	10,222	16,598
Closing number of shares	90,391,047	82,630,475	72,746,813	11,455,987	8,678,305	14,812,961
Operating charges (%)**	1.19 <sup>†</sup>	1.21	1.21	1.19 <sup>†</sup>	1.21	1.21
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	64.21	57.42	55.56	135.93	120.31	113.95
Lowest share price (p)	54.99	50.97	47.85	116.35	105.58	96.96

  

	Class Z – Net income shares			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	105.11	101.61	89.66	121.00	114.44	98.69
Return before operating charges (p)	12.47	5.93	14.41	14.62	7.32	16.46
Operating charges (p)	(0.37)	(0.67)	(0.64)	(0.43)	(0.76)	(0.71)
Return after operating charges (p)*	12.10	5.26	13.77	14.19	6.56	15.75
Distributions on income shares (p)	(0.93)	(1.76)	(1.82)	–	–	–
Closing net asset value per share (p)	116.28	105.11	101.61	135.19	121.00	114.44
Retained distribution on accumulation shares (p)	–	–	–	1.34	2.50	2.54
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	11.51	5.18	15.36	11.73	5.73	15.96
<b>Other information</b>						
Closing net asset value (£000)	8,537	6,163	9,659	980	403	130
Closing number of shares	7,341,951	5,863,026	9,506,088	725,103	333,386	113,437
Operating charges (%)**	0.65 <sup>†</sup>	0.67	0.67	0.65 <sup>†</sup>	0.67	0.66
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	121.37	108.29	104.21	139.97	123.58	116.38
Lowest share price (p)	103.86	95.77	89.49	119.72	108.04	98.71

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

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle Dollar Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2016

##### Class 1 – Net income shares

Opening shares	82,630,475
Shares issued	11,667,176
Shares redeemed	(3,906,604)
Net conversions	—
Closing shares	90,391,047

##### Class 1 – Gross accumulation shares

Opening shares	8,678,305
Shares issued	21,103,711
Shares redeemed	(18,326,029)
Net conversions	—
Closing shares	11,455,987

##### Class Z – Net income shares

Opening shares	5,863,026
Shares issued	8,151,260
Shares redeemed	(6,672,335)
Net conversions	—
Closing shares	7,341,951

##### Class Z – Gross accumulation shares

Opening shares	333,386
Shares issued	512,122
Shares redeemed	(120,405)
Net conversions	—
Closing shares	725,103

## 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 primarily in the equities of companies domiciled in Japan or with significant Japanese 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, warrants and convertible bonds, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Japan Fund has risen from 42.77p to 49.74p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +17.57% as compared to a median return of +19.37% over the same period. (For information the TOPIX Index returned +20.35% over the same period).

#### Market Overview and Portfolio Activity

While the Japanese TOPIX index was little changed in yen terms over the period, the returns for UK-based investors were enhanced by the weakness of sterling

against the Japanese currency. The UK's surprise decision to leave the European Union sent shockwaves across global markets and boosted the appeal of 'safe-haven' assets such as the Japanese yen. The resurgence in the yen adversely affected demand for Japanese exports and dampened company profits.

Sentiment towards the Japanese market was buoyed by Prime Minister Shinzo Abe's win in July's upper house elections. His success was seen as a vote of confidence in his economic reforms, known as Abenomics, which focus on the three arrows policies of monetary stimulus, fiscal stimulus and structural reforms, with a view to boosting economic activity and stimulating inflation. The election result fuelled expectations of further fiscal stimulus and at the start of August a new package was announced, totalling 28tn yen (\$276bn), which included measures to promote infrastructure spending and encourage domestic demand.

The need for further fiscal measures was highlighted by recent economic data. Preliminary estimates revealed that the Japanese economy expanded at an annualised rate of just 0.2% in the second quarter of 2016, compared with 2.0% in the first three months of the year. Capital expenditure grew at its slowest pace for 18 months over the quarter to the end of June. The Bank of Japan has also reiterated that it is prepared to ease monetary policy further, if necessary.

During the reporting period, we established a new position in telecommunications company KDDI. Smartphone penetration remains low in Japan and, as this increases, we expect the company to generate strong free cash-flow and dividend growth. Another new purchase was domestic and commercial security firm Sohgo Security Services. The company has a nationwide service network and, as revenues grow, we expect a further improvement in margins. Elsewhere, we established a new position in food company Meiji Holdings, which has a highly-successful probiotic yoghurt product and is also benefiting from increasing per capita consumption of chocolate in Japan.

In financials, we moved out of Aozora Bank, which had held up better than most Japanese banks and where valuations were looking stretched, and added to Mitsubishi UFJ Financial, which is currently the fund's largest holding. In addition, we sold the position in department-store and real-estate company Seibu, substantially reduced the holding in Shimano and also took profits on footwear retailer ABC-Mart, which had reached our price target.

Looking ahead, we would expect exporters to remain under pressure if the strength of the yen persists, but valuations generally remain supportive. We still see plenty of opportunities in domestic-growth areas, which form a significant part of the Japanese stock market.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	59,871	(23,349)
Revenue	4,320	2,784
Expenses	(2,261)	(2,444)
Interest payable and similar charges	(1)	(1)
Net revenue before taxation	2,058	339
Taxation	(401)	(296)
Net revenue after taxation	1,657	43
<b>Total return before equalisation</b>	<b>61,528</b>	<b>(23,306)</b>
Equalisation	(58)	–
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>61,470</b>	<b>(23,306)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	418,920	411,194
<b>Current assets:</b>		
Debtors	2,714	709
Cash and bank balances	3,343	5,389
<b>Total assets</b>	<b>424,977</b>	<b>417,292</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(49)	(1)
<b>Creditors:</b>		
Distribution payable	–	(2)
Other creditors	(6,437)	(5,625)
<b>Total liabilities</b>	<b>(6,486)</b>	<b>(5,628)</b>
<b>Net assets attributable to shareholders</b>	<b>418,491</b>	<b>411,664</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>411,664</b>	<b>343,216</b>
Amounts receivable on the issue of shares	180,943	188,686
Amounts payable on the cancellation of shares	(236,188)	(143,879)
	(55,245)	44,807
Dilution adjustment	602	286
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	61,470	(23,306)
<b>Closing net assets attributable to shareholders</b>	<b>418,491</b>	<b>365,003</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle Japan Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	42.74	43.04	37.58	47.78	47.82	41.50
Return before operating charges (p)	7.33	0.42	6.10	8.22	0.47	6.77
Operating charges (p)	(0.37)	(0.72)	(0.64)	(0.27)	(0.51)	(0.45)
Return after operating charges (p)*	6.96	(0.30)	5.46	7.95	(0.04)	6.32
Closing net asset value per share (p)	49.70	42.74	43.04	55.73	47.78	47.82
Retained distribution on accumulation shares (p)	–	–	–	–	0.20	0.15
*after direct transaction costs <sup>1</sup> of (p)	0.04	0.05	0.07	0.04	0.06	0.08
<b>Performance</b>						
Return after charges (%)	16.28	(0.70)	14.53	16.64	(0.08)	15.23
<b>Other information</b>						
Closing net asset value (£000)	124,444	144,703	145,045	234,707	220,627	196,484
Closing number of shares	250,403,764	338,603,560	337,026,003	421,117,583	461,768,472	410,873,646
Operating charges (%)**	1.67 <sup>1</sup>	1.67	1.68	1.06 <sup>1</sup>	1.06	1.07
Direct transaction costs (%)	0.17	0.15	0.19	0.17	0.15	0.19
<b>Prices</b>						
Highest share price (p)	50.70	46.86	43.08	56.84	52.10	47.87
Lowest share price (p)	41.10	36.70	34.60	46.00	41.01	38.25

  

	Class X – Net income shares			Class X – Net income shares	
	07/09/2016	07/03/2016	07/03/2015 <sup>1</sup>	07/09/2016	07/03/2016 <sup>2</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	112.43	112.70	100.00	98.93	100.00
Return before operating charges (p)	19.42	1.06	13.41	17.06	(1.03)
Operating charges (p)	(0.04)	(0.07)	(0.04)	(0.03)	(0.04)
Return after operating charges (p)*	19.38	0.99	13.37	17.03	(1.07)
Distributions on income shares (p)	–	(1.26)	(0.67)	–	–
Closing net asset value per share (p)	131.81	112.43	112.70	115.96	98.93
Retained distribution on accumulation shares (p)	–	–	–	–	0.23
*after direct transaction costs <sup>1</sup> of (p)	0.10	0.14	0.12	0.09	0.09
<b>Performance</b>					
Return after charges (%)	17.24	0.88	13.37	17.21	(1.07)
<b>Other information</b>					
Closing net asset value (£000)	295	159	104	57,560	43,853
Closing number of shares	224,194	141,723	92,369	49,636,526	44,329,577
Operating charges (%)**	0.06 <sup>1</sup>	0.06	0.06 <sup>1</sup>	0.06 <sup>1</sup>	0.06 <sup>1</sup>
Direct transaction costs (%)	0.17	0.15	0.19	0.17	0.15
<b>Prices</b>					
Highest share price (p)	134.34	122.75	113.48	118.19	103.06
Lowest share price (p)	108.41	97.52	93.37	95.38	84.86

## Threadneedle Japan Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	145.16	145.03	125.65
Return before operating charges (p)	24.98	1.41	20.53
Operating charges (p)	(0.66)	(1.28)	(1.15)
Return after operating charges (p)*	24.32	0.13	19.38
Closing net asset value per share (p)	169.48	145.16	145.03
Retained distribution on accumulation shares (p)	–	0.80	0.44
*after direct transaction costs <sup>‡</sup> of (p)	0.13	0.18	0.25
<b>Performance</b>			
Return after charges (%)	16.75	0.09	15.42
<b>Other information</b>			
Closing net asset value (£000)	1,485	2,322	1,583
Closing number of shares	876,087	1,599,708	1,091,909
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.17	0.15	0.19
<b>Prices</b>			
Highest share price (p)	172.82	158.03	145.18
Lowest share price (p)	139.78	124.58	115.82

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

<sup>†</sup>Class X – Net income shares commenced 4 August 2014.

<sup>‡</sup>Class X – Net accumulation shares commenced 10 June 2015.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.



# Threadneedle Japan Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net accumulation shares

Opening shares	338,603,560
Shares issued	279,552,426
Shares redeemed	(367,702,755)
Net conversions	(49,467)
Closing shares	<u>250,403,764</u>

#### Class 2 – Net accumulation shares

Opening shares	461,768,472
Shares issued	81,227,004
Shares redeemed	(121,877,893)
Net conversions	–
Closing shares	<u>421,117,583</u>

#### Class X – Net income shares

Opening shares	141,723
Shares issued	82,471
Shares redeemed	–
Net conversions	–
Closing shares	<u>224,194</u>

#### Class X – Net accumulation shares

Opening shares	44,329,577
Shares issued	13,251,534
Shares redeemed	(7,944,585)
Net conversions	–
Closing shares	<u>49,636,526</u>

#### Class Z – Net accumulation shares

Opening shares	1,599,708
Shares issued	47,434
Shares redeemed	(785,594)
Net conversions	14,539
Closing shares	<u>876,087</u>

## 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.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Asia Fund has risen from 141.86p to 175.29p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +27.39% as compared to a median return of +27.23% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned +28.74% over the same period).

#### Market Overview and Portfolio Activity

Asian equities rose strongly over the six months under review. UK-based investors enjoyed even stronger returns as a result of the weakness of sterling following the UK's vote to leave the European Union in the June referendum.

Chinese equities performed particularly well and, with the exception of Malaysia, all markets achieved double-digit

returns in sterling terms. Alongside China, markets in Korea, Taiwan, India and Hong Kong were the best performers. Markets benefited from increased capital flows into the region, fuelled by supportive domestic developments and the Federal Reserve's decision to leave US interest rates unchanged.

Sentiment towards China was buoyed by signs that the economy is beginning to stabilise, helped by earlier measures to ease monetary policy. Additionally, the State Council recently approved the Shenzhen-Hong Kong Stock Connect. The trading link will open this year and demonstrates the efforts of the Chinese authorities to open up the country's financial markets to global investors. Meanwhile, recent results from the majority of Chinese companies exceeded market expectations, and investors are also encouraged by robust domestic consumption.

In India, the upper house passed the Goods and Services Tax Bill, which offers the potential for long-term tax reforms. The announcement of the appointment of Urjit Patel as the new governor of the central bank was also well received by the market.

During June, the Korean central bank cut interest rates to a record low and the Ministry of Finance announced another stimulus package to boost the economy. Elsewhere, the result of the referendum on Thailand's constitution should provide greater political stability. Malaysia saw heightened concerns over developments at 1MDB, the troubled state investment fund.

The fund started a number of new positions: firstly in NAVER, the largest web operator in Korea whose popular messaging app has recently listed in the US; in Techtronic Industries, a

Hong Kong-based power equipment and floor-care manufacturer whose sales are benefitting from the strength of the US housing market; in Anhui Conch Cement, China's largest cement producer, which is experiencing an improvement in gross profit per tonne on the back of tight cost controls and improved industry supply discipline; and in KT&G Corp, for its attractively priced growth prospects and undemanding valuation relative to global peers. On the sell side, the fund exited positions in Hong Kong Exchanges & Clearing, where the earnings outlook was deemed to be lacking visibility; IJM in Malaysia; Infosys, over concerns that an already deteriorating revenue outlook would be negatively impacted by Brexit; Sun Pharmaceuticals in India; Thai Oil, where we took some profits following strong performance; and Telstra, as the relative attractiveness of the stock has lessened against a backdrop of slower global growth and rising risk aversion.

With valuations more attractive, currencies more competitive and company earnings revisions trending upwards, there are opportunities within Asian equities. However, with downward revisions to global growth forecasts we are likely to see heightened volatility, reflecting greater uncertainty.

We continue to monitor the Federal Reserve's stance on interest rates due to the potential impact on capital flows and tighter financial conditions. Policies by many Asian central banks are expected to remain accommodative given the backdrop of benign inflation. Furthermore, Asia is likely to benefit from the hunt for income-generating assets given the availability of a large number of high-yielding stocks across the region.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	94,645	(94,609)
Revenue	9,055	8,853
Expenses	(2,983)	(3,086)
Net revenue before taxation	6,072	5,767
Taxation	667	(746)
Net revenue after taxation	6,739	5,021
Total return before equalisation	101,384	(89,588)
Equalisation	(94)	—
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>101,290</b>	<b>(89,588)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	516,823	442,523
<b>Current assets:</b>		
Debtors	1,815	3,062
Cash and bank balances	9,606	10,623
Total assets	528,244	456,208
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(7,218)	(8,677)
Total liabilities	(7,218)	(8,677)
<b>Net assets attributable to shareholders</b>	<b>521,026</b>	<b>447,531</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>447,531</b>	<b>520,011</b>
Amounts receivable on the issue of shares	16,598	63,393
Amounts payable on the cancellation of shares	(44,393)	(107,041)
	(27,795)	(43,648)
Dilution adjustment	—	298
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	101,290	(89,588)
<b>Closing net assets attributable to shareholders</b>	<b>521,026</b>	<b>387,073</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle Asia Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	141.62	157.09	131.11	156.48	172.51	143.10
Return before operating charges (p)	34.59	(13.03)	28.39	38.29	(14.31)	31.11
Operating charges (p)	(1.31)	(2.44)	(2.41)	(0.93)	(1.72)	(1.70)
Return after operating charges (p)*	33.28	(15.47)	25.98	37.36	(16.03)	29.41
Closing net asset value per share (p)	174.90	141.62	157.09	193.84	156.48	172.51
Retained distribution on accumulation shares (p)	–	1.35	1.27	–	2.23	2.08
*after direct transaction costs <sup>1</sup> of (p)	0.13	0.27	0.30	0.14	0.29	0.32
<b>Performance</b>						
Return after charges (%)	23.50	(9.85)	19.82	23.88	(9.29)	20.55
<b>Other information</b>						
Closing net asset value (£000)	153,886	135,831	161,924	343,741	293,366	335,772
Closing number of shares	87,986,028	95,909,523	103,079,738	177,329,340	187,476,391	194,638,485
Operating charges (%)**	1.70 <sup>1</sup>	1.69	1.70	1.09 <sup>1</sup>	1.08	1.09
Direct transaction costs (%)	0.17	0.19	0.21	0.17	0.19	0.21
<b>Prices</b>						
Highest share price (p)	177.34	173.54	158.17	196.48	190.70	173.70
Lowest share price (p)	136.47	124.37	127.87	150.97	136.98	139.59
	Class X – Net income shares			Class X – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015 <sup>1</sup>	07/09/2016	07/03/2016 <sup>2</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	98.83	110.63	100.00	101.57	100.00	
Return before operating charges (p)	24.16	(9.20)	11.90	24.80	1.58	
Operating charges (p)	(0.03)	(0.04)	(0.03)	(0.03)	(0.01)	
Return after operating charges (p)*	24.13	(9.24)	11.87	24.77	1.57	
Distributions on income shares (p)	–	(2.56)	(1.24)	–	–	
Closing net asset value per share (p)	122.96	98.83	110.63	126.34	101.57	
Retained distribution on accumulation shares (p)	–	–	–	–	0.42	
*after direct transaction costs <sup>1</sup> of (p)	0.09	0.19	0.13	0.09	0.05	
<b>Performance</b>						
Return after charges (%)	24.42	(8.35)	11.87	24.39	1.57	
<b>Other information</b>						
Closing net asset value (£000)	4	3	3	4	3	
Closing number of shares	3,001	3,001	3,001	3,000	3,000	
Operating charges (%)**	0.05 <sup>1</sup>	0.04	0.05 <sup>1</sup>	0.05 <sup>1</sup>	0.04 <sup>1</sup>	
Direct transaction costs (%)	0.17	0.19	0.21	0.17	0.19	
<b>Prices</b>						
Highest share price (p)	124.59	122.43	112.10	128.02	101.72	
Lowest share price (p)	95.55	88.27	98.19	98.18	89.22	

## Threadneedle Asia Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	121.97	134.21	111.14
Return before operating charges (p)	29.86	(11.12)	24.21
Operating charges (p)	(0.61)	(1.12)	(1.14)
Return after operating charges (p)*	29.25	(12.24)	23.07
Closing net asset value per share (p)	151.22	121.97	134.21
Retained distribution on accumulation shares (p)	–	2.92	2.22
*after direct transaction costs <sup>‡</sup> of (p)	0.11	0.23	0.26
<b>Performance</b>			
Return after charges (%)	23.98	(9.12)	20.76
<b>Other information</b>			
Closing net asset value (£000)	23,391	18,328	22,312
Closing number of shares	15,468,317	15,027,129	16,624,645
Operating charges (%)**	0.91 <sup>†</sup>	0.90	0.90
Direct transaction costs (%)	0.17	0.19	0.21
<b>Prices</b>			
Highest share price (p)	153.25	148.39	135.14
Lowest share price (p)	117.71	106.65	108.42

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

<sup>†</sup>Class X – Net income shares commenced 4 August 2014.

<sup>‡</sup>Class X – Net accumulation shares commenced 2 December 2015.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle Asia Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net accumulation shares</b>	
Opening shares	95,909,523
Shares issued	738,779
Shares redeemed	(8,512,548)
Net conversions	(149,726)
Closing shares	<u>87,986,028</u>
<b>Class 2 – Net accumulation shares</b>	
Opening shares	187,476,391
Shares issued	6,867,391
Shares redeemed	(17,005,806)
Net conversions	(8,636)
Closing shares	<u>177,329,340</u>
<b>Class X – Net income shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>
<b>Class X – Net accumulation shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class Z – Net accumulation shares</b>	
Opening shares	15,027,129
Shares issued	3,037,715
Shares redeemed	(2,781,281)
Net conversions	184,754
Closing shares	<u>15,468,317</u>

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Latin America Fund has risen from 174.23p to 224.01p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +40.96%. (For information the MSCI 10/40 Latin America Index returned +43.52% over the same period).

#### Market Overview and Portfolio Activity

Latin American equities rose strongly over the six months under review, buoyed by the rally in commodity prices, political improvements and the Federal Reserve's decision to leave US interest rates unchanged. UK-based investors enjoyed even stronger returns as a result of the weakness of sterling

following the UK's vote to leave the European Union in the June referendum.

Brazil performed very strongly over the period. The impeachment proceedings against President Dilma Rousseff were concluded and former Vice-President Michel Temer, who has led the country since May, officially took office on 31 August. The political change in Brazil and the increase in commodity prices significantly improved the sentiment towards Brazil, as evident in the performance of its equities and currency. The focus will now move to the new administration's reform agenda and its ability to boost business confidence. Furthermore, after two years of deep recession, there are signs of improvement in the economy and corporate earnings.

The Mexican market was flat and the Mexican peso weakened during the period. Monetary policy in Mexico was tightened, with the central bank raising interest rates to 4.25% to help restrain any inflationary pressures arising from the currency's depreciation. Growth is being adversely impacted by ongoing cuts in spending, as the government attempts to improve its fiscal position. In the first quarter of 2016, the Mexican economy grew by 2.8% year on year, but activity slowed in the second quarter, when the economy expanded by 2.5% from a year earlier.

The Colombian market performed well in the period as the oil price recovered. Towards the end of the period the Colombian market performed strongly, as sentiment was buoyed by the peace agreement signed by the government and the rebel group FARC; the Colombian people will vote in October on whether to accept the accord.

There were a number of new additions to the fund's holdings in Brazil, including paper producer Klabin, which is expected to benefit from a bottoming in Brazilian industrial activity, and utility firm Energisa. Another new purchase was BR Malls, the largest owner and operator of shopping centres in Latin America. Conversely, we sold the holding in CCR, the largest toll-road operator in Brazil. In Mexico, we sold the position in petrochemical firm Mexichem due to our concerns over the impact of April's plant explosion and the company's exposure to Europe.

The prospects for Brazil should now improve after two years of severe recession, with the potential for a mild growth recovery in 2017. Mexico has good prospects considering the structural reforms pursued by the current administration, the strength of the US economy, and the country's strong competitive position in terms of manufacturing costs. Nevertheless, lower oil prices may have a negative impact on fiscal resources and foreign direct investment in the energy sector.

Argentina has room for improvement and the flow of foreign direct investment should increase, given the new policies implemented by President Mauricio Macri, and the resolution of the long-running dispute regarding the country's sovereign debt default in 2001.

Ongoing concerns regarding the rate of global growth, expectations for a rate-hiking cycle in the US and commodity-price weakness continue to weigh on the Andean region markets of Chile and Peru.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	96,174	(88,698)
Revenue	4,749	4,243
Expenses	(2,288)	(2,378)
Net revenue before taxation	2,461	1,865
Taxation	(321)	500
Net revenue after taxation	2,140	2,365
<b>Total return before equalisation</b>	<b>98,314</b>	<b>(86,333)</b>
Equalisation	50	—
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>98,364</b>	<b>(86,333)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	433,996	313,797
<b>Current assets:</b>		
Debtors	2,041	5,475
Cash and bank balances	21,820	16,643
<b>Total assets</b>	<b>457,857</b>	<b>335,915</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(3,513)	(5,603)
<b>Total liabilities</b>	<b>(3,513)</b>	<b>(5,603)</b>
<b>Net assets attributable to shareholders</b>	<b>454,344</b>	<b>330,312</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>330,312</b>	<b>414,853</b>
Amounts receivable on the issue of shares	63,081	13,807
Amounts payable on the cancellation of shares	(37,588)	(40,119)
	25,493	(26,312)
Dilution adjustment	175	—
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	98,364	(86,333)
<b>Closing net assets attributable to shareholders</b>	<b>454,344</b>	<b>302,208</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle Latin America Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 2 – Net accumulation share		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	173.98	200.96	216.62	190.79	219.06	234.65
Return before operating charges (p)	51.33	(23.99)	(11.67)	56.43	(26.19)	(12.82)
Operating charges (p)	(1.63)	(2.99)	(3.99)	(1.16)	(2.08)	(2.77)
Return after operating charges (p)*	49.70	(26.98)	(15.66)	55.27	(28.27)	(15.59)
Closing net asset value per share (p)	223.68	173.98	200.96	246.06	190.79	219.06
Retained distribution on accumulation shares (p)	–	1.12	1.64	–	2.37	3.05
*after direct transaction costs <sup>†</sup> of (p)	0.12	0.18	0.43	0.13	0.20	0.46
<b>Performance</b>						
Return after charges (%)	28.57	(13.43)	(7.23)	28.97	(12.91)	(6.64)
<b>Other information</b>						
Closing net asset value (£000)	78,627	62,848	104,844	327,128	234,801	284,726
Closing number of shares	35,151,714	36,124,209	52,172,826	132,948,731	123,066,273	129,977,747
Operating charges (%)**	1.69 <sup>†</sup>	1.70	1.70	1.09 <sup>†</sup>	1.09	1.09
Direct transaction costs (%)	0.13	0.10	0.18	0.13	0.10	0.18
<b>Prices</b>						
Highest share price (p)	231.80	220.81	276.10	254.90	240.85	300.01
Lowest share price (p)	169.53	138.86	195.87	185.94	152.17	213.20

  

	Class X – Net accumulation shares			Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	77.37	87.93	93.18	65.15	74.66	79.83
Return before operating charges (p)	22.94	(10.51)	(5.21)	19.27	(8.93)	(4.40)
Operating charges (p)	(0.02)	(0.05)	(0.04)	(0.33)	(0.58)	(0.77)
Return after operating charges (p)*	22.92	(10.56)	(5.25)	18.94	(9.51)	(5.17)
Closing net asset value per share (p)	100.29	77.37	87.93	84.09	65.15	74.66
Retained distribution on accumulation shares (p)	–	1.74	2.30	–	0.96	1.22
*after direct transaction costs <sup>†</sup> of (p)	0.05	0.08	0.19	0.05	0.07	0.16
<b>Performance</b>						
Return after charges (%)	29.62	(12.01)	(5.63)	29.07	(12.74)	(6.48)
<b>Other information</b>						
Closing net asset value (£000)	3	2	3	48,586	32,661	25,280
Closing number of shares	3,000	3,000	3,000	57,780,230	50,135,426	33,860,345
Operating charges (%)**	0.04 <sup>†</sup>	0.06	0.04	0.91 <sup>†</sup>	0.91	0.90
Direct transaction costs (%)	0.13	0.10	0.18	0.13	0.10	0.18
<b>Prices</b>						
Highest share price (p)	103.83	96.80	119.77	87.10	82.08	102.16
Lowest share price (p)	75.42	61.63	85.36	63.49	51.94	72.63

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

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

<sup>†</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Latin America Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net accumulation shares

Opening shares	36,124,209
Shares issued	12,393,520
Shares redeemed	(13,037,468)
Net conversions	(328,547)
Closing shares	<u>35,151,714</u>

#### Class 2 – Net accumulation shares

Opening shares	123,066,273
Shares issued	14,762,132
Shares redeemed	(4,746,552)
Net conversions	(133,122)
Closing shares	<u>132,948,731</u>

#### Class X – Net accumulation shares

Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

#### Class Z – Net accumulation shares

Opening shares	50,135,426
Shares issued	10,580,520
Shares redeemed	(4,202,280)
Net conversions	1,266,564
Closing shares	<u>57,780,230</u>



## 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 EPM techniques.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Emerging Market Bond Fund has risen from 57.47p to 66.32p.

The sterling total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +19.57%. The fund return equates approximately to +22.13% gross of tax

and charges\*\*. (For information the JPM Emerging Market Bonds Global Index gave a total return of +19.81% for the same period).

#### Market Overview and Portfolio Activity

Emerging-market (EM) corporate debt delivered strong returns over the past six months.

In the US, expectations for a rate hike seesawed through the period under review, and investors continued to seek higher-yielding assets. Following the Brexit vote, the asset class rallied sharply, buoyed by its limited exposure to Europe.

In April, Argentina returned to capital markets, following a 15-year hiatus. Sovereign debt totalling \$16.5 billion was issued, and received a warm welcome from investors, though ratings agency Moody's struck a cautionary note on Argentina's economic prospects.

Brazil was a top performer over the period, as the country's senate voted decisively to impeach President Dilma Rousseff on allegations of administrative misconduct. Its markets rallied at the prospect of economic reform under her successor, Michel Temer.

Yields on Turkish debt rose in July, following a failed military coup. In the aftermath, Turkey's central bank cut rates by 25 basis points (bps), Standard & Poor's downgraded the country's credit rating and Fitch Ratings revised Turkey's credit outlook to negative. Elsewhere, a reshuffle in the Indonesian cabinet saw the return of Sri Mulyani Indrawati to the role of finance minister. This was welcomed by markets, due to her pro-reform stance.

Over the review period, we have added a position in Argentina, in light of the progress made under President Macri's leadership. We invested in issues from the provinces of Neuquen, Mendoza and Cordoba.

During this time we also saw value in Brazil, following the more favourable political climate. We added Petrobras to our holdings, increasing our short-end position in the name. The government-owned oil group is making progress towards its lower debt-levels target, selling some of its assets to Norway-based Statoil.

Despite slowing growth in China, we do not predict a 'hard landing'. However, we expect that slowing growth will continue to weigh on the country, and this is likely to cause some short-term pressure on EM assets generally.

EMs will continue to be dominated by China and commodity themes in general. Oil is showing initial signs of recovery, and stability within commodities overall would be a strong positive for EMs.

Idiosyncratic stories create strong opportunities, as we have recently seen with Brazil, Argentina and Venezuela. We would expect opportunities to continue to emerge.

In the coming month we will be closely watching developments in Russia as the country moves to rebuild ties with Turkey following the unsuccessful coup. This may have interesting implications for the global geopolitical scene and could potentially impact Russian credit.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	32,232	(13,964)
Revenue	6,938	6,304
Expenses	(1,428)	(1,526)
Interest payable and similar charges	—	(169)
Net revenue before taxation	5,510	4,609
Taxation	—	—
Net revenue after taxation	5,510	4,609
<b>Total return before distributions</b>	<b>37,742</b>	<b>(9,355)</b>
Distributions	(6,774)	(5,958)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>30,968</b>	<b>(15,313)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	235,848	186,897
<b>Current assets:</b>		
Debtors	8,094	5,166
Cash and bank balances	20,887	8,930
<b>Total assets</b>	<b>264,829</b>	<b>200,993</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(245)	(77)
<b>Creditors:</b>		
Bank overdrafts	(1,194)	(1,123)
Distribution payable	(4,462)	(4,355)
Other creditors	(13,597)	(5,178)
<b>Total liabilities</b>	<b>(19,498)</b>	<b>(10,733)</b>
<b>Net assets attributable to shareholders</b>	<b>245,331</b>	<b>190,260</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>190,260</b>	<b>227,453</b>
Amounts receivable on the issue of shares	54,609	36,132
Amounts payable on the cancellation of shares	(33,356)	(58,157)
	21,253	(22,025)
Dilution adjustment	179	157
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	30,968	(15,313)
Retained distribution on accumulation shares	2,671	1,606
<b>Closing net assets attributable to shareholders</b>	<b>245,331</b>	<b>191,878</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	1.8929	0.3786	1.5143	—	1.5143	1.1961
<b>Group 2</b>						
08/03/16 to 07/09/16	0.9023	0.1805	0.7218	0.7925	1.5143	1.1961
<b>Total distributions in the period</b>					<b>1.5143</b>	<b>1.1961</b>

#### Class 1 Shares

##### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	3.2169	—	3.2169	2.5427
<b>Group 2</b>				
08/03/16 to 07/09/16	1.6163	1.6006	3.2169	2.5427
<b>Total distributions in the period</b>			<b>3.2169</b>	<b>2.5427</b>

# Threadneedle Emerging Market Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	7.2092	—	7.2092	5.3624
<b>Group 2</b>				
08/03/16 to 07/09/16	2.2641	4.9451	7.2092	5.3624
<b>Total distributions in the period</b>			<b>7.2092</b>	<b>5.3624</b>

### Class 2 Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	3.4165	0.6833	2.7332	—	2.7332	2.1573
<b>Group 2</b>						
08/03/16 to 07/09/16	1.1378	0.2276	0.9102	1.8230	2.7332	2.1573
<b>Total distributions in the period</b>					<b>2.7332</b>	<b>2.1573</b>

### Class 2 Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	7.3565	—	7.3565	5.4521
<b>Group 2</b>				
08/03/16 to 07/09/16	3.5075	3.8490	7.3565	5.4521
<b>Total distributions in the period</b>			<b>7.3565</b>	<b>5.4521</b>

### Class X Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	3.5981	—	3.5981	2.8406
<b>Group 2</b>				
08/03/16 to 07/09/16	1.7956	1.8025	3.5981	2.8406
<b>Total distributions in the period</b>			<b>3.5981</b>	<b>2.8406</b>

### Class X Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	3.1826	—	3.1826	2.3442
<b>Group 2</b>				
08/03/16 to 07/09/16	3.1826	—	3.1826	2.3442
<b>Total distributions in the period</b>			<b>3.1826</b>	<b>2.3442</b>

### Class Z Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	3.1581	0.6316	2.5265	—	2.5265	1.9802
<b>Group 2</b>						
08/03/16 to 07/09/16	1.3115	0.2623	1.0492	1.4773	2.5265	1.9802
<b>Total distributions in the period</b>					<b>2.5265</b>	<b>1.9802</b>

### Class Z Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	2.9578	—	2.9578	2.3074
<b>Group 2</b>				
08/03/16 to 07/09/16	0.7987	2.1591	2.9578	2.3074
<b>Total distributions in the period</b>			<b>2.9578</b>	<b>2.3074</b>

### Class Z Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	3.9626	—	3.9626	2.9232
<b>Group 2</b>				
08/03/16 to 07/09/16	2.0286	1.9340	3.9626	2.9232
<b>Total distributions in the period</b>			<b>3.9626</b>	<b>2.9232</b>

Group 2: shares purchased during a distribution period.

## Comparative Table Disclosure

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## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares <sup>§</sup>			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	86.36	86.17	80.31	115.71	108.64	95.44
Return before operating charges (p)	17.46	6.01	11.70	23.37	7.88	13.97
Operating charges (p)	(0.35)	(0.63)	(0.63)	(0.47)	(0.81)	(0.77)
Return after operating charges (p)*	17.11	5.38	11.07	22.90	7.07	13.20
Distributions on income shares (p)	(2.96)	(5.19)	(5.21)	–	–	–
Closing net asset value per share (p)	100.51	86.36	86.17	138.61	115.71	108.64
Retained distribution on accumulation shares (p)	–	–	–	3.96	6.66	6.29
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	19.81	6.24	13.78	19.79	6.51	13.83
<b>Other information</b>						
Closing net asset value (£000)	3,900	1,850	2,717	8,326	6,368	5,604
Closing number of shares	3,879,882	2,142,353	3,152,892	6,006,961	5,503,312	5,158,476
Operating charges (%)**	0.74 <sup>†</sup>	0.75	0.74	0.74 <sup>†</sup>	0.75	0.73
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	106.75	91.95	89.33	143.01	116.85	109.28
Lowest share price (p)	86.04	79.90	80.60	115.27	100.76	95.64

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

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

<sup>†</sup>Class X – Gross income shares commenced 28 July 2014.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Emerging Market Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	22,419,209
Shares issued	834,166
Shares redeemed	(3,096,983)
Net conversions	(4,375,515)
Closing shares	15,780,877
<b>Class 1 – Gross income shares</b>	
Opening shares	73,189,791
Shares issued	2,566,477
Shares redeemed	(1,603,805)
Net conversions	(65,927)
Closing shares	74,086,536
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	13,464,968
Shares issued	2,498,416
Shares redeemed	(1,355,342)
Net conversions	(284,451)
Closing shares	14,323,591
<b>Class 2 – Net income shares</b>	
Opening shares	216,524
Shares issued	544,370
Shares redeemed	(2,059)
Net conversions	(43,784)
Closing shares	715,051
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	11,643,466
Shares issued	16,467,259
Shares redeemed	(9,018,173)
Net conversions	(53,668)
Closing shares	19,038,884
<b>Class X – Gross income shares</b>	
Opening shares	283,493
Shares issued	158,306
Shares redeemed	–
Net conversions	–
Closing shares	441,799
<b>Class X – Gross accumulation shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,001

	2016
<b>Class Z – Net income shares</b>	
Opening shares	50,263,489
Shares issued	4,252,196
Shares redeemed	(5,385,383)
Net conversions	2,675,359
Closing shares	51,805,661
<b>Class Z – Gross income shares</b>	
Opening shares	2,142,353
Shares issued	2,165,614
Shares redeemed	(516,001)
Net conversions	87,916
Closing shares	3,879,882
<b>Class Z – Gross accumulation shares</b>	
Opening shares	5,503,312
Shares issued	136,877
Shares redeemed	(252,790)
Net conversions	619,562
Closing shares	6,006,961

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle High Yield Bond Fund has risen from 41.13p to 43.33p.

The total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +9.00%, which equates approximately +9.79% gross of tax and charges\*\*. (For information the ML European High Yield 3% constrained ex sub-financials (100% £ Hedged) Index gave a total return of +10.94% for the same period).

#### Market Overview and Portfolio Activity

The high yield market performed strongly over the six month period under review. Spreads tightened from highs of 593 basis points (bps) in early March to lows of 398 bps at the beginning of September. Risk assets sold off significantly at the beginning of the year, on continued concerns over global growth, China's economy and the effectiveness of central bank policy. But subsequently, risk assets rallied, the rise only punctuated briefly by June's Brexit-induced volatility.

A rebound in oil and commodities and renewed market support from central banks drove the strong market performance. In Europe, the European Central Bank launched its purchase programme for investment grade credit, which provided additional indirect support for high-yield assets. In the UK, the Bank of England responded to the Brexit vote with a raft of supportive measures. These included cutting the base rate by 25 bps, and launching its own expanded quantitative easing programme, which is also to include corporate bonds.

In corporate news, and in line with our expectations, Brazilian telecommunications company Oi SA filed for bankruptcy in June, with proceedings now ongoing. Prior to this, our underweight in the company had been one of the biggest contributors to relative performance over the year. Following its exit from the index, we now hold a small overweight position in the name.

An improving outlook for oil led us to cover some of our underweight in commodity-related names, adding to Petrobras and Anglo American (in which we are now overweight). We also increased our overweight position in Gaz Capital.

In the financials space, we added to Credit Suisse and UBS following moves by Swiss authorities to phase out the use of 'low-trigger' contingent convertible bonds. More recently, we rotated our Royal Bank of Scotland Additional Tier 1 exposure into a new issue from the bank, which has a greater likelihood of being refinanced at the first call. During the period, we reduced our overweight to subordinated financials.

Finally, we have been adding to corporate hybrids, given the attractive pick-up they offer over senior paper. Trades have included Orange and KPN.

Against this, we have been cutting our position in Wind. In July, we reduced our exposure to certain UK names including Enterprise Inns and New Look. We also reduced our financials exposure (including AIB) and sold out of Avis, among others.

The surprising Brexit result presents an additional macro challenge to a world already struggling with subdued levels of growth. Increased uncertainty and elevated currency volatility will further impact corporate profits and, eventually, the level of idiosyncratic credit risk.

The market remains underpinned by strong 'technical' drivers; central banks continue to adopt accommodative policies, even more so following Brexit. Rates in the US may move higher by the end of the year, but the overall pace of tightening is expected to remain slow and heavily data- and market-dependent. Core bond yields continue to move lower, taking an ever larger share of the global bond market into negative yield territory.

European high-yield spreads have recovered to levels below their long-run average. At levels of around 350 bps compared to swaps, they are at a one-year low, but still 75 bps wider than the three-year low.

European high yield should continue to deliver modest returns, driven by a low level of default risk and the market's ongoing search for yield. But volatility is likely to stay elevated, as high yield reacts to macro-led bouts of 'risk-on' and 'risk-off' affecting other markets.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	47,070	(21,216)
Revenue	22,494	23,553
Expenses	(3,687)	(3,952)
Interest payable and similar charges	(23)	(270)
Net revenue before taxation	18,784	19,331
Taxation	—	—
Net revenue after taxation	18,784	19,331
<b>Total return before distributions</b>	<b>65,854</b>	<b>(1,885)</b>
Distributions	(22,006)	(22,803)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>43,848</b>	<b>(24,688)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	853,631	660,137
<b>Current assets:</b>		
Debtors	16,616	26,173
Cash and bank balances	78,853	43,952
<b>Total assets</b>	<b>949,100</b>	<b>730,262</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(103)	(841)
<b>Creditors:</b>		
Distribution payable	(3,924)	(4,156)
Other creditors	(8,839)	(11,656)
<b>Total liabilities</b>	<b>(12,866)</b>	<b>(16,653)</b>
<b>Net assets attributable to shareholders</b>	<b>936,234</b>	<b>713,609</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>713,609</b>	<b>781,348</b>
Amounts receivable on the issue of shares	228,533	136,730
Amounts payable on the cancellation of shares	(56,208)	(151,197)
	172,325	(14,467)
Dilution adjustment	644	285
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	43,848	(24,688)
Retained distribution on accumulation shares	5,804	4,258
Unclaimed distributions	4	6
<b>Closing net assets attributable to shareholders</b>	<b>936,234</b>	<b>746,742</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.2154	0.0431	0.1723	—	0.1723	0.1722
08/04/16 to 07/05/16	0.1723	0.0345	0.1378	—	0.1378	0.1755
08/05/16 to 07/06/16	0.1808	0.0362	0.1446	—	0.1446	0.1584
08/06/16 to 07/07/16	0.2385	0.0477	0.1908	—	0.1908	0.1507
08/07/16 to 07/08/16	0.1796	0.0359	0.1437	—	0.1437	0.1610
08/08/16 to 07/09/16	0.1799	0.0360	0.1439	—	0.1439	0.1790
<b>Group 2</b>						
08/03/16 to 07/04/16	0.1034	0.0207	0.0827	0.0896	0.1723	0.1722
08/04/16 to 07/05/16	0.0913	0.0183	0.0730	0.0648	0.1378	0.1755
08/05/16 to 07/06/16	0.0959	0.0192	0.0767	0.0679	0.1446	0.1584
08/06/16 to 07/07/16	0.1193	0.0239	0.0954	0.0954	0.1908	0.1507
08/07/16 to 07/08/16	0.0734	0.0147	0.0587	0.0850	0.1437	0.1610
08/08/16 to 07/09/16	0.0614	0.0123	0.0491	0.0948	0.1439	0.1790
<b>Total distributions in the period</b>					<b>0.9331</b>	<b>0.9968</b>

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.2156	—	0.2156	0.2155
08/04/16 to 07/05/16	0.1724	—	0.1724	0.2195
08/05/16 to 07/06/16	0.1810	—	0.1810	0.1983
08/06/16 to 07/07/16	0.2387	—	0.2387	0.1885
08/07/16 to 07/08/16	0.1798	—	0.1798	0.2014
08/08/16 to 07/09/16	0.1800	—	0.1800	0.2240

#### Group 2

08/03/16 to 07/04/16	0.1614	0.0542	0.2156	0.2155
08/04/16 to 07/05/16	0.1511	0.0213	0.1724	0.2195
08/05/16 to 07/06/16	0.0389	0.1421	0.1810	0.1983
08/06/16 to 07/07/16	0.1297	0.1090	0.2387	0.1885
08/07/16 to 07/08/16	0.1447	0.0351	0.1798	0.2014
08/08/16 to 07/09/16	0.0807	0.0993	0.1800	0.2240

Total distributions in the period

1.1675 1.2472

### Class 1 USD Hedged Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3399	—	0.3399	0.3269
08/04/16 to 07/05/16	0.2693	—	0.2693	0.3287
08/05/16 to 07/06/16	0.2803	—	0.2803	0.2878
08/06/16 to 07/07/16	0.3830	—	0.3830	0.2708
08/07/16 to 07/08/16	0.3069	—	0.3069	0.2913
08/08/16 to 07/09/16	0.3088	—	0.3088	0.3240

#### Group 2

08/03/16 to 07/04/16	0.1380	0.2019	0.3399	0.3269
08/04/16 to 07/05/16	—	0.2693	0.2693	0.3287
08/05/16 to 07/06/16	—	0.2803	0.2803	0.2878
08/06/16 to 07/07/16	0.0405	0.3425	0.3830	0.2708
08/07/16 to 07/08/16	—	0.3069	0.3069	0.2913
08/08/16 to 07/09/16	0.1445	0.1643	0.3088	0.3240

Total distributions in the period

1.8882 1.8295

### Class 1 Shares

#### Gross accumulation\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	
<b>Group 1</b>				
08/03/16 to 07/04/16	0.5160	—	0.5160	
08/04/16 to 07/05/16	0.4150	—	0.4150	
08/05/16 to 07/06/16	0.4393	—	0.4393	
08/06/16 to 07/07/16	0.5800	—	0.5800	
08/07/16 to 07/08/16	0.4385	—	0.4385	
08/08/16 to 07/09/16	0.4418	—	0.4418	

#### Group 2

08/03/16 to 07/04/16	0.5160	—	0.5160	
08/04/16 to 07/05/16	0.4150	—	0.4150	
08/05/16 to 07/06/16	0.4393	—	0.4393	
08/06/16 to 07/07/16	0.5800	—	0.5800	
08/07/16 to 07/08/16	0.2385	0.2000	0.4385	
08/08/16 to 07/09/16	0.4418	—	0.4418	

Total distributions in the period

2.8306

### Class 2 Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.3140	0.0628	0.2512	—	0.2512	0.2501
08/04/16 to 07/05/16	0.2523	0.0505	0.2018	—	0.2018	0.2549
08/05/16 to 07/06/16	0.2648	0.0530	0.2118	—	0.2118	0.2307
08/06/16 to 07/07/16	0.3473	0.0695	0.2778	—	0.2778	0.2194
08/07/16 to 07/08/16	0.2631	0.0526	0.2105	—	0.2105	0.2344
08/08/16 to 07/09/16	0.2641	0.0528	0.2113	—	0.2113	0.2601

#### Group 2

08/03/16 to 07/04/16	0.1499	0.0300	0.1199	0.1313	0.2512	0.2501
08/04/16 to 07/05/16	0.1346	0.0269	0.1077	0.0941	0.2018	0.2549
08/05/16 to 07/06/16	0.1986	0.0397	0.1589	0.0529	0.2118	0.2307
08/06/16 to 07/07/16	0.1928	0.0386	0.1542	0.1236	0.2778	0.2194
08/07/16 to 07/08/16	0.2315	0.0463	0.1852	0.0253	0.2105	0.2344
08/08/16 to 07/09/16	0.1155	0.0231	0.0924	0.1189	0.2113	0.2601

Total distributions in the period

1.3644 1.4496

### Class 2 Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.2703	—	0.2703	0.2691
08/04/16 to 07/05/16	0.2171	—	0.2171	0.2734
08/05/16 to 07/06/16	0.2279	—	0.2279	0.2480
08/06/16 to 07/07/16	0.2990	—	0.2990	0.2361
08/07/16 to 07/08/16	0.2264	—	0.2264	0.2522
08/08/16 to 07/09/16	0.2274	—	0.2274	0.2799

#### Group 2

08/03/16 to 07/04/16	0.1215	0.1488	0.2703	0.2691
08/04/16 to 07/05/16	0.1075	0.1096	0.2171	0.2734
08/05/16 to 07/06/16	0.1543	0.0736	0.2279	0.2480
08/06/16 to 07/07/16	0.1690	0.1300	0.2990	0.2361
08/07/16 to 07/08/16	0.1087	0.1177	0.2264	0.2522
08/08/16 to 07/09/16	0.1339	0.0935	0.2274	0.2799

Total distributions in the period

1.4681 1.5587

### Class 2 Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.8225	—	0.8225	0.7724
08/04/16 to 07/05/16	0.6642	—	0.6642	0.7897
08/05/16 to 07/06/16	0.7000	—	0.7000	0.7192
08/06/16 to 07/07/16	0.9224	—	0.9224	0.6873
08/07/16 to 07/08/16	0.7027	—	0.7027	0.7376
08/08/16 to 07/09/16	0.7084	—	0.7084	0.8224

#### Group 2

08/03/16 to 07/04/16	0.5347	0.2878	0.8225	0.7724
08/04/16 to 07/05/16	0.5569	0.1073	0.6642	0.7897
08/05/16 to 07/06/16	0.3407	0.3593	0.7000	0.7192
08/06/16 to 07/07/16	0.5949	0.3275	0.9224	0.6873
08/07/16 to 07/08/16	0.0932	0.6095	0.7027	0.7376
08/08/16 to 07/09/16	0.3193	0.3891	0.7084	0.8224

Total distributions in the period

4.5202 4.5286

### Class X Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.5047	—	0.5047	0.4978
08/04/16 to 07/05/16	0.4053	—	0.4053	0.5069
08/05/16 to 07/06/16	0.4253	—	0.4253	0.4597
08/06/16 to 07/07/16	0.5585	—	0.5585	0.4374
08/07/16 to 07/08/16	0.4231	—	0.4231	0.4677
08/08/16 to 07/09/16	0.4258	—	0.4258	0.5193

#### Group 2

08/03/16 to 07/04/16	0.2376	0.2671	0.5047	0.4978
08/04/16 to 07/05/16	0.1463	0.2590	0.4053	0.5069
08/05/16 to 07/06/16	0.1646	0.2607	0.4253	0.4597
08/06/16 to 07/07/16	0.1328	0.4257	0.5585	0.4374
08/07/16 to 07/08/16	0.2036	0.2195	0.4231	0.4677
08/08/16 to 07/09/16	0.0771	0.3487	0.4258	0.5193

Total distributions in the period

2.7427 2.8888

### Class X Shares

#### Gross accumulation\*\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	
<b>Group 1</b>				
08/03/16 to 07/04/16	0.3796	—	0.3796	
08/04/16 to 07/05/16	0.4273	—	0.4273	
08/05/16 to 07/06/16	0.4513	—	0.4513	
08/06/16 to 07/07/16	0.5936	—	0.5936	
08/07/16 to 07/08/16	0.4516	—	0.4516	
08/08/16 to 07/09/16	0.4576	—	0.4576	

#### Group 2

08/03/16 to 07/04/16	0.3796	—	0.3796	
08/04/16 to 07/05/16	0.4273	—	0.4273	
08/05/16 to 07/06/16	0.4513	—	0.4513	
08/06/16 to 07/07/16	0.5936	—	0.5936	
08/07/16 to 07/08/16	0.4516	—	0.4516	
08/08/16 to 07/09/16	0.4576	—	0.4576	

Total distributions in the period

2.7610



# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class Z Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.5160	0.1032	0.4128	—	0.4128	0.4103
08/04/16 to 07/05/16	0.4136	0.0827	0.3309	—	0.3309	0.4178
08/05/16 to 07/06/16	0.4341	0.0868	0.3473	—	0.3473	0.3780
08/06/16 to 07/07/16	0.5719	0.1144	0.4575	—	0.4575	0.3595
08/07/16 to 07/08/16	0.4318	0.0864	0.3454	—	0.3454	0.3844
08/08/16 to 07/09/16	0.4328	0.0866	0.3462	—	0.3462	0.4272
<b>Group 2</b>						
08/03/16 to 07/04/16	0.2345	0.0469	0.1876	0.2252	0.4128	0.4103
08/04/16 to 07/05/16	0.1993	0.0399	0.1594	0.1715	0.3309	0.4178
08/05/16 to 07/06/16	0.1988	0.0398	0.1590	0.1883	0.3473	0.3780
08/06/16 to 07/07/16	0.2890	0.0578	0.2312	0.2263	0.4575	0.3595
08/07/16 to 07/08/16	0.1841	0.0368	0.1473	0.1981	0.3454	0.3844
08/08/16 to 07/09/16	0.1823	0.0365	0.1458	0.2004	0.3462	0.4272
<b>Total distributions in the period</b>					<b>2.2401</b>	<b>2.3772</b>

### Class Z Shares

#### Net accumulation

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2016	Net Revenue Accumulated 2015
<b>Group 1</b>						
08/03/16 to 07/04/16	0.5304	0.1061	0.4243	—	0.4243	0.4082
08/04/16 to 07/05/16	0.4269	0.0854	0.3415	—	0.3415	0.4121
08/05/16 to 07/06/16	0.4495	0.0899	0.3596	—	0.3596	0.3739
08/06/16 to 07/07/16	0.5946	0.1189	0.4757	—	0.4757	0.3568
08/07/16 to 07/08/16	0.4508	0.0902	0.3606	—	0.3606	0.3831
08/08/16 to 07/09/16	0.4533	0.0907	0.3626	—	0.3626	0.4271
<b>Group 2</b>						
08/03/16 to 07/04/16	0.2193	0.0439	0.1754	0.2489	0.4243	0.4082
08/04/16 to 07/05/16	0.1963	0.0393	0.1570	0.1845	0.3415	0.4121
08/05/16 to 07/06/16	0.2256	0.0451	0.1805	0.1791	0.3596	0.3739
08/06/16 to 07/07/16	0.2075	0.0415	0.1660	0.3097	0.4757	0.3568
08/07/16 to 07/08/16	0.1705	0.0341	0.1364	0.2242	0.3606	0.3831
08/08/16 to 07/09/16	0.1895	0.0379	0.1516	0.2110	0.3626	0.4271
<b>Total distributions in the period</b>					<b>2.3243</b>	<b>2.3612</b>

### Class Z Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.5027	—	0.5027	0.5000
08/04/16 to 07/05/16	0.4028	—	0.4028	0.5087
08/05/16 to 07/06/16	0.4229	—	0.4229	0.4602
08/06/16 to 07/07/16	0.5570	—	0.5570	0.4376
08/07/16 to 07/08/16	0.4205	—	0.4205	0.4680
08/08/16 to 07/09/16	0.4215	—	0.4215	0.5201
<b>Group 2</b>				
08/03/16 to 07/04/16	0.2305	0.2722	0.5027	0.5000
08/04/16 to 07/05/16	0.2317	0.1711	0.4028	0.5087
08/05/16 to 07/06/16	0.2460	0.1769	0.4229	0.4602
08/06/16 to 07/07/16	0.3020	0.2550	0.5570	0.4376
08/07/16 to 07/08/16	0.2516	0.1689	0.4205	0.4680
08/08/16 to 07/09/16	0.1593	0.2622	0.4215	0.5201
<b>Total distributions in the period</b>			<b>2.7274</b>	<b>2.8946</b>

### Class Z Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/04/16	0.6496	—	0.6496	0.6074
08/04/16 to 07/05/16	0.5215	—	0.5215	0.6212
08/05/16 to 07/06/16	0.5498	—	0.5498	0.5649
08/06/16 to 07/07/16	0.7272	—	0.7272	0.5397
08/07/16 to 07/08/16	0.5523	—	0.5523	0.5795
08/08/16 to 07/09/16	0.5558	—	0.5558	0.6472
<b>Group 2</b>				
08/03/16 to 07/04/16	0.0461	0.6035	0.6496	0.6074
08/04/16 to 07/05/16	0.3873	0.1342	0.5215	0.6212
08/05/16 to 07/06/16	0.3076	0.2422	0.5498	0.5649
08/06/16 to 07/07/16	0.3843	0.3429	0.7272	0.5397
08/07/16 to 07/08/16	0.3011	0.2512	0.5523	0.5795
08/08/16 to 07/09/16	0.2414	0.3144	0.5558	0.6472
<b>Total distributions in the period</b>			<b>3.5562</b>	<b>3.5599</b>

Group 2: shares purchased during a distribution period.

\*Class 1 – Gross accumulation shares commenced 28 October 2015.

\*\*Class X – Gross accumulation shares commenced 16 March 2016.

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Gross income shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	40.74	44.03	44.51	40.77	44.07	44.56
Return before operating charges (p)	3.49	(0.71)	2.34	3.74	(0.22)	2.87
Operating charges (p)	(0.30)	(0.61)	(0.63)	(0.30)	(0.61)	(0.63)
Return after operating charges (p)*	3.19	(1.32)	1.71	3.44	(0.83)	2.24
Distributions on income shares (p)	(0.93)	(1.97)	(2.19)	(1.17)	(2.47)	(2.73)
Closing net asset value per share (p)	43.00	40.74	44.03	43.04	40.77	44.07
*after direct transaction costs <sup>†</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	7.83	(3.00)	3.84	8.44	(1.88)	5.03
<b>Other information</b>						
Closing net asset value (£000)	104,708	109,826	204,931	88,978	76,259	86,903
Closing number of shares	243,508,597	269,609,794	465,419,759	206,728,074	187,026,959	197,179,647
Operating charges (%)**	1.42 <sup>†</sup>	1.42	1.42	1.42 <sup>†</sup>	1.42	1.42
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	43.33	44.29	45.07	43.41	44.34	45.15
Lowest share price (p)	40.99	39.93	43.09	41.03	39.97	43.15
	Class 1 USD Hedged – Gross income shares <sup>§</sup>			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015 <sup>†</sup>	07/09/2016	07/03/2016 <sup>‡</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	64.74	65.43	62.00	97.60	100.00	
Return before operating charges (p)	10.07	3.89	5.72	9.02	(1.91)	
Operating charges (p)	(0.49)	(0.90)	(0.44)	(0.72)	(0.49)	
Return after operating charges (p)*	9.58	2.99	5.28	8.30	(2.40)	
Distributions on income shares (p)	(1.89)	(3.68)	(1.85)	–	–	
Closing net asset value per share (p)	72.43	64.74	65.43	105.90	97.60	
Retained distribution on accumulation shares (p)	–	–	–	2.83	2.09	
*after direct transaction costs <sup>†</sup> of (p)	–	–	–	–	–	
<b>Performance</b>						
Return after charges (%)	14.80	4.57	8.52	8.50	(2.40)	
<b>Other information</b>						
Closing net asset value (£000)	10,201	6,341	20	11	3	
Closing number of shares	14,084,461	9,795,302	30,628	10,133	3,000	
Operating charges (%)**	1.42 <sup>†</sup>	1.42	1.42 <sup>†</sup>	1.39 <sup>†</sup>	1.38 <sup>†</sup>	
Performance fee (%)	–	–	–	–	–	
Direct transaction costs (%)	–	–	–	–	–	
<b>Prices</b>						
Highest share price (p)	75.07	68.38	66.17	106.36	100.87	
Lowest share price (p)	63.76	60.94	60.64	98.20	95.23	

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Net income shares			Class 2 – Gross income shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	58.27	62.67	63.04	50.16	53.93	54.25
Return before operating charges (p)	4.99	(1.04)	3.30	4.60	(0.25)	3.52
Operating charges (p)	(0.24)	(0.49)	(0.51)	(0.21)	(0.43)	(0.44)
Return after operating charges (p)*	4.75	(1.53)	2.79	4.39	(0.68)	3.08
Distributions on income shares (p)	(1.36)	(2.87)	(3.16)	(1.47)	(3.09)	(3.40)
Closing net asset value per share (p)	61.66	58.27	62.67	53.08	50.16	53.93
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.15	(2.44)	4.43	8.75	(1.26)	5.68
<b>Other information</b>						
Closing net asset value (£000)	42,753	53,549	53,817	12,452	11,919	21,023
Closing number of shares	69,335,804	91,903,094	85,874,237	23,458,809	23,763,705	38,981,871
Operating charges (%)**	0.81 <sup>†</sup>	0.81	0.81	0.81 <sup>†</sup>	0.81	0.82
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	62.14	63.07	63.93	53.53	54.28	55.04
Lowest share price (p)	58.63	57.09	61.21	50.47	49.16	52.70
	Class 2 – Gross accumulation shares <sup>§</sup>			Class X – Gross income shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	152.62	154.75	146.18	93.47	99.73	100.00
Return before operating charges (p)	14.16	(0.87)	9.79	8.59	(0.46)	3.51
Operating charges (p)	(0.65)	(1.26)	(1.22)	(0.03)	(0.06)	(0.04)
Return after operating charges (p)*	13.51	(2.13)	8.57	8.56	(0.52)	3.47
Distributions on income shares (p)	–	–	–	(2.74)	(5.74)	(3.74)
Closing net asset value per share (p)	166.13	152.62	154.75	99.29	93.47	99.73
Retained distribution on accumulation shares (p)	4.52	9.11	9.42	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.85	(1.38)	5.86	9.16	(0.52)	3.47
<b>Other information</b>						
Closing net asset value (£000)	297,842	127,593	146,367	1,934	855	345
Closing number of shares	179,283,375	83,601,522	94,580,779	1,947,981	914,542	345,891
Operating charges (%)**	0.81 <sup>†</sup>	0.81	0.81	0.06 <sup>†</sup>	0.06	0.06 <sup>†</sup>
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	166.84	157.50	155.44	100.14	100.46	100.60
Lowest share price (p)	153.59	148.87	146.44	94.06	91.55	97.16

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>			Class Z – Net income shares		
	07/09/2016 <sup>§</sup>			07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.00			96.93	104.09	104.55
Return before operating charges (p)	6.96			8.33	(1.71)	5.48
Operating charges (p)	(0.01)			(0.37)	(0.74)	(0.76)
Return after operating charges (p)*	6.95			7.96	(2.45)	4.72
Distributions on income shares (p)	–			(2.24)	(4.71)	(5.18)
Closing net asset value per share (p)	106.95			102.65	96.93	104.09
Retained distribution on accumulation shares (p)	2.76			–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	–			–	–	–
<b>Performance</b>						
Return after charges (%)	6.95			8.21	(2.35)	4.51
<b>Other information</b>						
Closing net asset value (£000)	3			319,243	290,098	237,673
Closing number of shares	3,000			310,993,863	299,294,681	228,335,301
Operating charges (%)**	0.02 <sup>†</sup>			0.73 <sup>†</sup>	0.73	0.73
Performance fee (%)	–			–	–	–
Direct transaction costs (%)	–			–	–	–
<b>Prices</b>						
Highest share price (p)	107.41			103.44	104.77	106.06
Lowest share price (p)	99.98			97.53	94.97	101.61
	Class Z – Net accumulation shares			Class Z – Gross income shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015 <sup>§</sup>	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.63	102.11	100.00	94.41	101.38	101.83
Return before operating charges (p)	8.64	(1.74)	2.46	8.67	(0.51)	6.58
Operating charges (p)	(0.38)	(0.74)	(0.35)	(0.36)	(0.72)	(0.73)
Return after operating charges (p)*	8.26	(2.48)	2.11	8.31	(1.23)	5.85
Distributions on income shares (p)	–	–	–	(2.73)	(5.74)	(6.30)
Closing net asset value per share (p)	107.89	99.63	102.11	99.99	94.41	101.38
Retained distribution on accumulation shares (p)	2.32	4.73	2.36	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.29	(2.43)	2.11	8.80	(1.21)	5.74
<b>Other information</b>						
Closing net asset value (£000)	7,110	5,061	176	26,823	23,239	24,787
Closing number of shares	6,590,613	5,080,290	172,531	26,826,252	24,615,189	24,448,737
Operating charges (%)**	0.73 <sup>†</sup>	0.73	0.72 <sup>†</sup>	0.73 <sup>†</sup>	0.73	0.72
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	108.35	103.28	102.57	100.84	102.06	103.36
Lowest share price (p)	100.25	97.25	97.72	95.00	92.52	99.00

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares <sup>4</sup>		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	121.59	123.19	116.30
Return before operating charges (p)	11.29	(0.70)	7.76
Operating charges (p)	(0.47)	(0.90)	(0.87)
Return after operating charges (p)*	10.82	(1.60)	6.89
Closing net asset value per share (p)	132.41	121.59	123.19
Retained distribution on accumulation shares (p)	3.56	7.16	7.41
*after direct transaction costs <sup>4</sup> of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	8.90	(1.30)	5.92
<b>Other information</b>			
Closing net asset value (£000)	24,176	8,866	5,306
Closing number of shares	18,257,825	7,291,629	4,307,489
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73
Performance fee (%)	–	–	–
Direct transaction costs (%)	–	–	–
<b>Prices</b>			
Highest share price (p)	132.98	125.45	123.74
Lowest share price (p)	122.36	118.59	116.49

\*\*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](http://columbiathreadneedle.com/fees).

<sup>1</sup>Only available to eligible investors.

<sup>2</sup>Class 1 USD Hedged – Gross income shares commenced 11 September 2014.

<sup>3</sup>Class 1 – Gross accumulation shares commenced 28 October 2015.

<sup>4</sup>Class X – Gross income shares commenced 28 July 2014.

<sup>5</sup>Class X – Gross accumulation shares commenced 16 March 2016.

<sup>6</sup>Class Z – Net accumulation shares commenced 11 September 2014.

<sup>7</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

<sup>8</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle High Yield Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	269,609,794
Shares issued	4,216,135
Shares redeemed	(17,948,691)
Net conversions	(12,368,641)
Closing shares	<u>243,508,597</u>
<b>Class 1 – Gross income shares</b>	
Opening shares	187,026,959
Shares issued	21,936,531
Shares redeemed	(1,415,803)
Net conversions	(819,613)
Closing shares	<u>206,728,074</u>
<b>Class 1 USD Hedged – Gross income shares</b>	
Opening shares	9,795,302
Shares issued	4,656,420
Shares redeemed	(367,261)
Net conversions	–
Closing shares	<u>14,084,461</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	3,000
Shares issued	7,133
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,133</u>
<b>Class 2 – Net income shares</b>	
Opening shares	91,903,094
Shares issued	13,202,318
Shares redeemed	(17,832,138)
Net conversions	(17,937,470)
Closing shares	<u>69,335,804</u>
<b>Class 2 – Gross income shares</b>	
Opening shares	23,763,705
Shares issued	1,337,328
Shares redeemed	(1,525,340)
Net conversions	(116,884)
Closing shares	<u>23,458,809</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	83,601,522
Shares issued	105,166,746
Shares redeemed	(9,387,060)
Net conversions	(97,833)
Closing shares	<u>179,283,375</u>

	2016
<b>Class X – Gross income shares</b>	
Opening shares	914,542
Shares issued	1,250,662
Shares redeemed	(217,223)
Net conversions	–
Closing shares	<u>1,947,981</u>
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class Z – Net income shares</b>	
Opening shares	299,294,681
Shares issued	12,953,342
Shares redeemed	(17,101,029)
Net conversions	15,846,869
Closing shares	<u>310,993,863</u>
<b>Class Z – Net accumulation shares</b>	
Opening shares	5,080,290
Shares issued	2,780,097
Shares redeemed	(1,324,265)
Net conversions	54,491
Closing shares	<u>6,590,613</u>
<b>Class Z – Gross income shares</b>	
Opening shares	24,615,189
Shares issued	2,655,216
Shares redeemed	(942,794)
Net conversions	498,641
Closing shares	<u>26,826,252</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	7,291,629
Shares issued	11,811,156
Shares redeemed	(959,799)
Net conversions	114,839
Closing shares	<u>18,257,825</u>

\*Class X – Gross accumulation shares commenced 16 March 2016.

## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Global Select Fund has risen from 148.13p to 173.03p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +18.33% as compared to a median return of +18.14% over the same period. (For information the MSCI AC World Free Index returned +21.21% over the same period).

#### Market Overview and Portfolio Activity

Global equities made solid gains over the period, despite the bout of volatility triggered by the UK's momentous vote to leave the EU. Markets took succour from ongoing support from most of the world's central banks and a sustained improvement in oil prices.

In the US, markets remained focused on when the Federal Reserve would raise interest rates again. The Fed ultimately opted to keep rates on hold throughout the period amid softening job-creation data and the expected fallout from the Brexit vote. Towards the end of the review period, however, strong services and consumer spending data reignited speculation that another hike might take place before the end of the year.

Equity markets in the eurozone and the UK bounced back promptly from the shock of the Brexit vote, but economic data painted a mixed picture. Eurozone GDP grew by 0.6% in the first quarter but just 0.3% in the second, and inflation remained well below target. In the UK, manufacturing and construction activity contracted sharply but retail sales were buoyant. Mindful of recessionary risks, the Bank of England cut its base rate to a new record low of 0.25% and launched a substantial corporate-bond-buying programme.

In Japan, the general appetite for 'safe-haven' assets in the wake of the Brexit vote saw the yen soar, with negative implications for Japanese exports and overseas earnings.

Key portfolio activity included opening a new position in CRH, one of the world's leading diversified building-materials businesses. CRH stands to benefit from cost synergies from the integration of some recent acquisitions as well as structural-growth-drivers in the market. We also increased a holding in gaming business Activision. The company's acquisition of King should be accretive to earnings and bring with it advertising revenue, a new source of earnings for the firm.

Information-services company RELX was added to the portfolio. A market leader in its sector, RELX enjoys high returns on invested capital and strong cashflows. Elsewhere, weakness in the share price of BB&T offered a good entry point into this well-managed banking franchise, which is set for high growth due to its geographic footprint.

Among key sales, we closed a position in Japan Exchange and trimmed a holding in JPMorgan, in order to reduce our exposure to capital markets. We exited WESCO International and brewer Molson Coors to fund better ideas elsewhere.

Given the political and macroeconomic uncertainty that we face at present, equity markets are likely to remain volatile this year and economic growth will likely be subdued. This is a less positive outcome for 2016 than we had expected at the start of the year, but our portfolios have been positioned for low economic growth and low interest rates for some time.

Our economic forecasts suggest that the US economy should continue to lead growth in the developed world, albeit at subdued levels. While investors now focus on the timing of the next interest-rate hike in the US, monetary policy in other developed markets remains accommodative. The outlook for emerging markets is still challenging, in particular for commodity exporters reliant on Chinese fixed-asset investment.

In this environment, we continue to seek out high-quality franchises, typically ones with significant competitive advantages that can deliver company-led growth. We find economically sensitive areas of the market less attractive.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	160,049	(60,616)
Revenue	11,195	6,720
Expenses	(6,966)	(5,906)
Interest payable and similar charges	(2)	—
Net revenue before taxation	4,227	814
Taxation	(1,042)	(836)
Net revenue/(expense) after taxation	3,185	(22)
<b>Total return before equalisation</b>	<b>163,234</b>	<b>(60,638)</b>
Equalisation	(149)	—
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>163,085</b>	<b>(60,638)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,116,050	1,007,453
<b>Current assets:</b>		
Debtors	3,669	11,643
Cash and bank balances	5,898	263
<b>Total assets</b>	<b>1,125,617</b>	<b>1,019,359</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	—	(2,178)
Distribution payable	—	(2)
Other creditors	(2,853)	(3,807)
<b>Total liabilities</b>	<b>(2,853)</b>	<b>(5,987)</b>
<b>Net assets attributable to shareholders</b>	<b>1,122,764</b>	<b>1,013,372</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,013,372</b>	<b>863,279</b>
Amounts receivable on the issue of shares	57,958	60,022
Amounts payable on the cancellation of shares	(111,731)	(97,588)
	(53,773)	(37,566)
Dilution adjustment	80	—
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	163,085	(60,638)
<b>Closing net assets attributable to shareholders</b>	<b>1,122,764</b>	<b>765,075</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

## Threadneedle Global Select Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	148.08	146.51	127.70	209.89	206.40	178.86
Return before operating charges (p)	26.17	3.98	21.00	37.17	5.65	29.48
Operating charges (p)	(1.33)	(2.41)	(2.19)	(1.20)	(2.16)	(1.94)
Return after operating charges (p)*	24.84	1.57	18.81	35.97	3.49	27.54
Closing net asset value per share (p)	172.92	148.08	146.51	245.86	209.89	206.40
Retained distribution on accumulation shares (p)	–	–	–	–	0.13	0.45
*after direct transaction costs <sup>‡</sup> of (p)	0.10	0.13	0.23	0.14	0.19	0.32
<b>Performance</b>						
Return after charges (%)	16.77	1.07	14.73	17.14	1.69	15.40
<b>Other information</b>						
Closing net asset value (£000)	555,517	492,951	532,710	369,536	315,239	113,514
Closing number of shares	321,253,864	332,895,484	363,593,904	150,304,512	150,193,486	54,997,988
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.05
Direct transaction costs (%)	0.13	0.09	0.17	0.13	0.09	0.17
<b>Prices</b>						
Highest share price (p)	176.23	154.26	146.57	250.46	217.44	206.54
Lowest share price (p)	146.09	131.85	121.09	207.07	186.81	169.71

  

	Class X – Net accumulation shares			Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015 <sup>†</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	107.66	104.40	89.86	120.47	118.59	100.00
Return before operating charges (p)	19.11	3.28	14.59	21.34	3.25	19.94
Operating charges (p)	(0.01)	(0.02)	(0.05)	(0.57)	(1.03)	(0.92)
Return after operating charges (p)*	19.10	3.26	14.54	20.77	2.22	19.02
Distributions on income shares (p)	–	–	–	–	(0.34)	(0.43)
Closing net asset value per share (p)	126.76	107.66	104.40	141.24	120.47	118.59
Retained distribution on accumulation shares (p)	–	1.33	967.06	–	–	–
*after direct transaction costs <sup>‡</sup> of (p)	0.07	0.10	0.15	0.08	0.11	0.18
<b>Performance</b>						
Return after charges (%)	17.74	3.12	16.18	17.24	1.87	19.02
<b>Other information</b>						
Closing net asset value (£000)	4	3	3	860	731	22
Closing number of shares	3,001	3,001	3,001	609,003	606,535	18,330
Operating charges (%)**	0.02 <sup>†</sup>	0.02	0.06	0.88 <sup>†</sup>	0.88	0.88 <sup>†</sup>
Direct transaction costs (%)	0.13	0.09	0.17	0.13	0.09	0.17
<b>Prices</b>						
Highest share price (p)	129.04	110.50	104.82	143.87	124.96	119.07
Lowest share price (p)	106.22	95.40	85.35	118.89	107.50	97.68



## Threadneedle Global Select Fund

### Comparative Table Disclosure

(continued)

	Class Z – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	150.71	147.94	127.94
Return before operating charges (p)	26.69	4.06	21.16
Operating charges (p)	(0.71)	(1.29)	(1.16)
Return after operating charges (p)*	25.98	2.77	20.00
Closing net asset value per share (p)	176.69	150.71	147.94
Retained distribution on accumulation shares (p)	–	0.72	0.75
*after direct transaction costs <sup>‡</sup> of (p)	0.10	0.13	0.23
<b>Performance</b>			
Return after charges (%)	17.24	1.87	15.63
<b>Other information</b>			
Closing net asset value (£000)	196,847	204,448	217,030
Closing number of shares	111,405,495	135,656,944	146,700,906
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)	0.13	0.09	0.17
<b>Prices</b>			
Highest share price (p)	179.98	155.88	147.99
Lowest share price (p)	148.69	134.10	121.41

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

<sup>†</sup>Class Z – Net income shares commenced 27 March 2014.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Global Select Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2016

#### Class 1 – Net accumulation shares

Opening shares	332,895,484
Shares issued	7,096,398
Shares redeemed	(16,061,992)
Net conversions	(2,676,026)
Closing shares	<u>321,253,864</u>

#### Class 2 – Net accumulation shares

Opening shares	150,193,486
Shares issued	17,196,013
Shares redeemed	(17,024,596)
Net conversions	(60,391)
Closing shares	<u>150,304,512</u>

#### Class X – Net accumulation shares

Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>

#### Class Z – Net income shares

Opening shares	606,535
Shares issued	83,781
Shares redeemed	(97,069)
Net conversions	15,756
Closing shares	<u>609,003</u>

#### Class Z – Net accumulation shares

Opening shares	135,656,944
Shares issued	4,685,165
Shares redeemed	(31,635,381)
Net conversions	2,698,767
Closing shares	<u>111,405,495</u>

## 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 Net Income Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle Global Bond Fund has risen from 60.96p to 68.07p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +11.01% as compared to a median return of +11.99% over the same period. The fund return equates approximately to +13.04% gross of tax and charges\*\*. (For information the JPM GBI Global (Traded) Index gave a total return of +12.28% for the same period).

#### Market Overview and Portfolio Activity

Overall, the global bond market generated positive returns over the six months in review, but there was considerable divergence in the performance of the main asset classes

within it. Broadly speaking, developed government bonds strengthened only modestly in aggregate, while their emerging-market counterparts enjoyed strong gains – as did corporate bonds. With core yields at very low levels – below zero in many cases – investors were tempted further out the risk spectrum in the search for higher income. Gilts were among the notable exceptions to this trend, returning over 11% as measured by the FTSE Actuaries UK Gilts All Stocks index; after the UK's shock decision to leave the EU, gilt yields fell to record lows on the correct assumption that the Bank of England (BoE) would respond by cutting interest rates.

Indeed, central banks were a key driver of market direction generally. The Federal Reserve opted against a further rate hike during the period, concerned primarily by international developments such as the recent market turmoil in China and the Brexit vote. However, ongoing improvements in the US labour market weighed on Treasury prices, which rose over the period but trailed global government bonds overall. Meanwhile, a number of other major central banks, including the European Central Bank (ECB), the Bank of Japan (BoJ) and the aforementioned BoE, announced additional monetary stimulus. As well as cutting interest rates, the ECB and the BoE expanded their government-bond purchases and added the buying of corporate bonds to their stimulus efforts (the latter

move leading to a marked tightening in credit spreads). The BoJ doubled its purchases of exchange-traded equity funds, but disappointed investors by not cutting rates further. Japanese government bonds underperformed their UK and European equivalents in aggregate.

The fund continued to hold a diversified portfolio of mostly developed-market sovereign bonds, but also selective corporate and emerging-market sovereign bonds. It maintained a lower duration than the index, notably via short duration positions in Japanese and US government bonds. We took advantage of relative weakness to increase exposure to both countries' sovereign debt over the period, and although effective durations increased in both cases, they remained short of the benchmark. By contrast, we began the period with long duration positions in Australian and UK government bonds; we lowered exposure to both over the period, moving less long in Australia and modestly short duration in the UK, where gilt yields have plumbed record lows and have little room to rally further.

At some point, yields will rise, but it may not be imminent, as central banks will endeavour to keep yields low to encourage growth. Until they do, banking profitability may be depressed, and in such an environment, banks may be less likely to create credit, undermining economic growth.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	49,327	(2,472)
Revenue	3,222	2,244
Expenses	(2,771)	(1,501)
Interest payable and similar charges	(20)	(73)
Net revenue before taxation	431	670
Taxation	–	–
Net revenue after taxation	431	670
<b>Total return before distributions</b>	<b>49,758</b>	<b>(1,802)</b>
Distributions	(2,881)	(1,994)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>46,877</b>	<b>(3,796)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	454,588	390,207
<b>Current assets:</b>		
Debtors	2,374	5,786
Cash and bank balances	11,404	35,235
<b>Total assets</b>	<b>468,366</b>	<b>431,228</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1,553)	(2,115)
<b>Creditors:</b>		
Distribution payable	(2,181)	(2,003)
Other creditors	(5,307)	(2,725)
<b>Total liabilities</b>	<b>(9,041)</b>	<b>(6,843)</b>
<b>Net assets attributable to shareholders</b>	<b>459,325</b>	<b>424,385</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>424,385</b>	<b>227,576</b>
Amounts receivable on the issue of shares	94,340	66,383
Amounts payable on the cancellation of shares	(106,991)	(23,063)
	(12,651)	43,320
Dilution adjustment	37	36
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	46,877	(3,796)
Retained distribution on accumulation shares	677	726
<b>Closing net assets attributable to shareholders</b>	<b>459,325</b>	<b>267,862</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Interest distribution in pence per share

#### Class 1 Shares

##### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.4169	0.0834	0.3335	–	0.3335	0.3774
<b>Group 2</b>						
08/03/16 to 07/09/16	0.2434	0.0487	0.1947	0.1388	0.3335	0.3774
<b>Total distributions in the period</b>					<b>0.3335</b>	<b>0.3774</b>

#### Class 1 Shares

##### Net accumulation

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2016	Net Revenue Accumulated 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.3891	0.0778	0.3113	–	0.3113	0.3479
<b>Group 2</b>						
08/03/16 to 07/09/16	0.2110	0.0422	0.1688	0.1425	0.3113	0.3479
<b>Total distributions in the period</b>					<b>0.3113</b>	<b>0.3479</b>

# Threadneedle Global Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.5693	—	0.5693	0.6444
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3180	0.2513	0.5693	0.6444
<b>Total distributions in the period</b>			<b>0.5693</b>	<b>0.6444</b>

### Class 1 Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.8196	—	0.8196	0.9134
<b>Group 2</b>				
08/03/16 to 07/09/16	0.4031	0.4165	0.8196	0.9134
<b>Total distributions in the period</b>			<b>0.8196</b>	<b>0.9134</b>

### Class 2 Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.5006	0.1001	0.4005	—	0.4005	0.4424
<b>Group 2</b>						
08/03/16 to 07/09/16	0.2624	0.0525	0.2099	0.1906	0.4005	0.4424
<b>Total distributions in the period</b>					<b>0.4005</b>	<b>0.4424</b>

### Class 2 Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.7224	—	0.7224	0.7844
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3542	0.3682	0.7224	0.7844
<b>Total distributions in the period</b>			<b>0.7224</b>	<b>0.7844</b>

### Class X Shares

#### Gross accumulation\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016
<b>Group 1</b>			
08/03/16 to 07/09/16	0.7184	—	0.7184
<b>Group 2</b>			
08/03/16 to 07/09/16	0.2966	0.4218	0.7184
<b>Total distributions in the period</b>			<b>0.7184</b>

### Class Z Shares

#### Net income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>						
08/03/16 to 07/09/16	0.7245	0.1449	0.5796	—	0.5796	0.6463
<b>Group 2</b>						
08/03/16 to 07/09/16	0.4114	0.0823	0.3291	0.2505	0.5796	0.6463
<b>Total distributions in the period</b>					<b>0.5796</b>	<b>0.6463</b>

### Class Z Shares

#### Gross income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.7242	—	0.7242	0.8079
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3680	0.3562	0.7242	0.8079
<b>Total distributions in the period</b>			<b>0.7242</b>	<b>0.8079</b>

### Class Z Shares

#### Gross accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2016	Gross Revenue Accumulated 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	0.8162	—	0.8162	0.8969
<b>Group 2</b>				
08/03/16 to 07/09/16	0.3117	0.5045	0.8162	0.8969
<b>Total distributions in the period</b>			<b>0.8162</b>	<b>0.8969</b>

Group 2: shares purchased during a distribution period.

\*Class X – Gross accumulation shares commenced 16 March 2016.



## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Net income shares			Class 2 – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	66.68	61.98	59.42	96.19	87.93	82.63
Return before operating charges (p)	8.74	6.06	4.05	12.75	8.98	6.00
Operating charges (p)	(0.29)	(0.51)	(0.50)	(0.41)	(0.72)	(0.70)
Return after operating charges (p)*	8.45	5.55	3.55	12.34	8.26	5.30
Distributions on income shares (p)	(0.40)	(0.85)	(0.99)	–	–	–
Closing net asset value per share (p)	74.73	66.68	61.98	108.53	96.19	87.93
Retained distribution on accumulation shares (p)	–	–	–	0.72	1.51	1.74
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	12.67	8.95	5.97	12.83	9.39	6.41
<b>Other information</b>						
Closing net asset value (£000)	11,585	6,558	2,424	51,042	105,989	38,699
Closing number of shares	15,502,795	9,834,438	3,910,118	47,032,219	110,183,678	44,010,940
Operating charges (%)**	0.81 <sup>†</sup>	0.81	0.82	0.81 <sup>†</sup>	0.81	0.82
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	77.93	68.77	64.41	112.52	98.59	90.65
Lowest share price (p)	65.92	58.61	59.33	95.15	83.24	82.62
	Class X – Gross accumulation shares <sup>§</sup>		Class Z – Net income shares			
	07/09/2016 <sup>†</sup>		07/09/2016	07/03/2016	07/03/2015	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.00		101.89	94.46	90.34	
Return before operating charges (p)	12.36		13.36	9.27	6.17	
Operating charges (p)	(0.02)		(0.34)	(0.60)	(0.60)	
Return after operating charges (p)*	12.34		13.02	8.67	5.57	
Distributions on income shares (p)	–		(0.58)	(1.24)	(1.45)	
Closing net asset value per share (p)	112.34		114.33	101.89	94.46	
Retained distribution on accumulation shares (p)	0.72		–	–	–	
*after direct transaction costs <sup>‡</sup> of (p)	–		–	–	–	
<b>Performance</b>						
Return after charges (%)	12.34		12.78	9.18	6.17	
<b>Other information</b>						
Closing net asset value (£000)	11,755		20,421	20,026	7,038	
Closing number of shares	10,463,858		17,861,387	19,654,643	7,450,033	
Operating charges (%)**	0.04 <sup>†</sup>		0.63 <sup>†</sup>	0.63	0.64	
Direct transaction costs (%)	–		–	–	–	
<b>Prices</b>						
Highest share price (p)	116.35		119.15	105.04	98.11	
Lowest share price (p)	98.26		100.76	89.37	90.25	

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares <sup>§</sup>			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	101.87	94.44	90.32	114.86	104.81	98.36
Return before operating charges (p)	13.50	9.57	6.54	15.22	10.71	7.11
Operating charges (p)	(0.34)	(0.59)	(0.60)	(0.39)	(0.66)	(0.66)
Return after operating charges (p)*	13.16	8.98	5.94	14.83	10.05	6.45
Distributions on income shares (p)	(0.72)	(1.55)	(1.82)	–	–	–
Closing net asset value per share (p)	114.31	101.87	94.44	129.69	114.86	104.81
Retained distribution on accumulation shares (p)	–	–	–	0.82	1.72	1.99
*after direct transaction costs <sup>‡</sup> of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	12.92	9.51	6.58	12.91	9.59	6.56
<b>Other information</b>						
Closing net asset value (£000)	172	129	82	122	97	77
Closing number of shares	150,239	126,881	86,844	93,725	84,153	73,547
Operating charges (%)**	0.63 <sup>†</sup>	0.63	0.64	0.63 <sup>†</sup>	0.63	0.64
Direct transaction costs (%)	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	119.23	105.16	98.23	134.42	117.71	108.00
Lowest share price (p)	100.81	89.45	90.36	113.66	99.26	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](http://columbiathreadneedle.com/fees).

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

<sup>†</sup>Class X – Gross accumulation shares commenced 16 March 2016.

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

# Threadneedle Global Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net income shares</b>	
Opening shares	5,317,830
Shares issued	856,302
Shares redeemed	(1,168,757)
Net conversions	(85,902)
Closing shares	4,919,473
<b>Class 1 – Net accumulation shares</b>	
Opening shares	2,400,935
Shares issued	2,263,720
Shares redeemed	(2,042,650)
Net conversions	–
Closing shares	2,622,005
<b>Class 1 – Gross income shares</b>	
Opening shares	307,501,071
Shares issued	44,045,097
Shares redeemed	(7,699,565)
Net conversions	–
Closing shares	343,846,603
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	27,402,664
Shares issued	4,900,687
Shares redeemed	(1,489,782)
Net conversions	–
Closing shares	30,813,569
<b>Class 2 – Net income shares</b>	
Opening shares	9,834,438
Shares issued	8,078,981
Shares redeemed	(2,410,624)
Net conversions	–
Closing shares	15,502,795
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	110,183,678
Shares issued	18,709,408
Shares redeemed	(81,860,867)
Net conversions	–
Closing shares	47,032,219
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	10,463,858
Shares redeemed	–
Net conversions	–
Closing shares	10,463,858

#### Class Z – Net income shares

Opening shares	19,654,643
Shares issued	10,389,335
Shares redeemed	(12,233,632)
Net conversions	51,041
Closing shares	17,861,387

#### Class Z – Gross income shares

Opening shares	126,881
Shares issued	792,419
Shares redeemed	(769,061)
Net conversions	–
Closing shares	150,239

#### Class Z – Gross accumulation shares

Opening shares	84,153
Shares issued	18,777
Shares redeemed	(9,205)
Net conversions	–
Closing shares	93,725

\*Class X – Gross accumulation shares commenced 16 March 2016.



## 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 Net Accumulation Class 1 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Institutional Fund has risen from 129.86p to 145.41p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +11.93% as compared to a median return of +11.08% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

We opened new positions in Marks & Spencer and Royal Mail. The former has scope to unlock value from its freehold estate, while we believe the discount on which the latter is trading relative to other defensive growth assets is too wide, due to elevated concerns about the pension deficit and the competitive pressures in the

market. We took advantage of share price weakness to add to our existing position in ITV. We were encouraged by management's confidence in the company's outlook, although Brexit jitters have had an adverse short-term impact. Following strong performance, we reduced our exposure to Reckitt Benckiser and completely offloaded ARM Holdings after it was purchased at an impressive premium. We sold IMI at a profit, as we felt it has reached quite a rich valuation, considering it is an industrial stock and that global capex associated with this industry is under pressure.

The UK economy appears to be weathering the post-Brexit storm much better than predicted, although we believe the medium-term implications of the vote are uncertain.

In the run-up to the Autumn Statement, there is increased speculation about the prospect of a large fiscal stimulus. As monetary policy appears to be approaching the limits of its capability and efficacy, the next round of stimulus may be focused on government spending, particularly in housing and infrastructure.

Overall, the outlook is unclear. Relatively cheap valuations are likely to support equities. We will look for high-quality businesses where short-term sentiment is creating buying opportunities – currently these are concentrated in the domestic areas of the market, which seem to be recouping Brexit-induced losses.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	93,460	(82,049)
Revenue	21,783	21,348
Expenses	(4,011)	(4,161)
Net revenue before taxation	17,772	17,187
Taxation	–	–
Net revenue after taxation	17,772	17,187
Total return before distributions	111,232	(64,862)
Distributions	(17,772)	(17,187)
Change in net assets attributable to shareholders from investment activities	93,460	(82,049)

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	997,544	867,532
<b>Current assets:</b>		
Debtors	20,743	6,135
Cash and bank balances	7,337	14,223
Total assets	1,025,624	887,890
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(4,162)	(2,172)
Total liabilities	(4,162)	(2,172)
<b>Net assets attributable to shareholders</b>	<b>1,021,462</b>	<b>885,718</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Opening net assets attributable to shareholders	885,718	1,032,445
Amounts receivable on the issue of shares	68,420	63,108
Amounts payable on the cancellation of shares	(44,194)	(163,382)
	24,226	(100,274)
Dilution adjustment	–	80
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	93,460	(82,049)
Retained distribution on accumulation shares	18,058	17,187
Closing net assets attributable to shareholders	1,021,462	867,389

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 1 Shares

##### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
Group 1 08/03/16 to 07/09/16	2.0258	–	2.0258	2.2210
Group 2 08/03/16 to 07/09/16	0.8878	1.1380	2.0258	2.2210
<b>Total distributions in the period</b>			<b>2.0258</b>	<b>2.2210</b>

#### Class 2 Shares

##### Net accumulation

Distribution Period	Revenue per Share	Equalisation	Revenue Accumulated 2016	Revenue Accumulated 2015
Group 1 08/03/16 to 07/09/16	2.8954	–	2.8954	2.8101
Group 2 08/03/16 to 07/09/16	1.2535	1.6419	2.8954	2.8101
<b>Total distributions in the period</b>			<b>2.8954</b>	<b>2.8101</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Institutional Fund

### Comparative Table Disclosure

	Class 1 – Net accumulation shares			Class 2 – Net accumulation shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	129.78	137.42	130.35	143.49	150.62	141.65
Return before operating charges (p)	16.65	(5.44)	9.20	18.47	(5.96)	10.09
Operating charges (p)	(1.12)	(2.20)	(2.13)	(0.60)	(1.17)	(1.12)
Return after operating charges (p)*	15.53	(7.64)	7.07	17.87	(7.13)	8.97
Closing net asset value per share (p)	145.31	129.78	137.42	161.36	143.49	150.62
Retained distribution on accumulation shares (p)	2.03	2.75	2.08	2.90	4.03	3.52
*after direct transaction costs <sup>‡</sup> of (p)	0.10	0.21	0.22	0.11	0.23	0.24
<b>Performance</b>						
Return after charges (%)	11.97	(5.56)	5.42	12.45	(4.73)	6.33
<b>Other information</b>						
Closing net asset value (£000)	67,751	60,111	93,506	953,711	825,607	938,939
Closing number of shares	46,623,739	46,316,029	68,043,406	591,043,364	575,383,730	623,370,435
Operating charges (%)**	1.66 <sup>†</sup>	1.66	1.66	0.80 <sup>†</sup>	0.80	0.80
Direct transaction costs (%)	0.14	0.16	0.17	0.14	0.16	0.17
<b>Prices</b>						
Highest share price (p)	146.30	141.72	137.50	162.44	155.64	150.71
Lowest share price (p)	125.57	116.96	116.73	139.17	129.23	127.52

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

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

<sup>‡</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle UK Institutional Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 1 – Net accumulation shares</b>	
Opening shares	46,316,029
Shares issued	9,231,266
Shares redeemed	(8,919,849)
Net conversions	(3,707)
Closing shares	<u>46,623,739</u>
<b>Class 2 – Net accumulation shares</b>	
Opening shares	575,383,730
Shares issued	37,992,488
Shares redeemed	(22,336,203)
Net conversions	3,349
Closing shares	<u>591,043,364</u>

## 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 Net Income Class 2 Shares\*

Over the six months to 7 September 2016, the published share price of the Threadneedle UK Overseas Earnings Fund has risen from 106.48p to 119.60p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2016, including net reinvested income, is +12.31% as compared to a median return of +11.08% over the same period. (For information the FTSE All-Share Total Return Index returned +13.11% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All Share Index posted a double-digit return during the period under review. The rally was led by large-cap stocks in an environment characterised by uncertainty related to the UK's referendum on its European Union membership, capped by a shock vote to leave the union.

In the immediate aftermath of the vote, investors fled to global safe-havens while UK equities and the sterling sharply declined.

Markets eventually calmed down, as the FTSE 100 recouped its earlier losses. The weaker pound was viewed to be favourable for internationally exposed companies, but the more domestically oriented FTSE 250 took longer to return to its pre-referendum levels. Post-Brexit, equities were supported by second-quarter GDP data, which surpassed estimates, and later by the Bank of England's stimulus. This involved a rate cut, the announcement of a "Term Funding Scheme" and an unexpected expansion in quantitative easing.

Post-Brexit economic indicators have been mixed. Jobless claims unexpectedly declined in July while the monthly increase in retail sales exceeded estimates. July's manufacturing and services purchasing managers' indices (PMI) readings indicated contraction but the indices rebounded into expansionary territory in August. The monthly rise in the services PMI was the largest in two decades. Consumer and producer price inflation trended higher in July.

We built up our existing holding in Prudential. We also opened new positions in Ladbrokes and Royal Mail. We believe the discount on which the latter is trading relative to other defensive growth assets is too wide, due to elevated concerns about the pension deficit and the

competitive pressures in the market. The dividend yield is attractive, the management team is highly regarded and we see that there is a re-rating opportunity. We exited Reckitt Benckiser and InterContinental Hotels. We also sold out of our position in Home Retail Group after the purchase by Sainsbury's.

The UK economy appears to be weathering the post-Brexit storm much better than predicted although we believe the medium-term implications of the vote are uncertain.

In the run-up to the Autumn Statement, there is increased speculation about fiscal stimulus measures, particularly in infrastructure. Sterling weakness has resulted in select earnings-per-share upgrades. Mergers and acquisitions could be a continued theme, with UK assets now at discounts for overseas investors.

Overall, the outlook remains unclear. UK equities are likely to remain supported by their relative cheapness. We remain cautious about the post-Brexit rally and the difference between equity and gilt yields. Our contrarian instinct is to continue to look for bottom-up long-term ideas where short-term sentiment is creating buying opportunities – currently concentrated in domestically oriented sectors. However, these stocks have recouped some of their Brexit-induced declines. UK investors who can maintain a longer-term focus and withstand choppy waters may be rewarded with exciting opportunities.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Income		
Net capital gains/(losses)	11,206	(10,061)
Revenue	2,679	2,547
Expenses	(831)	(914)
Net revenue before taxation	1,848	1,633
Taxation	—	—
Net revenue after taxation	1,848	1,633
<b>Total return before distributions</b>	<b>13,054</b>	<b>(8,428)</b>
Distributions	(1,848)	(1,633)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>11,206</b>	<b>(10,061)</b>

### BALANCE SHEET

as at 7 September 2016

	2016 £000	March 2016 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	112,835	102,891
<b>Current assets:</b>		
Debtors	683	707
Cash and bank balances	353	1,144
<b>Total assets</b>	<b>113,871</b>	<b>104,742</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,838)	(610)
Other creditors	(422)	(446)
<b>Total liabilities</b>	<b>(2,260)</b>	<b>(1,056)</b>
<b>Net assets attributable to shareholders</b>	<b>111,611</b>	<b>103,686</b>

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

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
<b>Opening net assets attributable to shareholders</b>	<b>103,686</b>	<b>121,142</b>
Amounts receivable on the issue of shares	3,263	1,033
Amounts payable on the cancellation of shares	(6,545)	(7,573)
	(3,282)	(6,540)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	11,206	(10,061)
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>111,611</b>	<b>104,542</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2016 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2015.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2016 to 7 September 2016

Dividend distribution in pence per share

#### Class 2 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	1.9264	—	1.9264	1.6158
<b>Group 2</b>				
08/03/16 to 07/09/16	0.7340	1.1924	1.9264	1.6158
<b>Total distributions in the period</b>			<b>1.9264</b>	<b>1.6158</b>

#### Class 2 Shares

Net income	Revenue per Share	Equalisation	Distribution Paid/Payable 2016	Distribution Paid 2015
<b>Group 1</b>				
08/03/16 to 07/09/16	2.3054	—	2.3054	1.8932
<b>Group 2</b>				
08/03/16 to 07/09/16	0.6507	1.6547	2.3054	1.8932
<b>Total distributions in the period</b>			<b>2.3054</b>	<b>1.8932</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Overseas Earnings Fund

### Comparative Table Disclosure

	Class 2 – Net income shares			Class Z – Net income shares		
	07/09/2016	07/03/2016	07/03/2015	07/09/2016	07/03/2016	07/03/2015
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	105.77	113.36	108.66	105.65	113.14	108.07
Return before operating charges (p)	14.63	(3.66)	8.44	14.66	(3.67)	8.74
Operating charges (p)	(0.87)	(1.70)	(1.66)	(0.51)	(0.95)	(0.94)
Return after operating charges (p)*	13.76	(5.36)	6.78	14.15	(4.62)	7.80
Distributions on income shares (p)	(1.93)	(2.23)	(2.08)	(2.31)	(2.87)	(2.73)
Closing net asset value per share (p)	117.60	105.77	113.36	117.49	105.65	113.14
*after direct transaction costs <sup>†</sup> of (p)	0.07	0.06	0.11	0.07	0.06	0.11
<b>Performance</b>						
Return after charges (%)	13.01	(4.73)	6.24	13.39	(4.08)	7.22
<b>Other information</b>						
Closing net asset value (£000)	108,720	102,735	121,019	2,891	951	123
Closing number of shares	92,449,891	97,130,940	106,759,242	2,460,168	899,439	108,956
Operating charges (%)**	1.57 <sup>†</sup>	1.57	1.57	0.89 <sup>†</sup>	0.89	0.89
Direct transaction costs (%)	0.12	0.16	0.10	0.12	0.16	0.10
<b>Prices</b>						
Highest share price (p)	120.57	115.86	113.95	120.80	115.82	114.06
Lowest share price (p)	103.60	96.35	95.50	103.68	96.52	95.32

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

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

<sup>†</sup>Transaction costs have not been reduced by any amounts collected from dilution levies.

## Threadneedle UK Overseas Earnings Fund

### Notes to the financial statements

for the accounting period 8 March 2016 to 7 September 2016

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2016 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2016
<b>Class 2 – Net income shares</b>	
Opening shares	97,130,940
Shares issued	1,401,320
Shares redeemed	(5,971,231)
Net conversions	(111,138)
Closing shares	92,449,891
<b>Class Z – Net income shares</b>	
Opening shares	899,439
Shares issued	1,487,636
Shares redeemed	(38,101)
Net conversions	111,194
Closing shares	2,460,168

## Threadneedle UK Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 6.46% (6.58%)</b>				<b>Tobacco 6.99% (6.81%)</b>			
	<b>Oil &amp; Gas Producers 4.07% (4.30%)</b>			1,180,255	British American Tobacco	56,717	3.04
3,870,734	Royal Dutch Shell B Shares	76,157	4.07	1,841,559	Imperial Brands	73,800	3.95
	<b>Oil Equipment, Services &amp; Distribution 2.39% (2.28%)</b>			<b>Total Consumer Goods</b>			
1,581,451	Hunting	7,148	0.38			<b>411,787</b>	<b>22.03</b>
5,363,993	John Wood Group	37,494	2.01	<b>HEALTH CARE 8.51% (7.90%)</b>			
	<b>Total Oil &amp; Gas</b>	<b>120,799</b>	<b>6.46</b>	3,565,939	<b>Health Care Equipment &amp; Services 2.34% (2.44%)</b>		
					Smith & Nephew	43,647	2.34
<b>BASIC MATERIALS 4.03% (4.08%)</b>					<b>Pharmaceuticals &amp; Biotechnology 6.17% (5.46%)</b>		
	<b>Chemicals 2.09% (1.77%)</b>			1,166,063	AstraZeneca	56,886	3.04
1,184,729	Johnson Matthey	39,025	2.09	3,604,983	GlaxoSmithKline	58,419	3.13
	<b>Mining 1.94% (2.31%)</b>			<b>Total Health Care</b>			
1,571,365	Rio Tinto	36,259	1.94			<b>158,952</b>	<b>8.51</b>
	<b>Total Basic Materials</b>	<b>75,284</b>	<b>4.03</b>	<b>CONSUMER SERVICES 17.69% (16.07%)</b>			
					<b>Food &amp; Drug Retailers 1.05% (1.34%)</b>		
<b>INDUSTRIALS 16.65% (16.42%)</b>				10,666,170	Booker Group	19,562	1.05
	<b>Construction &amp; Materials 4.31% (1.60%)</b>				<b>General Retailers 0.66% (0.00%)</b>		
26,539,926	Breedon Aggregates	19,374	1.04	1,733,852	Inchcape	12,336	0.66
1,568,375	CRH	40,056	2.14		<b>Media 7.15% (5.22%)</b>		
12,888,044	Melrose Industries	21,201	1.13	4,393,962	Daily Mail & General Trust	31,505	1.68
	<b>Aerospace &amp; Defence 2.89% (2.72%)</b>			17,435,675	ITV	35,761	1.91
5,175,386	BAE Systems	28,387	1.52	2,251,683	Pearson	19,590	1.05
2,424,280	Rolls-Royce Holdings	18,303	0.98	3,199,379	Relx	46,839	2.51
429,557	Ultra Electronics Holdings	7,204	0.39		<b>Travel &amp; Leisure 8.83% (9.51%)</b>		
	<b>General Industrials 2.52% (3.23%)</b>			762,984	Carnival	25,957	1.39
5,203,584	DS Smith	22,120	1.18	2,342,221	Compass Group	34,173	1.83
1,808,256	Smiths Group	25,081	1.34	1,518,205	Greene King	12,593	0.67
	<b>Industrial Engineering 0.00% (1.08%)</b>			1,123,489	InterContinental Hotels	36,637	1.96
	<b>Industrial Transportation 1.24% (1.02%)</b>			1,532,603	J D Wetherspoon	13,655	0.73
4,464,917	Royal Mail	23,173	1.24	5,679,389	Merlin Entertainments	27,602	1.48
	<b>Support Services 5.69% (6.77%)</b>			6,462,991	Stagecoach Group	14,406	0.77
578,841	Aggreko	5,887	0.32	<b>Total Consumer Services</b>			
1,947,144	Berendsen	24,437	1.31			<b>330,616</b>	<b>17.69</b>
2,105,158	Essentra	10,978	0.59	<b>TELECOMMUNICATIONS 3.59% (4.05%)</b>			
11,302,595	Rentokil Initial	24,527	1.31		<b>Fixed Line Telecommunications 3.59% (4.05%)</b>		
913,618	Wolseley	40,409	2.16	17,179,825	BT Group	67,122	3.59
	<b>Total Industrials</b>	<b>311,137</b>	<b>16.65</b>	<b>Total Telecommunications</b>			
						<b>67,122</b>	<b>3.59</b>
<b>CONSUMER GOODS 22.03% (21.74%)</b>				<b>FINANCIALS 17.22% (17.79%)</b>			
	<b>Automobiles &amp; Parts 2.19% (2.07%)</b>				<b>Banks 1.70% (2.11%)</b>		
12,568,188	GKN	40,960	2.19	8,159,907	Barclays	13,713	0.73
	<b>Beverages 2.61% (2.50%)</b>			2,862,406	Standard Chartered	18,202	0.97
2,306,370	Diageo	48,711	2.61		<b>Nonlife Insurance 1.31% (1.25%)</b>		
	<b>Household Goods &amp; Home Construction 5.61% (5.96%)</b>			4,884,272	RSA Insurance Group	24,543	1.31
713,355	Bellway	16,692	0.89		<b>Life Insurance 7.46% (8.30%)</b>		
6,667,888	Crest Nicholson Holdings	32,406	1.73	20,994,880	Legal & General Group	44,887	2.40
2,103,747	Headlam Group	9,830	0.53	4,358,578	Prudential	61,173	3.27
622,565	Reckitt Benckiser Group	46,064	2.46	3,448,703	St James's Place	33,401	1.79
	<b>Personal Goods 4.63% (4.40%)</b>				<b>Real Estate Investment &amp; Services 0.89% (0.91%)</b>		
1,411,275	Burberry Group	18,586	0.99	7,241,441	Grainger	16,561	0.89
3,444,931	PZ Cussons	11,861	0.63		<b>Real Estate Investment Trusts 1.83% (1.00%)</b>		
1,550,746	Unilever	56,160	3.01	568,227	Derwent London	15,660	0.84
				1,704,650	Land Securities Group REIT	18,444	0.99





## Threadneedle UK Select Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 5.09% (6.83%)</b>				<b>Travel &amp; Leisure 13.20% (15.53%)</b>			
	<b>Oil &amp; Gas Producers 5.09% (6.83%)</b>			344,758	Compass Group	5,030	2.27
572,907	Royal Dutch Shell B Shares	11,272	5.09	3,822,867	Firstgroup	4,274	1.93
	<b>Total Oil &amp; Gas</b>	<b>11,272</b>	<b>5.09</b>	666,813	Greene King	5,531	2.49
<b>BASIC MATERIALS 2.70% (0.00%)</b>				2,008,465	Ladbroke's	3,055	1.38
	<b>Chemicals 2.70% (0.00%)</b>			1,199,194	Merlin Entertainments	5,828	2.63
123,698	Johnson Matthey	4,075	1.84	536,679	TUI (UK Listing)	5,538	2.50
122,516	Victrex	1,906	0.86		<b>Total Consumer Services</b>	<b>48,959</b>	<b>22.10</b>
	<b>Total Basic Materials</b>	<b>5,981</b>	<b>2.70</b>	<b>TELECOMMUNICATIONS 3.86% (4.02%)</b>			
<b>INDUSTRIALS 9.77% (8.75%)</b>					<b>Fixed Line Telecommunications 3.86% (4.02%)</b>		
	<b>Construction &amp; Materials 1.24% (1.11%)</b>			2,192,405	BT Group	8,566	3.86
3,767,892	Breedon Aggregates	2,751	1.24		<b>Total Telecommunications</b>	<b>8,566</b>	<b>3.86</b>
	<b>Aerospace &amp; Defence 1.96% (1.80%)</b>			<b>FINANCIALS 21.44% (23.26%)</b>			
791,744	BAE Systems	4,343	1.96		<b>Banks 1.19% (0.94%)</b>		
	<b>Electronic &amp; Electrical Equipment 2.42% (1.10%)</b>			414,739	Standard Chartered	2,637	1.19
1,798,244	Morgan Advanced Materials	5,368	2.42		<b>Life Insurance 9.12% (12.23%)</b>		
	<b>Support Services 4.15% (4.74%)</b>			3,397,585	Legal & General Group	7,264	3.28
979,327	Howden Joinery Group	4,487	2.03	500,570	Prudential	7,025	3.17
106,343	Wolseley	4,704	2.12	611,834	St James's Place	5,926	2.67
	<b>Total Industrials</b>	<b>21,653</b>	<b>9.77</b>		<b>Real Estate Investment Trusts 3.10% (2.91%)</b>		
<b>CONSUMER GOODS 19.79% (20.30%)</b>				248,790	Derwent London	6,857	3.10
	<b>Automobiles &amp; Parts 0.00% (1.05%)</b>				<b>Financial Services 8.03% (7.18%)</b>		
	<b>Beverages 3.82% (3.11%)</b>			898,426	Intermediate Capital Group	5,435	2.45
400,264	Diageo	8,454	3.82	241,894	London Stock Exchange Group	6,645	3.00
	<b>Household Goods &amp; Home Construction 5.64% (6.40%)</b>			3,524,913	Sherborne Investors Guernsey B	4,124	1.86
1,104,077	Crest Nicholson Holdings	5,366	2.42	428,902	Tullett Prebon	1,592	0.72
714,377	McCarthy & Stone	1,318	0.60		<b>Total Financials</b>	<b>47,505</b>	<b>21.44</b>
78,541	Reckitt Benckiser Group	5,811	2.62		<b>Total value of investments</b>	<b>219,806</b>	<b>99.21</b>
	<b>Tobacco 10.33% (9.74%)</b>				<b>Net other assets (2.24%)</b>	<b>1,755</b>	<b>0.79</b>
213,111	British American Tobacco	10,241	4.62		<b>Net assets</b>	<b>221,561</b>	<b>100.00</b>
315,630	Imperial Brands	12,649	5.71				
	<b>Total Consumer Goods</b>	<b>43,839</b>	<b>19.79</b>				
<b>HEALTH CARE 14.46% (11.62%)</b>							
	<b>Health Care Equipment &amp; Services 3.66% (3.19%)</b>						
661,649	Smith & Nephew	8,099	3.66				
	<b>Pharmaceuticals &amp; Biotechnology 10.80% (8.43%)</b>						
251,766	AstraZeneca	12,282	5.54				
718,911	GlaxoSmithKline	11,650	5.26				
	<b>Total Health Care</b>	<b>32,031</b>	<b>14.46</b>				
<b>CONSUMER SERVICES 22.10% (22.98%)</b>							
	<b>General Retailers 1.59% (1.13%)</b>						
494,211	Inchcape	3,516	1.59				
	<b>Media 7.31% (6.32%)</b>						
670,255	Informa	4,802	2.17				
3,012,067	ITV	6,178	2.79				
286,592	WPP	5,207	2.35				

### TELECOMMUNICATIONS 3.86% (4.02%)

2,192,405	BT Group	8,566	3.86
	<b>Total Telecommunications</b>	<b>8,566</b>	<b>3.86</b>

### FINANCIALS 21.44% (23.26%)

414,739	Standard Chartered	2,637	1.19
3,397,585	Legal & General Group	7,264	3.28
500,570	Prudential	7,025	3.17
611,834	St James's Place	5,926	2.67
248,790	Derwent London	6,857	3.10
898,426	Intermediate Capital Group	5,435	2.45
241,894	London Stock Exchange Group	6,645	3.00
3,524,913	Sherborne Investors Guernsey B	4,124	1.86
428,902	Tullett Prebon	1,592	0.72
	<b>Total Financials</b>	<b>47,505</b>	<b>21.44</b>

	<b>Total value of investments</b>	<b>219,806</b>	<b>99.21</b>
	<b>Net other assets (2.24%)</b>	<b>1,755</b>	<b>0.79</b>
	<b>Net assets</b>	<b>221,561</b>	<b>100.00</b>

March 2016 comparatives in brackets.

\* Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	34,717	36,006
Total sales for the period	31,416	30,562

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 2.31% (1.65%)</b>				<b>Leisure Goods 0.85% (0.79%)</b>			
	<b>Oil &amp; Gas Producers 2.12% (1.51%)</b>			851,303	Photo-Me International	1,403	0.85
7,232,773	<sup>1</sup> Amerisur Resources	1,754	1.06	<b>Personal Goods 2.35% (1.68%)</b>			
2,683,372	<sup>1</sup> Ithaca Energy	1,744	1.06	140,014	Ted Baker	3,863	2.35
	<b>Oil Equipment, Services &amp; Distribution 0.19% (0.14%)</b>			<b>Total Consumer Goods</b>			
2,008,642	<sup>1</sup> Enteq Upstream	311	0.19			<b>19,690</b>	<b>11.96</b>
	<b>Total Oil &amp; Gas</b>	<b>3,809</b>	<b>2.31</b>	<b>HEALTH CARE 5.87% (5.25%)</b>			
<b>BASIC MATERIALS 6.04% (6.46%)</b>					<b>Health Care Equipment &amp; Services 0.28% (0.26%)</b>		
	<b>Chemicals 4.55% (5.42%)</b>			583,333	Electrical Geodesics	455	0.28
1,260,823	<sup>1</sup> Scapa Group	3,196	1.94	<b>Pharmaceuticals &amp; Biotechnology 5.59% (4.99%)</b>			
206,650	Victrex	3,215	1.95	3,133,261	<sup>1</sup> Alliance Pharma	1,567	0.95
418,500	Zotefoams	1,077	0.66	559,107	<sup>1</sup> Clinigen Group	3,651	2.22
	<b>Mining 1.49% (1.04%)</b>			2,874,179	Vectura Group	3,987	2.42
622,527	Centamin	993	0.60	<b>Total Health Care</b>			
21,587,483	<sup>1</sup> Diamond Corp	1,457	0.89			<b>9,660</b>	<b>5.87</b>
	<b>Total Basic Materials</b>	<b>9,938</b>	<b>6.04</b>	<b>CONSUMER SERVICES 20.93% (22.79%)</b>			
<b>INDUSTRIALS 22.95% (28.47%)</b>					<b>Food &amp; Drug Retailers 2.43% (2.53%)</b>		
	<b>Construction &amp; Materials 3.70% (4.63%)</b>			1,807,840	<sup>1</sup> Conviviality Retail	4,004	2.43
1,065,636	<sup>1</sup> Accsys Technologies	767	0.46	<b>General Retailers 4.14% (8.16%)</b>			
891,693	Eurocell Group	1,543	0.94	1,132,449	Joules Group	2,118	1.29
1,330,566	Tyman	3,789	2.30	471,631	<sup>1</sup> Marshall Motor Holdings	755	0.46
	<b>Aerospace &amp; Defence 3.20% (3.04%)</b>			1,463,034	Moss Bros Group	1,375	0.83
162,865	Avon Rubber	1,357	0.82	1,209,093	N Brown Group	2,568	1.56
1,631,497	Senior	3,919	2.38	<b>Media 8.57% (6.32%)</b>			
	<b>Electronic &amp; Electrical Equipment 1.11% (0.63%)</b>			1,725,060	Ascential	4,435	2.69
221,567	E2V Technologies	538	0.33	513,136	Global Data	1,745	1.06
126,426	<sup>1</sup> Gooch & Housego	1,288	0.78	658,822	Moneysupermarket.com Group	1,953	1.19
	<b>Industrial Engineering 2.25% (2.25%)</b>			789,905	STV Group	2,901	1.76
2,891,811	<sup>1</sup> Hayward Tyler Group	2,400	1.46	1,622,249	<sup>1</sup> You Gov	3,082	1.87
2,269,787	Severfield	1,294	0.79	<b>Travel &amp; Leisure 5.79% (5.78%)</b>			
	<b>Support Services 12.69% (17.92%)</b>			1,141,193	<sup>1</sup> DP Poland	542	0.33
30,627,775	<sup>1</sup> ISpatial	1,225	0.74	1,833,682	Flybe Group	958	0.58
727,687	Brammer	919	0.56	1,057,643	Gym Group	2,361	1.43
1,365,190	Lavendon Group	1,887	1.15	447,771	Hostelworld Group	827	0.50
565,348	Mears Group	2,572	1.56	1,305,314	Ladbroke	1,985	1.21
1,145,381	Paysafe Group	5,033	3.06	1,319,898	Rank Group	2,863	1.74
642,216	<sup>1</sup> Restore	2,196	1.33	<b>Total Consumer Services</b>			
213,558	Ricardo	1,706	1.04			<b>34,472</b>	<b>20.93</b>
577,179	Robert Walters	1,991	1.21	<b>TELECOMMUNICATIONS 1.66% (1.08%)</b>			
347,487	Sanne Group IPO	1,616	0.98		<b>Mobile Telecommunications 1.66% (1.08%)</b>		
172,378	<sup>1</sup> Staffline Group	1,750	1.06	578,458	<sup>1</sup> Gamma Communications	2,732	1.66
	<b>Total Industrials</b>	<b>37,790</b>	<b>22.95</b>	<b>Total Telecommunications</b>			
<b>CONSUMER GOODS 11.96% (9.94%)</b>						<b>2,732</b>	<b>1.66</b>
	<b>Beverages 2.52% (2.20%)</b>			<b>FINANCIALS 8.59% (9.26%)</b>			
235,947	<sup>1</sup> Fevortree Drinks IPO	2,356	1.43		<b>Banks 2.06% (2.21%)</b>		
1,057,147	Stock Spirits Group	1,792	1.09	139,940	<sup>1</sup> Secure Trust Bank	3,094	1.88
	<b>Food Producers 1.65% (0.00%)</b>			100,193	Virgin Money Holdings UK	302	0.18
1,311,149	Hotel Chocolat Group	2,714	1.65	<b>Real Estate Investment &amp; Services 0.91% (0.91%)</b>			
	<b>Household Goods &amp; Home Construction 4.59% (5.27%)</b>			945,104	<sup>1</sup> Conygar Investment	1,493	0.91
810,186	Countryside Properties	1,951	1.18	<b>Real Estate Investment Trusts 1.44% (2.61%)</b>			
639,489	Crest Nicholson Holdings	3,108	1.89	740,752	Newriver REIT	2,370	1.44
159,455	<sup>1</sup> Victoria	2,503	1.52				

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>FINANCIALS 8.59% (9.26%) (continued)</b>			
<b>Financial Services 4.18% (3.53%)</b>			
116,021	<sup>†</sup> Brooks Macdonald Group	2,293	1.39
425,608	<sup>†</sup> Curtis Banks Group IPO	1,116	0.68
1,827,181	IP Group	3,477	2.11
	<b>Total Financials</b>	<b>14,145</b>	<b>8.59</b>
<b>TECHNOLOGY 18.03% (15.31%)</b>			
<b>Software &amp; Computer Services 16.39% (12.78%)</b>			
163,068	AVEVA Group	3,175	1.93
924,818	<sup>†</sup> Blanco Technology	2,081	1.26
1,752,585	<sup>†</sup> Blue Prism Group	4,592	2.79
668,328	FDM Group Holdings IPO	4,180	2.54
1,252,234	<sup>†</sup> GB Group	3,819	2.32
1,031,975	<sup>†</sup> iomart Group	3,060	1.86
130,289	Micro Focus International	2,558	1.55
669,124	NCC Group	2,225	1.35
3,943,724	<sup>†</sup> Ubisense Group	1,301	0.79
<b>Technology Hardware &amp; Equipment 1.64% (2.53%)</b>			
676,105	Sepura	335	0.20
2,915,677	Spirent Communications	2,369	1.44
	<b>Total Technology</b>	<b>29,695</b>	<b>18.03</b>
<b>Total value of investments</b>		<b>161,931</b>	<b>98.34</b>
<b>Net other assets/(liabilities) (-0.21%)</b>		<b>2,731</b>	<b>1.66</b>
<b>Net assets</b>		<b>164,662</b>	<b>100.00</b>

March 2016 comparatives in brackets.

<sup>†</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	40,293	39,050
Total sales for the period	60,552	28,321

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.83% (3.50%)		Oil & Gas Producers 3.83% (3.50%)			CONSUMER SERVICES 24.55% (26.60%)		Food & Drug Retailers 5.96% (6.09%)		
	674,868	Royal Dutch Shell B Shares	13,278	3.83		5,158,664	Booker Group	9,461	2.73
		Total Oil & Gas	13,278	3.83		5,625,877	WM Morrison Supermarkets	11,190	3.23
BASIC MATERIALS 2.01% (1.83%)		Chemicals 2.01% (1.83%)				2,317,694	General Retailers 2.32% (4.28%)	8,031	2.32
	211,726	Johnson Matthey	6,974	2.01			Media 8.28% (8.46%)		
		Total Basic Materials	6,974	2.01		3,669,633	ITV	7,526	2.17
						1,143,634	Pearson	9,950	2.87
INDUSTRIALS 22.90% (20.56%)		Construction & Materials 1.43% (0.00%)			767,765	Relx	11,240	3.24	
	3,010,358	Melrose Industries	4,952	1.43		Travel & Leisure 7.99% (7.77%)			
		Aerospace & Defence 5.26% (5.52%)			626,484	Compass Group	9,140	2.63	
	1,643,150	BAE Systems	9,013	2.60	5,262,959	Firstgroup	5,884	1.70	
	2,617,975	Cobham	4,369	1.26	624,754	J D Wetherspoon	5,567	1.60	
	644,633	Rolls-Royce Holdings	4,867	1.40	1,969,102	Rank Group	4,271	1.23	
		General Industrials 4.07% (3.63%)			1,296,802	Stagecoach Group	2,891	0.83	
	1,649,852	DS Smith	7,014	2.02		Total Consumer Services	85,151	24.55	
	511,540	Smiths Group	7,095	2.05	TELECOMMUNICATIONS 3.41% (4.48%)		Fixed Line Telecommunications 3.41% (4.48%)		
		Electronic & Electrical Equipment 0.86% (0.79%)				3,023,436	BT Group	11,813	3.41
	1,000,596	Morgan Advanced Materials	2,987	0.86			Total Telecommunications	11,813	3.41
		Industrial Engineering 1.03% (1.19%)				UTILITIES 6.84% (6.27%)		Gas, Water & Multiutilities 6.84% (6.27%)	
	326,149	IMI	3,565	1.03	4,574,880		Centrica	10,660	3.07
		Industrial Transportation 0.91% (0.86%)			589,868		National Grid	6,259	1.81
	1,664,642	Wincanton	3,167	0.91	317,482		Pennon Group	2,838	0.82
		Support Services 9.34% (8.57%)			398,727	United Utilities Group	3,959	1.14	
	2,353,225	Electrocomponents	7,271	2.10		Total Utilities	23,716	6.84	
	5,390,351	Rentokil Initial	11,697	3.37	FINANCIALS 11.93% (12.97%)		Banks 1.50% (2.24%)		
	190,687	Wolseley	8,434	2.43		236,135	'Secure Trust Bank	5,221	1.50
	316,365	WS Atkins	4,973	1.44			Nonlife Insurance 2.83% (2.70%)		
	Total Industrials	79,404	22.90	1,950,805		RSA Insurance Group	9,803	2.83	
CONSUMER GOODS 12.09% (11.80%)		Automobiles & Parts 1.63% (1.67%)				Life Insurance 2.75% (3.53%)			
	1,736,048	GKN	5,658	1.63	4,454,711	Legal & General Group	9,524	2.75	
		Food Producers 2.25% (1.61%)				Financial Services 4.85% (4.50%)			
	1,061,392	Tate & Lyle	7,801	2.25	1,568,098	3i Group	9,957	2.87	
		Personal Goods 4.08% (4.06%)			5,875,575	Sherborne Investors Guernsey B	6,874	1.98	
	391,108	Unilever	14,164	4.08		Total Financials	41,379	11.93	
		Tobacco 4.13% (4.46%)			TECHNOLOGY 1.69% (2.14%)		Technology Hardware & Equipment 1.69% (2.14%)		
	357,324	Imperial Brands	14,320	4.13		7,207,159	Spirent Communications	5,856	1.69
		Total Consumer Goods	41,943	12.09			Total Technology	5,856	1.69
HEALTH CARE 11.64% (10.26%)		Pharmaceuticals & Biotechnology 11.64% (10.26%)			Total value of investments		349,876	100.89	
	429,506	AstraZeneca	20,953	6.04	Net other liabilities (-0.41%)		(3,070)	(0.89)	
	1,197,709	GlaxoSmithKline	19,409	5.60	Net assets		346,806	100.00	
		Total Health Care	40,362	11.64					

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

*(continued)*

#### Total Purchases and Sales

*for the accounting period 8 March 2016 to 7 September 2016*

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Total purchases for the period	23,189	8,878
Total sales for the period	4,358	9,647

## Threadneedle UK Equity Income Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.76% (3.55%)</b>				<b>CONSUMER SERVICES 20.65% (22.10%)</b>			
	<b>Oil &amp; Gas Producers 3.76% (3.55%)</b>				<b>Food &amp; Drug Retailers 5.15% (5.78%)</b>		
6,715,265	Royal Dutch Shell B Shares	132,123	3.76	27,678,348	Booker Group	50,762	1.44
	<b>Total Oil &amp; Gas</b>	<b>132,123</b>	<b>3.76</b>	65,492,118	WM Morrison Supermarkets	130,264	3.71
<b>BASIC MATERIALS 1.97% (1.92%)</b>					<b>General Retailers 2.22% (2.75%)</b>		
	<b>Chemicals 1.97% (1.92%)</b>			22,504,249	Marks & Spencer Group	77,977	2.22
10,196,050	Elementis	21,962	0.63		<b>Media 7.69% (7.52%)</b>		
1,432,741	Johnson Matthey	47,195	1.34	40,053,544	ITV	82,150	2.34
	<b>Total Basic Materials</b>	<b>69,157</b>	<b>1.97</b>	10,819,689	Pearson	94,131	2.68
<b>INDUSTRIALS 21.76% (20.12%)</b>				6,401,491	Relx	93,718	2.67
	<b>Construction &amp; Materials 1.68% (1.21%)</b>				<b>Travel &amp; Leisure 5.59% (6.05%)</b>		
1,558,768	Kier Group	19,672	0.56	5,952,202	Compass Group	86,843	2.47
14,265,771	Melrose Industries	23,467	0.67	1,239,942	Go-Ahead Group	26,262	0.75
2,196,949	Morgan Sindall Group	15,818	0.45	3,150,670	J D Wetherspoon	28,072	0.80
	<b>Aerospace &amp; Defence 4.61% (4.74%)</b>			13,306,399	Rank Group	28,862	0.82
18,095,566	BAE Systems	99,254	2.83	11,772,873	Stagecoach Group	26,242	0.75
25,218,676	Cobham	42,090	1.20		<b>Total Consumer Services</b>	<b>725,283</b>	<b>20.65</b>
2,675,821	Rolls-Royce Holdings	20,202	0.58	<b>TELECOMMUNICATIONS 3.49% (4.50%)</b>			
	<b>General Industrials 3.89% (3.64%)</b>				<b>Fixed Line Telecommunications 3.49% (4.50%)</b>		
15,572,223	DS Smith	66,198	1.88	31,378,088	BT Group	122,594	3.49
5,099,590	Smiths Group	70,731	2.01		<b>Total Telecommunications</b>	<b>122,594</b>	<b>3.49</b>
	<b>Electronic &amp; Electrical Equipment 1.11% (1.02%)</b>			<b>UTILITIES 8.02% (8.18%)</b>			
7,985,007	Morgan Advanced Materials	23,835	0.68		<b>Gas, Water &amp; Multiutilities 8.02% (8.18%)</b>		
1,974,831	Oxford Instruments	15,236	0.43	48,326,208	Centrica	112,600	3.21
	<b>Industrial Engineering 0.73% (0.81%)</b>			8,816,455	National Grid	93,543	2.66
2,358,535	IMI	25,779	0.73	3,936,832	Pennon Group	35,195	1.00
	<b>Industrial Transportation 0.63% (0.57%)</b>			4,065,705	United Utilities Group	40,372	1.15
11,606,986	Wincanton	22,082	0.63		<b>Total Utilities</b>	<b>281,710</b>	<b>8.02</b>
	<b>Support Services 9.11% (8.13%)</b>			<b>FINANCIALS 12.69% (12.41%)</b>			
28,700,578	Electrocomponents	88,685	2.52		<b>Nonlife Insurance 2.76% (2.68%)</b>		
19,301,161	Hays	26,211	0.75	19,293,145	RSA Insurance Group	96,948	2.76
41,472,260	Rentokil Initial	89,995	2.56		<b>Life Insurance 6.33% (6.64%)</b>		
1,249,191	Wolseley	55,252	1.57	7,876,892	Chesnara	27,569	0.79
3,816,087	WS Atkins	59,989	1.71	41,480,038	Legal & General Group	88,684	2.52
	<b>Total Industrials</b>	<b>764,496</b>	<b>21.76</b>	6,854,220	Phoenix Group Holdings	59,974	1.71
<b>CONSUMER GOODS 13.05% (13.22%)</b>				12,763,282	Standard Life	46,101	1.31
	<b>Automobiles &amp; Parts 0.72% (0.71%)</b>				<b>Financial Services 3.60% (3.09%)</b>		
7,801,470	GKN	25,425	0.72	13,799,051	3i Group	87,624	2.49
	<b>Food Producers 2.20% (1.94%)</b>			33,310,048	Sherborne Investors Guernsey B	38,973	1.11
10,534,325	Tate & Lyle	77,427	2.20		<b>Total Financials</b>	<b>445,873</b>	<b>12.69</b>
	<b>Personal Goods 3.44% (3.33%)</b>			<b>DERIVATIVES 0.00% (0.00%)</b>			
3,337,355	Unilever	120,862	3.44		<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	<b>Tobacco 6.69% (7.24%)</b>				Sell GBP 136,833		
5,859,655	Imperial Brands	234,826	6.69		Buy CHF 175,166 J.P. Morgan	(2)	—
	<b>Total Consumer Goods</b>	<b>458,540</b>	<b>13.05</b>		Sell GBP 20,105		
<b>HEALTH CARE 14.52% (13.91%)</b>					Buy CHF 26,217 J.P. Morgan	—	—
	<b>Pharmaceuticals &amp; Biotechnology 14.52% (13.91%)</b>				Sell GBP 226,841		
5,373,882	AstraZeneca	262,165	7.46		Buy CHF 290,388 J.P. Morgan	(3)	—
15,290,930	GlaxoSmithKline	247,790	7.06		Sell GBP 8,579,803		
	<b>Total Health Care</b>	<b>509,955</b>	<b>14.52</b>		Buy EUR 10,096,832 J.P. Morgan	(89)	—
					Sell GBP 3,899		
					Buy EUR 4,556 J.P. Morgan	—	—

## Threadneedle UK Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (0.00%) (continued)</b>			
	Sell GBP 4,382		
	Buy EUR 5,119 J.P. Morgan	—	—
	Sell GBP 441,057		
	Buy EUR 519,042 J.P. Morgan	(5)	—
	Sell EUR 1,767		
	Buy GBP 1,509 J.P. Morgan	—	—
	Sell EUR 13,221		
	Buy GBP 11,218 J.P. Morgan	—	—
	Sell EUR 479		
	Buy GBP 403 J.P. Morgan	—	—
	Sell EUR 597		
	Buy GBP 500 J.P. Morgan	—	—
	Sell EUR 621,986		
	Buy GBP 524,978 J.P. Morgan	2	—
	Sell GBP 821,870		
	Buy USD 1,085,000 J.P. Morgan	(11)	—
	Sell GBP 1,586,809		
	Buy USD 2,103,369 J.P. Morgan	(16)	—
	Sell GBP 18,741		
	Buy USD 24,827 J.P. Morgan	—	—
	Sell GBP 18,972		
	Buy USD 24,938 J.P. Morgan	—	—
	Sell GBP 224,969		
	Buy USD 300,001 J.P. Morgan	(1)	—
	Sell GBP 581,963		
	Buy USD 771,411 J.P. Morgan	(6)	—
	<b>Total Derivatives</b>	<b>(131)</b>	<b>—</b>
<b>Total value of investments</b>		<b>3,509,600</b>	<b>99.91</b>
<b>Net other assets (0.09%)</b>		<b>3,066</b>	<b>0.09</b>
<b>Net assets</b>		<b>3,512,666</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	80,827	341,362
Total sales for the period	63,921	308,520

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.13% (5.76%)</b>				<b>HEALTH CARE 8.99% (8.45%)</b>			
	<b>Oil &amp; Gas Producers 7.13% (5.76%)</b>				<b>Pharmaceuticals &amp; Biotechnology 8.99% (8.45%)</b>		
1,675,000	BP	7,247	1.19	555,000	AstraZeneca	27,076	4.46
1,835,000	Royal Dutch Shell B Shares	36,104	5.94	1,700,000	GlaxoSmithKline	27,548	4.53
	<b>Total Oil &amp; Gas</b>	<b>43,351</b>	<b>7.13</b>		<b>Total Health Care</b>	<b>54,624</b>	<b>8.99</b>
<b>BASIC MATERIALS 1.18% (1.00%)</b>				<b>CONSUMER SERVICES 19.50% (17.79%)</b>			
	<b>Chemicals 0.72% (0.58%)</b>				<b>General Retailers 1.98% (0.43%)</b>		
132,222	Johnson Matthey	4,355	0.72	2,725,000	Marks & Spencer Group	9,442	1.55
	<b>Mining 0.46% (0.42%)</b>			1,500,000	ScS Group	2,629	0.43
285,000	BHP Billiton	2,824	0.46		<b>Media 8.19% (7.76%)</b>		
	<b>Total Basic Materials</b>	<b>7,179</b>	<b>1.18</b>	1,060,000	Informa	7,595	1.25
<b>INDUSTRIALS 14.52% (13.15%)</b>				4,850,000	ITV	9,947	1.64
	<b>Construction &amp; Materials 0.86% (0.00%)</b>			1,025,000	Pearson	8,917	1.47
3,194,477	Melrose Industries	5,255	0.86	1,000,000	Relx	14,640	2.41
	<b>Aerospace &amp; Defence 3.99% (3.18%)</b>			475,000	WPP	8,631	1.42
3,700,000	BAE Systems	20,294	3.34		<b>Travel &amp; Leisure 9.33% (9.60%)</b>		
2,368,319	Cobham	3,953	0.65	740,000	Compass Group	10,797	1.77
	<b>General Industrials 1.41% (1.33%)</b>			658,193	Fuller Smith & Turner	6,714	1.10
2,010,000	DS Smith	8,545	1.41	355,000	Go-Ahead Group	7,519	1.24
	<b>Electronic &amp; Electrical Equipment 0.56% (0.59%)</b>			1,355,000	Greene King	11,240	1.85
325,000	Halma	3,403	0.56	4,500,000	Marston's	6,741	1.11
	<b>Industrial Engineering 0.72% (0.84%)</b>			2,470,000	Rank Group	5,357	0.88
7,645,000	Severfield	4,358	0.72	2,800,000	Stagecoach Group	6,241	1.03
	<b>Industrial Transportation 1.43% (0.74%)</b>			49,710	Whitbread	2,123	0.35
154,478	James Fisher & Sons	2,458	0.40		<b>Total Consumer Services</b>	<b>118,533</b>	<b>19.50</b>
1,210,000	Royal Mail	6,280	1.03		<b>TELECOMMUNICATIONS 4.63% (5.71%)</b>		
	<b>Support Services 5.55% (6.47%)</b>				<b>Fixed Line Telecommunications 4.63% (5.11%)</b>		
1,835,000	Connect Group	3,037	0.50	4,025,000	BT Group	15,726	2.59
675,000	De La Rue	4,131	0.68	7,511,347	Kcom Group	8,394	1.38
2,415,000	Electrocomponents	7,462	1.23	2,010,000	Manx Telecom	4,000	0.66
190,000	Travis Perkins	3,146	0.52		<b>Mobile Telecommunications 0.00% (0.60%)</b>		
145,000	Wolseley	6,413	1.06		<b>Total Telecommunications</b>	<b>28,120</b>	<b>4.63</b>
605,000	WS Atkins	9,511	1.56		<b>UTILITIES 8.34% (7.82%)</b>		
	<b>Total Industrials</b>	<b>88,246</b>	<b>14.52</b>		<b>Electricity 1.40% (1.90%)</b>		
<b>CONSUMER GOODS 12.89% (12.48%)</b>				545,000	SSE	8,546	1.40
	<b>Automobiles &amp; Parts 0.00% (0.60%)</b>				<b>Gas, Water &amp; Multiutilities 6.94% (5.92%)</b>		
	<b>Beverages 2.62% (1.85%)</b>			4,375,000	Centrica	10,194	1.68
600,000	Diageo	12,672	2.08	1,385,000	National Grid	14,695	2.42
75,000	SABMiller	3,292	0.54	1,285,000	Pennon Group	11,488	1.89
	<b>Household Goods &amp; Home Construction 0.59% (0.63%)</b>			240,000	Severn Trent	5,774	0.95
400,000	Bovis Homes Group	3,610	0.59		<b>Total Utilities</b>	<b>50,697</b>	<b>8.34</b>
	<b>Personal Goods 0.45% (0.40%)</b>				<b>FINANCIALS 20.17% (23.54%)</b>		
75,000	Unilever	2,716	0.45		<b>Banks 0.00% (0.39%)</b>		
	<b>Tobacco 9.23% (9.00%)</b>				<b>Nonlife Insurance 1.85% (1.58%)</b>		
625,000	British American Tobacco	30,034	4.94	1,695,000	Lancashire Holdings	11,212	1.85
650,000	Imperial Brands	26,049	4.29		<b>Life Insurance 10.59% (10.86%)</b>		
	<b>Total Consumer Goods</b>	<b>78,373</b>	<b>12.89</b>	3,560,000	Chesnara	12,460	2.05
				11,555,000	Legal & General Group	24,705	4.06
				1,540,000	Phoenix Group Holdings	13,475	2.22
				900,000	St James's Place	8,716	1.43
				1,400,000	Standard Life	5,057	0.83



## Threadneedle UK Monthly Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>FINANCIALS 20.17% (23.54%) (continued)</b>			
<b>Real Estate Investment Trusts 2.96% (3.53%)</b>			
320,000	Derwent London	8,819	1.45
300,000	Land Securities Group REIT	3,246	0.53
3,635,000	Londonmetric Property REIT	5,932	0.98
<b>Financial Services 4.77% (7.18%)</b>			
1,135,000	3i Group	7,207	1.19
680,000	Close Brothers Group	9,384	1.54
250,000	Provident Financial	7,395	1.22
4,275,000	Sherborne Investors Guernsey B	5,002	0.82
<b>Total Financials</b>		<b>122,610</b>	<b>20.17</b>
<b>Total value of investments</b>		<b>591,733</b>	<b>97.35</b>
<b>Net other assets (4.30%)</b>		<b>16,084</b>	<b>2.65</b>
<b>Net assets</b>		<b>607,817</b>	<b>100.00</b>

March 2016 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	64,356	61,191
Total sales for the period	69,264	96,958

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.06% (0.90%)</b>					<b>Life Insurance 1.43% (1.62%)</b>				
		<b>Corporate Bonds 1.06% (0.90%)</b>			644,913	Phoenix Group Holdings	5,643	1.43	
GBP	776,000	APT Pipelines 3.5% 22/03/2030	840	0.21	<b>Total Cayman Islands</b>				
GBP	100,000	Asciano Finance 5% 19/09/2023	115	0.03			<b>9,058</b>	<b>2.29</b>	
GBP	594,000	BHP Billiton Finance 3.25% 25/09/2024	672	0.17	<b>DENMARK 0.25% (0.20%)</b>				
GBP	527,000	*BHP Billiton Finance 6.5% 22/10/2077	594	0.15	<b>Corporate Bonds 0.25% (0.20%)</b>				
EUR	500,000	*Santos Finance FRN 8.25% 22/09/2070	434	0.11	GBP	510,000	*Danske Bank 5.375% 29/09/2021	536	0.13
GBP	586,000	Scentre Group Trust 2.375% 08/04/2022	617	0.15	GBP	400,000	TDC 5.625% 23/02/2023	471	0.12
USD	200,000	SGSP Australia Assets 3.25% 29/07/2026	152	0.04	<b>Total Denmark</b>				
GBP	500,000	SGSP Australia Assets 5.125% 11/02/2021	580	0.15			<b>1,007</b>	<b>0.25</b>	
GBP	165,000	Vicinity Centres 3.375% 07/04/2026	186	0.05	<b>FRANCE 0.61% (0.71%)</b>				
<b>Total Australia</b>			<b>4,190</b>	<b>1.06</b>	<b>Corporate Bonds 0.61% (0.71%)</b>				
<b>AUSTRIA 0.22% (0.19%)</b>					GBP	213,000	AXA 7.125% 15/12/2020	262	0.07
		<b>Corporate Bonds 0.22% (0.19%)</b>			GBP	150,000	*AXA FRN 16/01/2054	169	0.04
EUR	600,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	634	0.16	GBP	500,000	BPCE 5.25% 16/04/2029	578	0.15
EUR	297,000	Heta Asset Resolution 4.25% 31/10/2016	223	0.06	GBP	100,000	Electricite de France 6% 23/01/2114	168	0.04
<b>Total Austria</b>			<b>857</b>	<b>0.22</b>	GBP	750,000	Electricite de France 6.125% 02/06/2034	1,125	0.29
<b>BELGIUM 0.38% (0.34%)</b>					EUR	100,000	Numericable-SFR 5.375% 15/05/2022	88	0.02
		<b>Corporate Bonds 0.38% (0.34%)</b>			<b>Total France</b>				
GBP	676,000	Anheuser-Busch InBev 4% 24/09/2025	820	0.21			<b>2,390</b>	<b>0.61</b>	
GBP	225,000	Anheuser-Busch InBev 9.75% 30/07/2024	366	0.09	<b>GUERNSEY 0.99% (0.76%)</b>				
EUR	378,000	*KBC Groep 5.625% 19/12/2049	316	0.08	<b>Corporate Bonds 0.23% (0.00%)</b>				
<b>Total Belgium</b>			<b>1,502</b>	<b>0.38</b>	GBP	520,000	Credit Suisse 2.75% 08/08/2025	520	0.13
<b>BERMUDA 1.21% (1.26%)</b>					GBP	378,000	Credit Suisse 3% 27/05/2022	396	0.10
		<b>Nonlife Insurance 1.21% (1.26%)</b>			<b>Financial Services 0.76% (0.76%)</b>				
GBP	453,177	Hiscox	4,795	1.21	2,545,185	Sherborne Investors Guernsey B	2,978	0.76	
<b>Total Bermuda</b>			<b>4,795</b>	<b>1.21</b>	<b>Total Guernsey</b>				
<b>BRITISH VIRGIN ISLANDS 0.18% (0.18%)</b>							<b>3,894</b>	<b>0.99</b>	
		<b>Corporate Bonds 0.18% (0.18%)</b>			<b>ITALY 0.17% (0.19%)</b>				
GBP	630,000	Global Switch Holdings 4.375% 13/12/2022	714	0.18	<b>Corporate Bonds 0.17% (0.19%)</b>				
<b>Total British Virgin Islands</b>			<b>714</b>	<b>0.18</b>	GBP	660,000	Acquedotto Pugliese 6.92% 29/06/2018	690	0.17
<b>CAYMAN ISLANDS 2.29% (2.49%)</b>					<b>Total Italy</b>				
		<b>Corporate Bonds 0.86% (0.87%)</b>					<b>690</b>	<b>0.17</b>	
GBP	191,000	Dwr Cymru Financing 6.015% 31/03/2028	280	0.07	<b>JERSEY 1.86% (1.77%)</b>				
USD	476,000	Noble Holding International 6.95% 01/04/2045	260	0.07	<b>Corporate Bonds 0.55% (0.47%)</b>				
GBP	594,000	South East Water Finance 5.6577% 30/09/2019	670	0.17	GBP	200,000	Gatwick Funding 5.25% 23/01/2024	252	0.06
GBP	340,000	Southern Water Services Finance 5% 31/03/2021	399	0.10	GBP	185,000	Heathrow Funding 0% 31/10/2048	273	0.07
GBP	213,000	Thames Water 3.5% 25/02/2028	253	0.06	GBP	145,000	Heathrow Funding 2.75% 09/08/2049	159	0.04
GBP	722,000	*Thames Water Utilities Cayman Finance 5.375% 21/07/2025	746	0.19	GBP	552,000	Heathrow Funding 5.225% 15/02/2023	682	0.17
GBP	150,000	*Trafford Centre Finance FRN 28/07/2035 A3	126	0.03	GBP	641,000	Porterbrook Rail Finance 4.625% 04/04/2029	809	0.21
GBP	662,000	*Yorkshire Water Services Bradford Finance 6% 24/04/2025	681	0.17	<b>Support Services 1.31% (1.30%)</b>				
					116,998	Wolseley	5,175	1.31	
					<b>Total Jersey</b>				
							<b>7,350</b>	<b>1.86</b>	
<b>LUXEMBOURG 0.17% (0.20%)</b>					<b>Corporate Bonds 0.17% (0.20%)</b>				
GBP	140,000	Gaz Capital 5.338% 25/09/2020	151	0.04	GBP	443,000	Glencore Finance Europe 6% 03/04/2022	505	0.13
GBP	443,000	Glencore Finance Europe 6% 03/04/2022	505	0.13	<b>Total Luxembourg</b>				
							<b>656</b>	<b>0.17</b>	
<b>MEXICO 0.32% (0.31%)</b>					<b>Corporate Bonds 0.19% (0.18%)</b>				
GBP	285,000	America Movil 5% 27/10/2026	362	0.09	GBP	359,000	*America Movil 6.375% 06/09/2073	390	0.10

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>MEXICO 0.32% (0.31%) (continued)</b>					GBP	130,000	Aspire Defence Finance 4.674% 31/03/2040 'A'	161	0.04
<b>Government Bonds 0.13% (0.13%)</b>					GBP	156,000	Aspire Defence Finance 4.674% 31/03/2040 'B'	193	0.05
GBP	432,000	United Mexican States 5.625% 19/03/2114	496	0.13	GBP	1,087,000	*Aviva 6.625% 03/06/2041	1,216	0.31
	<b>Total Mexico</b>		<b>1,248</b>	<b>0.32</b>	GBP	205,000	B.A.T. International Finance 1.75% 05/07/2021	212	0.05
<b>NETHERLANDS 0.85% (0.76%)</b>					GBP	450,000	BAE Systems 4.125% 08/06/2022	516	0.13
<b>Corporate Bonds 0.85% (0.76%)</b>					GBP	525,000	Barclays Bank 4.25% 12/01/2022	618	0.16
USD	337,000	ABN AMRO Bank 4.75% 28/07/2025	267	0.07	GBP	250,000	*Barclays Bank 7.75% 08/03/2075	250	0.06
GBP	300,000	E.ON International Finance 6.375% 07/06/2032	454	0.11	GBP	518,000	Barclays Bank 10% 21/05/2021	669	0.17
GBP	408,000	*ING Bank 6.875% 29/05/2023	438	0.11	GBP	300,000	*Barclays Bank 14% 29/11/2049	379	0.10
GBP	100,000	RWE Finance 4.75% 31/01/2034	122	0.03	GBP	225,000	BG Energy Capital 5.125% 01/12/2025	294	0.07
GBP	130,000	RWE Finance 5.625% 06/12/2023	163	0.04	GBP	637,000	*BG Energy Capital 6.5% 30/11/2072 GBP	673	0.17
GBP	300,000	RWE Finance 6.125% 06/07/2039	438	0.11	GBP	300,000	Broadgate Financing 4.821% 05/07/2033	415	0.11
GBP	241,000	*Siemens Financieringsmaatschappij 6.125% 14/09/2066	241	0.06	GBP	665,000	BUPA Finance 3.375% 17/06/2021	725	0.18
GBP	400,000	*Telefonica Europe 6.75% Perpetual	432	0.11	GBP	404,000	BUPA Finance 5% 25/04/2023	446	0.11
EUR	300,000	*Vonovia Finance 4% 29/12/2049	269	0.07	GBP	30,000	Canary Wharf Finance II 6.455% 22/04/2030	12	—
EUR	600,000	*Vonovia Finance 4.625% 08/04/2074	535	0.14	GBP	450,000	*Cattles 7.125% 05/07/2017 (Defaulted)	2	—
	<b>Total Netherlands</b>		<b>3,359</b>	<b>0.85</b>	GBP	577,000	Clydesdale Bank 4.625% 08/06/2026	749	0.19
<b>NORWAY 0.11% (0.09%)</b>					GBP	195,000	CRH Finance UK 4.125% 02/12/2029	237	0.06
<b>Corporate Bonds 0.11% (0.09%)</b>					GBP	510,000	Eastern Power Networks 6.25% 12/11/2036	847	0.21
GBP	325,000	StatOil 4.25% 10/04/2041	437	0.11	GBP	259,000	Enterprise Inns 6.5% 06/12/2018	277	0.07
	<b>Total Norway</b>		<b>437</b>	<b>0.11</b>	GBP	264,000	ENW Finance 6.125% 21/07/2021	326	0.08
<b>REPUBLIC OF IRELAND 0.31% (0.53%)</b>					GBP	722,000	Eversholt Funding 5.831% 02/12/2020	853	0.22
<b>Corporate Bonds 0.31% (0.53%)</b>					GBP	150,000	Eversholt Funding 6.359% 02/12/2025	205	0.05
GBP	324,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	253	0.06	GBP	400,000	Experian Finance 3.5% 15/10/2021	444	0.11
GBP	446,000	GE Capital UK Funding 5.875% 18/01/2033	708	0.18	GBP	510,000	First Hydro Finance 9% 31/07/2021	683	0.17
EUR	340,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	279	0.07	GBP	504,000	G4S 7.75% 13/05/2019	580	0.15
	<b>Total Republic of Ireland</b>		<b>1,240</b>	<b>0.31</b>	GBP	170,000	GKN Holdings 5.375% 19/09/2022	203	0.05
<b>SPAIN 0.18% (0.18%)</b>					GBP	510,000	GKN Holdings 6.75% 28/10/2019	593	0.15
<b>Corporate Bonds 0.18% (0.18%)</b>					GBP	153,000	Greene King Finance 4.0643% 15/03/2035	169	0.04
GBP	600,000	Telefonica Emisiones 5.597% 12/03/2020	692	0.18	GBP	399,000	Greene King Finance 5.106% 15/03/2034	476	0.12
	<b>Total Spain</b>		<b>692</b>	<b>0.18</b>	GBP	165,000	HSBC Bank 5.375% 22/08/2033	208	0.05
<b>SWITZERLAND 0.20% (0.37%)</b>					GBP	360,000	HSBC Holdings 2.625% 16/08/2028	360	0.09
<b>Corporate Bonds 0.20% (0.37%)</b>					GBP	225,000	HSBC Holdings 6% 29/03/2040	302	0.08
USD	516,000	UBS 5.125% 15/05/2024	404	0.10	GBP	300,000	Imperial Brands Finance 7.75% 24/06/2019	355	0.09
USD	500,000	*UBS Group 7% 29/12/2049	399	0.10	GBP	280,000	Imperial Brands Finance 8.125% 15/03/2024	406	0.10
	<b>Total Switzerland</b>		<b>803</b>	<b>0.20</b>	GBP	250,000	Imperial Barnds Finance 9% 17/02/2022	350	0.09
<b>UNITED ARAB EMIRATES 0.00% (0.17%)</b>					GBP	297,000	Integrated Accommodation Services 6.48% 31/03/2029	276	0.07
<b>Corporate Bonds 0.00% (0.17%)</b>					GBP	439,000	Intercontinental Hotels 3.875% 28/11/2022	493	0.13
	<b>Total United Arab Emirates</b>		—	—	GBP	175,000	Jerrold Finco 9.75% 15/09/2018	184	0.05
<b>UNITED KINGDOM 84.99% (85.47%)</b>					GBP	289,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	320	0.08
<b>Corporate Bonds 10.12% (9.31%)</b>					GBP	297,000	*Land Securities Capital Markets 5.125% 07/02/2036	424	0.11
GBP	107,000	3i Group 6.875% 09/03/2023	139	0.04	GBP	325,000	*Legal & General Group 5.5% 27/06/2064	344	0.09
GBP	150,000	Anglian Water Osprey Financing 7% 31/01/2018	162	0.04	GBP	286,000	*Legal & General Group 10% 23/07/2041	376	0.10
GBP	175,000	Annington Finance No.5 PIK 13% 15/01/2023	203	0.05					

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

				% of					% of
	Holding	Investment	Value £000	Net Asset Value		Holding	Investment	Value £000	Net Asset Value
UNITED KINGDOM 84.99% (85.47%) (continued)					GBP	250,000	Tesco Property Finance 1 7.6227% 13/07/2039	282	0.07
GBP	348,000	*Legal & General Variable Bond 27/10/2045	372	0.09	GBP	597,000	Tesco Property Finance 6 5.4111% 13/07/2044	600	0.15
GBP	374,000	Lloyds Bank 2.5% 01/06/2022	399	0.10	GBP	465,000	Travis Perkins 4.375% 15/09/2021	478	0.12
GBP	75,000	Lloyds Bank 7.625% 22/04/2025	99	0.03	GBP	250,000	Travis Perkins 4.5% 07/09/2023	255	0.06
GBP	850,000	*Lloyds Banking Group 7.875% 29/12/2049	893	0.23	GBP	420,000	*TSB Banking Group 5.75% 06/05/2026	444	0.11
GBP	250,000	London & Quadrant 2.625% 05/05/2026	275	0.07	GBP	500,000	Unique Pub Finance 6.542% 30/03/2021	362	0.09
GBP	810,000	Longstone Finance 4.791% 19/04/2030	659	0.17	GBP	135,000	UNITE USAF II 3.921% 30/06/2025	157	0.04
GBP	400,000	Manchester Airport Group Funding 4.125% 02/04/2024	475	0.12	GBP	531,000	United Utilities Water 5.625% 20/12/2027	744	0.19
GBP	212,000	Marks & Spencer 4.75% 12/06/2025	249	0.06	GBP	562,000	Virgin Money 2.25% 21/04/2020	570	0.14
GBP	260,000	Meadowhall Finance 4.986% 12/01/2032	273	0.07	GBP	330,000	Western Power Distribution 3.625% 06/11/2023	367	0.09
GBP	361,000	Mitchells & Butlers Finance 5.574% 15/12/2030	216	0.06	GBP	355,000	Western Power Distribution West Midlands 5.75% 16/04/2032	530	0.13
GBP	744,000	Motability Operations Group 4.375% 08/02/2027	950	0.24	GBP	300,000	Western Power Distribution West Midlands 6% 09/05/2025	408	0.10
GBP	183,000	National Grid Electricity Transmission 7.375% 13/01/2031	317	0.08	GBP	616,000	WM Morrison Supermarkets 4.625% 08/12/2023	702	0.18
GBP	410,000	National Westminster Bank 6.5% 07/09/2021	479	0.12	Government Bonds 0.69% (1.47%)				
GBP	375,000	*Nationwide Building Society 6.875% 11/03/2049	368	0.09	GBP	175,000	LCR Finance 4.5% 07/12/2028	239	0.06
GBP	743,000	*NGG Finance 5.625% 18/06/2073	845	0.21	GBP	1,690,000	United Kingdom Gilt 1.25% 22/07/2018	1,726	0.44
GBP	516,000	Northern Gas Networks Finance 4.875% 30/06/2027	675	0.17	GBP	96,000	United Kingdom Gilt 2.25% 07/09/2023	109	0.03
GBP	298,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	324	0.08	GBP	303,000	United Kingdom Gilt 3.5% 22/01/2045	460	0.12
GBP	255,000	Octagon Healthcare Funding 5.333% 31/12/2035	290	0.07	GBP	75,000	United Kingdom Gilt 3.5% 22/07/2068	142	0.04
GBP	807,000	*Pennon Group 6.75% 08/03/2018	846	0.21	Oil & Gas Producers 2.95% (2.82%)				
GBP	145,000	RAC Bond 4.565% 06/05/2023	163	0.04	591,466	Royal Dutch Shell B Shares	11,637	2.95	
GBP	338,000	RMPA Services 5.337% 30/09/2038	358	0.09	Chemicals 1.11% (0.94%)				
USD	478,000	Royal Bank of Scotland Group 6.125% 15/12/2022	383	0.10	132,725	Johnson Matthey	4,372	1.11	
GBP	414,000	*RSA Insurance Group 5.125% 10/10/2045	432	0.11	1,258,244	Melrose Industries	2,070	0.52	
GBP	187,000	*RSA Insurance Group 9.375% 20/05/2039	219	0.06	Aerospace & Defence 3.73% (3.85%)				
GBP	115,000	Santander 5.25% 16/02/2029	163	0.04	1,650,650	BAE Systems	9,054	2.29	
GBP	160,000	Scotland Gas Network 3.25% 08/03/2027	183	0.05	2,423,406	Cobham	4,045	1.02	
GBP	300,000	Segro 6.75% 23/11/2021	380	0.10	220,696	Rolls-Royce Holdings	1,666	0.42	
GBP	577,000	Severn Trent Utilities Finance 3.625% 16/01/2026	681	0.17	1,382,288	DS Smith	5,876	1.49	
GBP	340,000	South Eastern Power Networks 6.375% 12/11/2031	538	0.14	461,301	Smiths Group	6,398	1.62	
GBP	297,000	Southern Gas Networks 4.875% 21/03/2029	401	0.10	Electronic & Electrical Equipment 0.48% (0.42%)				
GBP	345,000	Southern Water Greensands Financing 8.5% 15/04/2019	392	0.10	638,685	Morgan Advanced Materials	1,906	0.48	
GBP	220,000	Stagecoach Group 4% 29/09/2025	250	0.06	Industrial Engineering 0.58% (0.64%)				
GBP	425,000	Standard Chartered 4.375% 18/01/2038	510	0.13	207,748	IMI	2,271	0.58	
GBP	300,000	Tate & Lyle International Finance 6.75% 25/11/2019	352	0.09	Industrial Transportation 0.48% (0.40%)				
GBP	764,000	*Telereal Securitisation 4.0902% 10/12/2033	799	0.20	996,741	Wincanton	1,896	0.48	
GBP	225,000	Telereal Securitisation 5.9478% 10/12/2031	247	0.06	Support Services 5.19% (4.57%)				
GBP	370,000	Tesco Property Finance 5.5% 13/10/2041	374	0.10	2,376,329	Electrocomponents	7,343	1.86	
					1,856,838	Hays	2,522	0.64	
					3,056,768	Rentokil Initial	6,633	1.68	
					254,226	WS Atkins	3,996	1.01	
					Automobiles & Parts 0.62% (0.62%)				
					746,287	GKN	2,432	0.62	

## (continued)

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## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (–0.01%) (continued)</b>			
	Sell USD 77,000		
	Buy GBP 58,783 Citigroup	1	–
	Sell USD 90,000		
	Buy GBP 68,438 RBC	1	–
	Sell EUR 10,308		
	Buy GBP 8,639 J.P. Morgan	–	–
	Sell GBP 1,526,823		
	Buy USD 2,000,000 Bank of Scotland	(34)	(0.01)
	Sell GBP 56,816		
	Buy USD 76,000 RBC	–	–
	<b>Total Derivatives</b>	<b>–</b>	<b>–</b>
<b>Total value of investments</b>		<b>392,891</b>	<b>99.45</b>
<b>Net other assets (0.28%)</b>		<b>2,171</b>	<b>0.55</b>
<b>Net assets</b>		<b>395,062</b>	<b>100.00</b>

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	65,529	16.68
Floating rate notes	15,720	4.00
Equity	311,642	79.32
<b>Total value of investments</b>	<b>392,891</b>	<b>100.00</b>

March 2016 comparatives in brackets.

\*Variable rate bonds.

†Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	27,556	78,630
Total sales for the period	43,244	21,889



## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 73.49% (76.10%)</b>									
		<b>AAA 2.31% (2.64%)</b>			GBP	1,100,000	Electricite de France 6% 23/01/2114	1,849	0.24
					GBP	2,550,000	Electricite de France 6.125% 02/06/2034	3,825	0.50
GBP	4,520,000	Barclays Bank 4.25% 12/01/2022	5,321	0.69					
GBP	3,570,000	Broadgate Financing 4.821% 05/07/2033	4,943	0.64	GBP	1,342,000	Greene King Finance 4.0643% 15/03/2035	1,484	0.19
GBP	2,555,000	Meadowhall Finance 4.986% 12/01/2032	2,680	0.35	GBP	3,076,000	Greene King Finance 5.106% 15/03/2034	3,672	0.48
GBP	3,980,000	Temasek Financial I 4.625% 26/07/2022	4,846	0.63	GBP	3,130,000	HSBC Holdings 2.625% 16/08/2028	3,132	0.41
		<b>Aaa 1.02% (1.23%)</b>			GBP	3,767,000	Lloyds Bank 2.5% 01/06/2022	4,016	0.52
GBP	6,075,000	Clydesdale Bank 4.625% 08/06/2026	7,888	1.02	GBP	3,515,000	Longstone Finance 4.791% 19/04/2030	2,861	0.37
		<b>AA+ 0.37% (1.55%)</b>			GBP	1,355,000	Longstone Finance 4.896% 19/04/2031	1,567	0.20
USD	3,359,000	GE Capital International Funding Company 4.418% 15/11/2035	2,860	0.37	GBP	2,888,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	3,140	0.41
		<b>Aa1u 6.89% (5.60%)</b>			GBP	3,856,000	Scentre Group Trust 2.375% 08/04/2022	4,060	0.53
GBP	5,450,000	United Kingdom Gilt 1.5% 22/07/2026	5,885	0.76	GBP	1,055,000	UNITE USAF II 3.921% 30/06/2025	1,228	0.16
GBP	9,769,000	United Kingdom Gilt 3.25% 22/01/2044	14,104	1.83	GBP	3,154,000	Wells Fargo 2% 28/07/2025	3,210	0.42
GBP	10,243,000	United Kingdom Gilt 3.5% 22/01/2045	15,540	2.01			<b>A2 0.24% (0.30%)</b>		
GBP	605,000	United Kingdom Gilt 3.5% 22/07/2068	1,147	0.15	GBP	1,380,000	Prudential 6.875% 20/01/2023	1,838	0.24
GBP	4,755,000	United Kingdom Gilt 3.75% 22/07/2052	8,222	1.06			<b>A- 9.22% (9.61%)</b>		
GBP	1,384,000	United Kingdom Gilt 4.25% 07/06/2032	2,027	0.26	GBP	2,338,000	America Movil 5% 27/10/2026	2,971	0.38
GBP	4,095,000	United Kingdom Gilt 4.5% 07/09/2034	6,331	0.82	GBP	1,124,000	America Movil 5.75% 28/06/2030	1,549	0.20
		<b>AA 1.42% (1.67%)</b>			GBP	4,700,000	American International Group 5% 26/04/2023	5,486	0.71
GBP	3,005,000	Integrated Accommodation Services 6.48% 31/03/2029	2,790	0.36	GBP	5,462,000	Anheuser-Busch InBev 4% 24/09/2025	6,624	0.86
GBP	2,125,000	Southern Gas Networks 4.875% 21/03/2029	2,869	0.37	GBP	2,285,000	Anheuser-Busch InBev 9.75% 30/07/2024	3,713	0.48
GBP	599,000	Telereal Securitisation 4.9741% 10/09/2027	523	0.07	GBP	896,000	Aspire Defence Finance 4.674% 31/03/2040 'A'	1,108	0.14
GBP	4,355,000	Telereal Securitisation 5.9478% 10/12/2031	4,784	0.62	GBP	2,642,000	Aspire Defence Finance 4.674% 31/03/2040 'B'	3,269	0.42
		<b>Aa2 0.21% (0.21%)</b>			GBP	1,655,000	B.A.T. International Finance 1.75% 05/07/2021	1,711	0.22
GBP	1,139,000	University of Liverpool 3.375% 25/06/2055	1,631	0.21	GBP	1,720,000	BAT International Finance 7.25% 12/03/2024	2,435	0.32
		<b>AA- 1.52% (1.06%)</b>			GBP	2,285,000	Experian Finance 3.5% 15/10/2021	2,539	0.33
GBP	2,471,000	London & Quadrant 2.625% 05/05/2026	2,720	0.35	GBP	1,980,000	Heathrow Funding 0% 31/10/2048	2,926	0.38
GBP	4,730,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	5,156	0.67	GBP	1,140,000	Heathrow Funding 2.75% 09/08/2049	1,253	0.16
GBP	3,345,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	3,830	0.50	GBP	1,888,000	Heathrow Funding 5.225% 15/02/2023	2,331	0.30
		<b>A+ 0.91% (3.67%)</b>			GBP	519,000	Heathrow Funding 5.875% 13/05/2041	859	0.11
GBP	925,000	Motability Operations Group 3.625% 10/03/2036	1,182	0.15	GBP	1,435,000	HSBC Bank 5.375% 22/08/2033	1,808	0.23
GBP	3,365,000	Motability Operations Group 4.375% 08/02/2027	4,298	0.56	GBP	2,724,000	JPMorgan Chase 1.875% 10/02/2020	2,807	0.36
GBP	1,550,000	Places For People Homes 2.875% 17/08/2026	1,582	0.20	GBP	3,048,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,823	0.24
		<b>A 7.44% (5.19%)</b>			GBP	2,380,000	National Grid Electricity Transmission 4% 08/06/2027	3,004	0.39
GBP	3,125,000	Amgen 5.5% 07/12/2026	4,183	0.54	GBP	1,644,000	National Grid Electricity Transmission 7.375% 13/01/2031	2,851	0.37
GBP	2,340,000	BG Energy Capital 5.125% 01/12/2025	3,054	0.40	GBP	1,172,000	Thames Water 3.5% 25/02/2028	1,392	0.18
GBP	6,895,000	BHP Billiton Finance 3.25% 25/09/2024	7,803	1.01	GBP	5,300,000	Thames Water Utilities Cayman Finance 7.241% 09/04/2058	5,795	0.75
GBP	2,860,000	Canary Wharf Finance II 6.455% 22/04/2030	1,133	0.15	GBP	2,020,000	Vicinity Centres 3.375% 07/04/2026	2,277	0.29
GBP	2,573,000	Dwr Cymru Financing 6.015% 31/03/2028	3,767	0.49	GBP	1,405,000	Western Power Distribution South West 5.875% 25/03/2027	1,956	0.25
GBP	2,200,000	Electricite de France 5.5% 17/10/2041	3,264	0.42	GBP	625,000	Western Power Distribution West Midlands 3.875% 17/10/2024	737	0.10
					GBP	2,175,000	Western Power Distribution West Midlands 5.75% 16/04/2032	3,246	0.42
					GBP	3,570,000	Western Power Distribution West Midlands 6% 09/05/2025	4,857	0.63

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>FIXED INTEREST 73.49% (76.10%) (continued)</b>					GBP	1,300,000	British Sky Broadcasting Group 6% 21/05/2027	1,784	0.23
	<b>BBB+ 15.23% (12.12%)</b>				GBP	4,555,000	Citigroup 5.125% 12/12/2018	4,912	0.64
GBP	5,614,000	AT&T 4.25% 01/06/2043	6,797	0.88	GBP	3,571,000	Digital Stout Holding 4.75% 13/10/2023	4,135	0.54
GBP	5,134,000	AT&T 4.375% 14/09/2029	6,266	0.81	GBP	3,195,000	Eversholt Funding 5.831% 02/12/2020	3,775	0.49
GBP	1,350,000	AT&T 5.5% 15/03/2027	1,776	0.23	GBP	3,165,000	Eversholt Funding 6.359% 02/12/2025	4,331	0.56
GBP	3,044,000	BAE Systems 4.125% 08/06/2022	3,491	0.45	GBP	4,147,000	Global Switch Holdings 4.375% 13/12/2022	4,701	0.61
GBP	5,250,000	Bank of America 6.125% 15/09/2021	6,371	0.82	GBP	2,791,000	Imperial Brand Finance 8.125% 15/03/2024	4,052	0.52
GBP	3,350,000	Bank of America 7% 31/07/2028	4,920	0.64	GBP	985,000	Imperial Brands Finance 5.5% 28/09/2026	1,307	0.17
GBP	2,271,000	Centrica 4.375% 13/03/2029	2,880	0.37	GBP	2,225,000	Imperial Brands Finance 7.75% 24/06/2019	2,629	0.34
USD	5,885,000	Citigroup 4.65% 30/07/2045	5,010	0.65	GBP	2,600,000	Imperial Tobacco Finance 9% 17/02/2022	3,635	0.47
GBP	3,200,000	Citigroup 5.15% 21/05/2026	4,052	0.52	GBP	2,700,000	Intercontinental Hotels 3.875% 28/11/2022	3,033	0.39
GBP	3,725,000	Credit Suisse 2.75% 08/08/2025	3,723	0.48	GBP	526,000	Lloyds Bank 7.625% 22/04/2025	696	0.09
GBP	2,405,000	Credit Suisse 3% 27/05/2022	2,521	0.33	GBP	1,370,000	Mondelez International 3.875% 06/03/2045	1,621	0.21
GBP	1,890,000	CRH Finance UK 4.125% 02/12/2029	2,296	0.30	GBP	2,275,000	Mondelez International 4.5% 03/12/2035	2,867	0.37
GBP	2,280,000	E.ON International Finance 6.375% 07/06/2032	3,453	0.45	USD	5,540,000	Plains All American Pipeline 3.65% 01/06/2022	4,179	0.54
GBP	2,300,000	Eastern Power Networks 6.25% 12/11/2036	3,818	0.49	USD	2,001,000	Plains All American Pipeline 4.65% 15/10/2025	1,546	0.20
GBP	2,060,000	ENW Finance 6.125% 21/07/2021	2,548	0.33	GBP	3,201,000	Porterbrook Rail Finance 4.625% 04/04/2029	4,039	0.52
GBP	1,760,000	Gatwick Funding 5.25% 23/01/2024	2,215	0.29	GBP	1,766,000	South East Water Finance 5.6577% 30/09/2019	1,991	0.26
GBP	1,065,000	HSBC Holdings 6% 29/03/2040	1,430	0.19	GBP	2,285,000	Tate & Lyle International Finance 6.75% 25/11/2019	2,680	0.35
GBP	4,752,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	5,268	0.68	GBP	2,300,000	Telefonica Emisiones SAU 5.289% 09/12/2022	2,835	0.37
GBP	1,870,000	NIE Finance 6.375% 02/06/2026	2,655	0.34	GBP	1,462,000	Time Warner Cable 5.25% 15/07/2042	1,781	0.23
GBP	1,533,000	Northern Gas Networks Finance 4.875% 30/06/2027	2,005	0.26	GBP	1,220,000	Time Warner Cable 5.75% 02/06/2031	1,528	0.20
GBP	1,565,000	PostNL 7.5% 14/08/2018	1,763	0.23	GBP	3,975,000	Welltower 4.8% 20/11/2028	4,857	0.63
GBP	1,210,000	Scotland Gas Network 3.25% 08/03/2027	1,385	0.18			<b>Baa2 0.53% (0.89%)</b>		
GBP	834,000	Severn Trent Utilities Finance 3.625% 16/01/2026	984	0.13	GBP	3,739,000	BUPA Finance 3.375% 17/06/2021	4,074	0.53
GBP	1,162,000	Severn Trent Utilities Finance 4.875% 24/01/2042	1,748	0.23			<b>BBB- 6.80% (6.42%)</b>		
GBP	2,020,000	Severn Trent Utilities Finance 6.125% 26/02/2024	2,706	0.35	USD	3,368,000	ABN AMRO Bank 4.75% 28/07/2025	2,666	0.34
USD	2,450,000	SGSP Australia Assets 3.25% 29/07/2026	1,864	0.24	EUR	3,435,000	Arion Banki 3.125% 12/03/2018	2,981	0.39
GBP	2,160,000	SGSP Australia Assets 5.125% 11/02/2021	2,504	0.32	GBP	1,250,000	Ascianno Finance 5% 19/09/23	1,431	0.19
GBP	2,062,000	South Eastern Power Networks 6.375% 12/11/2031	3,262	0.42	GBP	3,423,000	Barclays Bank 10% 21/05/2021	4,423	0.57
GBP	1,458,000	Southern Gas Networks 2.5% 03/02/2025	1,577	0.20	GBP	3,583,000	G4S 7.75% 13/05/2019	4,124	0.53
GBP	985,000	SPD Finance UK 5.875% 17/07/2026	1,357	0.18	GBP	1,906,000	GKN Holdings 5.375% 19/09/2022	2,281	0.30
GBP	2,565,000	Standard Chartered 4.375% 18/01/2038	3,081	0.40	GBP	3,215,000	GKN Holdings 6.75% 28/10/2019	3,735	0.48
USD	5,564,000	UBS 5.125% 15/05/2024	4,352	0.56	USD	250,000	Glencore Finance Canada 4% 25/10/2022	189	0.02
GBP	4,282,000	United Mexican States 5.625% 19/03/2114	4,913	0.64	GBP	4,149,000	Glencore Finance Europe 6% 03/04/2022	4,727	0.61
GBP	471,000	United Utilities Water 5.625% 20/12/27	660	0.09	EUR	4,095,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	3,486	0.45
GBP	1,650,000	Verizon Communications 4.75% 17/02/2034	2,185	0.28	GBP	1,400,000	Marks & Spencer 4.75% 12/06/2025	1,643	0.21
USD	6,280,000	Verizon Communications 5.012% 21/08/2054	5,178	0.67	GBP	950,000	RAC Bond 4.565% 06/05/2023	1,068	0.14
GBP	4,145,000	Western Power Distribution 3.625% 06/11/2023	4,613	0.60	GBP	1,386,000	Repsol Oil & Gas 6.625% 05/12/2017	1,471	0.19
	<b>Baa1 0.00% (0.67%)</b>				GBP	300,000	RWE Finance 4.75% 31/01/2034	367	0.05
	<b>BBB 9.82% (12.18%)</b>				GBP	1,080,000	RWE Finance 5.625% 06/12/2023	1,357	0.18
GBP	551,000	APT Pipelines 3.5% 22/03/2030	596	0.08	GBP	1,550,000	RWE Finance 6.125% 06/07/2039	2,265	0.29
GBP	2,351,000	APT Pipelines 4.25% 26/11/2024	2,702	0.35					
GBP	3,100,000	BPCE 5.25% 16/04/2029	3,584	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
<b>FIXED INTEREST 73.49% (76.10%) (continued)</b>					<b>Not Rated 1.45% (2.03%)</b>				
GBP	1,627,000	RWE Finance 6.25% 03/06/2030	2,241	0.29	GBP	5,040,000	First Hydro Finance 9% 31/07/2021	6,746	0.87
GBP	1,710,000	Stagecoach Group 4% 29/09/2025	1,946	0.25	GBP	945,000	Segro 6.75% 23/11/2021	1,196	0.15
GBP	2,105,000	TDC 5.625% 23/02/2023	2,478	0.32	GBP	3,290,000	Virgin Money 2.25% 21/04/2020	3,339	0.43
GBP	3,085,000	The Kraft Heinz 4.125% 01/07/2027	3,662	0.47	<b>Total Fixed Interest</b>			<b>567,823</b>	<b>73.49</b>
GBP	2,000,000	Unique Pub Finance 6.542% 30/03/2021	1,450	0.19	<b>FLOATING RATE NOTES 17.66% (22.64%)</b>				
USD	3,501,000	Williams Partners 3.6% 15/03/2022	2,601	0.34	<b>AAA 0.37% (0.50%)</b>				
<b>Baa3 2.87% (2.92%)</b>					GBP	2,880,000	*Silverstone Master Issuer 5.063% 21/10/2016	2,894	0.37
GBP	3,109,000	Acquedotto Pugliese 6.92% 29/06/2018	3,250	0.42	<b>AA+ 0.16% (0.22%)</b>				
EUR	3,400,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	3,592	0.46	GBP	1,450,000	*Trafford Centre Finance FRN 28/07/2035 A3	1,214	0.16
GBP	6,602,000	BUPA Finance 5% 25/04/2023	7,284	0.94	<b>AA 0.94% (0.54%)</b>				
GBP	2,385,000	National Express Group 6.25% 13/01/2017	2,428	0.31	GBP	2,645,000	*Land Securities Capital Markets 5.125% 07/02/2036	3,779	0.49
GBP	5,010,000	WM Morrison Supermarkets 4.625% 08/12/2023	5,708	0.74	GBP	2,560,000	*Land Securities Capital Markets 5.376% 30/09/2029	3,484	0.45
<b>BB+ 2.77% (2.66%)</b>					<b>A+ 0.67% (0.89%)</b>				
GBP	2,175,000	Gaz Capital 5.338% 25/09/2020	2,349	0.30	GBP	5,175,000	*General Electric Capital 5.5% 15/09/2066	5,143	0.67
GBP	1,020,000	National Westminster Bank 6.5% 07/09/2021	1,191	0.15	<b>A- 0.00% (2.01%)</b>				
USD	3,885,000	Noble Holding International 6.95% 01/04/2045	2,119	0.27	<b>BBB+ 5.82% (6.12%)</b>				
GBP	1,565,000	RMPA Services 5.337% 30/09/2038	1,659	0.21	GBP	2,270,000	*Annington Finance No.4 Variable 10/01/2023	1,757	0.23
GBP	1,650,000	Telecom Italia 7.375% 15/12/2017	1,770	0.23	GBP	4,794,000	*BG Energy Capital 6.5% 30/11/2072 GBP	5,067	0.66
GBP	3,195,000	Tesco Property Finance 5.5% 13/10/2041	3,227	0.42	GBP	5,605,000	*BHP Billiton Finance 6.5% 22/10/2077	6,318	0.82
GBP	2,680,000	Tesco Property Finance 1 7.6227% 13/07/2039	3,023	0.39	GBP	1,025,000	*Danske Bank 5.375% 29/09/2021	1,078	0.14
GBP	1,083,000	Tesco Property Finance 6 5.4111% 13/07/2044	1,089	0.14	GBP	1,300,000	*HSBC Holdings 6.375% 18/10/2022	1,355	0.17
GBP	3,154,000	Travis Perkins 4.375% 15/09/2021	3,244	0.42	GBP	3,330,000	*ING Bank 6.875% 29/05/2023	3,573	0.46
GBP	1,802,000	Travis Perkins 4.5% 07/09/2023	1,841	0.24	GBP	2,500,000	*J.P. Morgan Chase 6.125% FRN 30/05/2017	2,490	0.32
<b>Ba1 0.00% (0.49%)</b>					GBP	2,485,000	*Legal & General Group 5.875% 29/03/2049	2,597	0.34
<b>BB 0.51% (0.63%)</b>					GBP	4,722,000	*Legal & General Group 10% 23/07/2041	6,213	0.80
USD	4,917,000	Royal Bank of Scotland Group 6.125% 15/12/2022	3,942	0.51	GBP	3,164,000	*Legal & General Variable Bond 27/10/2045	3,383	0.44
<b>BB- 1.16% (1.50%)</b>					GBP	2,825,000	*RSA Insurance Group 6.701% 29/05/2049	2,926	0.38
GBP	3,668,000	Enterprise Inns 6.5% 06/12/2018	3,919	0.51	GBP	1,149,000	*RSA Insurance Group 9.375% 20/05/2039	1,348	0.17
GBP	1,625,000	Jerrold Finco 9.75% 15/09/2018	1,705	0.22	GBP	1,961,000	*Siemens Financieringsmaatschappij 6.125% 14/09/2066	1,961	0.25
GBP	2,939,000	Southern Water Greensands Financing 8.5% 15/04/2019	3,339	0.43	GBP	4,735,000	*Telereal Securitisation 4.0902% 10/12/2033	4,951	0.64
<b>Ba3 0.08% (0.21%)</b>					<b>Baa1 0.16% (0.00%)</b>				
GBP	600,000	Anglian Water Osprey Financing 7% 31/01/2018	648	0.08	GBP	1,241,000	*Aviva 4.375% 12/09/2049	1,233	0.16
<b>B+ 0.14% (0.15%)</b>					<b>BBB 3.04% (4.64%)</b>				
<b>CCC+ 0.22% (0.15%)</b>					GBP	2,073,000	*America Movil 6.375% 06/09/2073	2,250	0.29
GBP	1,475,369	Annington Finance No.5 PIK 13% 15/01/2023	1,715	0.22	GBP	4,390,000	*Aviva 6.125% 29/09/2049	4,730	0.61
<b>Ca 0.36% (0.35%)</b>					GBP	3,381,000	*Aviva 6.625% 03/06/2041	3,782	0.49
EUR	3,685,000	Heta Asset Resolution 4.25% 31/10/2016	2,762	0.36	GBP	1,910,000	*AXA FRN 16/01/2054	2,158	0.28
					GBP	6,210,000	*NGG Finance 5.625% 18/06/2073	7,058	0.91
					GBP	3,425,000	*Thames Water Utilities Cayman Finance 5.375% 21/07/2025	3,540	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
<b>FLOATING RATE NOTES 17.66% (22.64%) (continued)</b>					<b>Forward Foreign Exchange Contracts -0.53% (-0.64%)</b>				
		<b>BBB- 0.73% (0.83%)</b>				Sell GBP 317,080			
EUR	2,000,000	*Vonovia Finance 4% 29/12/2049	1,793	0.23		Buy EUR 400,000 Bank of Scotland	19	—	
EUR	4,300,000	*Vonovia Finance 4.625% 08/04/2074	3,836	0.50		Sell GBP 417,535			
		<b>Baa3 0.39% (0.00%)</b>				Buy EUR 500,000 HSBC	3	—	
GBP	2,855,000	*TSB Banking Group 5.75% 06/05/2026	3,018	0.39		Sell EUR 1,300,000			
		<b>BB+ 1.35% (1.05%)</b>				Buy GBP 1,112,088 Bank of Scotland	19	—	
GBP	3,110,000	*Nationwide Building Society 6.875% 11/03/2049	3,051	0.39		Sell EUR 1,600,000			
EUR	2,809,000	*Santos Finance FRN 8.25% 22/09/2070	2,438	0.31		Buy GBP 1,322,393 Citigroup	(23)	—	
GBP	1,400,000	*Telefonica Europe 6.75% Perpetual	1,513	0.20		Sell EUR 2,100,000			
USD	4,326,000	*UBS Group 7% 29/12/2049	3,455	0.45		Buy GBP 1,759,424 RBC	(6)	—	
		<b>BB 0.74% (1.79%)</b>				Sell USD 160,000			
GBP	2,159,000	*Barclays Bank 14% 29/11/2049	2,729	0.35		Buy GBP 121,426 Bank of Scotland	2	—	
EUR	3,595,000	*KBC Groep 5.625% 19/12/2049	3,001	0.39		Sell USD 3,900,000			
		<b>BB- 0.78% (1.08%)</b>				Buy GBP 2,902,228 HSBC	(12)	—	
GBP	1,042,000	*Lloyds Banking Group 7% 29/12/2049	1,049	0.14		Sell USD 292,000			
GBP	4,705,000	*Lloyds Banking Group 7.875% 29/12/2049	4,943	0.64		Buy GBP 220,511 Citigroup	2	—	
		<b>B+ 0.79% (0.97%)</b>				Sell EUR 33,747,000			
GBP	1,942,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	1,515	0.20		Buy GBP 26,799,043 Citigroup	(1,566)	(0.20)	
GBP	2,300,000	*Barclays Bank 7.75% 08/03/2075	2,298	0.30		Sell EUR 310,000			
EUR	2,700,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	2,215	0.29		Buy GBP 261,482 Bank of Scotland	1	—	
		<b>B 0.40% (0.52%)</b>				Sell EUR 350,000			
USD	4,007,000	*Royal Bank of Scotland 8.625% 29/12/2049	3,058	0.40		Buy GBP 268,334 Goldman Sachs	(26)	—	
		<b>Not Rated 1.32% (1.48%)</b>				Sell EUR 320,000			
GBP	4,453,000	*Cattles 6.875% 17/01/2014 (Defaulted)	111	0.01		Buy GBP 268,619 J.P. Morgan	—	—	
GBP	1,745,000	*Credit Agricole 7.5% 31/12/2049	1,756	0.23		Sell EUR 355,000			
GBP	7,965,000	*Pennon Group 6.75% 08/03/2018	8,345	1.08		Buy GBP 298,158 HSBC	—	—	
		<b>Total Floating Rate Notes</b>	<b>136,406</b>	<b>17.66</b>		Sell USD 55,185,000			
<b>DERIVATIVES -0.45% (-0.58%)</b>						Buy GBP 38,889,735 UBS	(2,347)	(0.30)	
		<b>Credit Default Swaps 0.11% (0.00%)</b>				Sell USD 600,000			
EUR	60,000,000	Merrill Lynch Itraxx-European Credit Default Swap Index Sell Protection 20/06/2021 Spread 100	814	0.11		Buy GBP 455,930 RBC	8	—	
		<b>Futures and Options -0.03% (0.06%)</b>				Sell EUR 550,000			
EUR	(12)	UBS EURO-Bobl Future Expiring December 2016	—	—		Buy GBP 467,086 UBS	5	—	
EUR	(77)	UBS EURO Bond Future Expiring December 2016	—	—		Sell USD 680,000			
GBP	285	UBS Long Gilt Future Expiring December 2016	11	—		Buy GBP 515,639 Citigroup	8	—	
USD	(278)	UBS US 10 Year Note Future Expiring December 2016	(127)	(0.02)		Sell EUR 70,000			
USD	(92)	UBS US Long Bond Future Expiring December 2016	(70)	(0.01)		Buy GBP 58,082 Goldman Sachs	(1)	—	
USD	(7)	UBS US Ultra Bond Future Expiring December 2016	(4)	—		Sell EUR 700,000			
						Buy GBP 597,199 UBS	9	—	
						Sell USD 1,100,000			
						Buy GBP 852,456 UBS	30	—	
						Sell USD 1,400,000			
						Buy GBP 938,421 Bank of Scotland	(108)	(0.01)	
						Sell USD 1,280,000			
						Buy GBP 965,428 J.P. Morgan	9	—	
						Sell GBP 4,080,781			
						Buy USD 5,300,000 UBS	(120)	(0.02)	
						Sell GBP 516,394			
						Buy USD 690,000 Citigroup	(1)	—	
						Sell GBP 593,804			
						Buy USD 780,000 RBC	(11)	—	
						<b>Total Derivatives</b>	<b>(3,482)</b>	<b>(0.45)</b>	
						<b>Total value of investments</b>	<b>700,747</b>	<b>90.70</b>	
						<b>Net other assets (1.84%)</b>	<b>71,886</b>	<b>9.30</b>	
						<b>Net assets</b>	<b>772,633</b>	<b>100.00</b>	

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

	Value £000	% of Investment
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
Fixed interest	567,823	81.03
Floating rate notes	136,406	19.47
Derivatives	(3,482)	(0.50)
<b>Total value of investments</b>	<b>700,747</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO-Bobl Future Expiring December 2016	(1,331)
UBS EURO Bond Future Expiring December 2016	(10,711)
UBS Long Gilt Future Expiring December 2016	37,402
UBS US 10 Year Note Future Expiring December 2016	(27,293)
UBS US Long Bond Future Expiring December 2016	(11,757)
UBS US Ultra Bond Future Expiring December 2016	(983)
<b>Total net exposure</b>	<b>(14,673)</b>

March 2016 comparatives in brackets.

\*Variable rate bonds.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	228,551	136,375
Total sales for the period	168,936	222,925

## Threadneedle Sterling Bond Fund

### Portfolio Statement

as at 7 September 2016

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
	Holding	Investment				Holding	Investment		
FIXED INTEREST 99.06% (98.82%)					DERIVATIVES 0.05% (–0.02%)				
		AAA 2.97% (2.40%)					Forward Foreign Exchange Contracts 0.05% (–0.02%)		
GBP	3,690,000	Export Development Canada 1.375% 16/12/2019	3,805	0.99			Sell USD 178,000		
GBP	3,700,000	FMS Wertmanagement 1.25% 08/03/2019	3,776	0.99			Buy GBP 133,406 HSBC	–	–
GBP	3,625,000	KFW 1.375% 01/02/2021	3,777	0.99			Sell USD 4,749,000		
		Aaa 2.31% (0.50%)					Buy GBP 3,658,314 Lloyds	111	0.03
USD	8,200,000	United States Treasury Note/Bond 1.625% 15/05/2026	6,168	1.61			Sell USD 5,745,000		
USD	3,375,000	United States Treasury Note/Bond 2.5% 15/05/2046	2,677	0.70			Buy GBP 4,341,272 Citigroup	50	0.01
		AA+ 1.00% (1.78%)					Sell USD 606,000		
GBP	3,740,000	Municipality Finance 1.25% 07/03/2019	3,813	1.00			Buy GBP 454,232 HSBC	1	–
		Aa1u 90.00% (94.14%)					Sell USD 590,000	14	0.01
GBP	24,992,500	United Kingdom Gilt 1% 07/09/2017	25,217	6.59			Buy GBP 454,710 UBS		
GBP	2,006,000	United Kingdom Gilt 1.25% 22/07/2018	2,049	0.53			Sell USD 75,000		
GBP	20,367,000	United Kingdom Gilt 1.5% 22/01/2021	21,516	5.62			Buy GBP 56,926 Lloyds	(1)	–
GBP	16,880,000	United Kingdom Gilt 1.5% 22/07/2026	18,226	4.76			Sell GBP 45,366		
GBP	27,100,000	United Kingdom Gilt 1.75% 22/01/2017	27,272	7.12			Buy USD 60,000 HSBC	–	–
GBP	2,871,000	United Kingdom Gilt 1.75% 22/07/2019	3,007	0.78			Sell GBP 49,687		
GBP	17,370,000	United Kingdom Gilt 1.75% 07/09/2022	18,898	4.94			Buy USD 67,000 Lloyds	–	–
GBP	9,114,000	United Kingdom Gilt 2% 07/09/2025	10,261	2.68			Sell GBP 53,541		
GBP	7,238,000	United Kingdom Gilt 2.25% 07/09/2023	8,184	2.14			Buy USD 70,000 Citigroup	(1)	–
GBP	6,517,000	United Kingdom Gilt 2.5% 22/07/2065	9,710	2.54			Sell GBP 58,130		
GBP	16,420,000	United Kingdom Gilt 3.25% 22/01/2044	23,707	6.19			Buy USD 77,000 Lloyds	(1)	–
GBP	16,639,500	United Kingdom Gilt 3.5% 22/01/2045	25,244	6.59			Total Derivatives	177	0.05
GBP	9,036,360	United Kingdom Gilt 3.5% 22/07/2068	17,127	4.47					
GBP	6,401,000	United Kingdom Gilt 3.75% 07/09/2021	7,533	1.97		Total value of investments		379,386	99.11
GBP	9,002,250	United Kingdom Gilt 3.75% 22/07/2052	15,565	4.07		Net other assets (1.20%)		3,399	0.89
GBP	2,150,000	United Kingdom Gilt 4% 22/01/2060	4,215	1.10		Net assets		382,785	100.00
GBP	672,000	United Kingdom Gilt 4.25% 07/06/2032	984	0.26					
GBP	10,700,000	United Kingdom Gilt 4.25% 07/03/2036	16,367	4.28		March 2016 comparatives in brackets.			
GBP	7,718,000	United Kingdom Gilt 4.25% 07/09/2039	12,265	3.20					
GBP	6,532,000	United Kingdom Gilt 4.25% 07/12/2040	10,554	2.76		Total Purchases and Sales			
GBP	1,057,000	United Kingdom Gilt 4.25% 07/12/2046	1,833	0.48		for the accounting period 8 March 2016 to 7 September 2016			
GBP	1,000,000	United Kingdom Gilt 4.5% 07/03/2019	1,112	0.29				2016	2015
GBP	11,893,000	United Kingdom Gilt 4.5% 07/09/2034	18,386	4.80				£000	£000
GBP	15,505,000	United Kingdom Gilt 4.75% 07/12/2030	23,386	6.11		Total purchases for the period		340,218	174,596
GBP	5,804,000	United Kingdom Gilt 4.75% 07/12/2038	9,738	2.54		Total sales for the period		325,176	95,911
GBP	5,161,000	United Kingdom Index-Linked Gilt 0.125% 22/11/2019	5,931	1.55					
GBP	1,474,000	United Kingdom Index-Linked Gilt 2.5% 16/04/2020	5,458	1.43					
GBP	314,000	United Kingdom Index-Linked Gilt 8% 22/11/2065	796	0.21					
		AA 1.40% (0.00%)							
GBP	3,000,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	3,488	0.91					
GBP	1,730,000	Transport for London 2.125% 24/04/2025	1,872	0.49					
		Not Rated 1.38% (0.00%)							
GBP	5,232,000	United Kingdom Gilt 0.5% 22/07/2022	5,292	1.38					
		Total Fixed Interest	379,209	99.06					

## Threadneedle Sterling Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 97.92% (88.57%)</b>				
<b>Government Bonds 7.41% (7.14%)</b>				
GBP	8,500,000	United Kingdom Gilt 0% 26/09/2016	8,499	2.93
GBP	13,000,000	United Kingdom Gilt 0% 21/11/2016	12,991	4.48
<b>Certificate of Deposit 72.12% (63.21%)</b>				
GBP	13,000,000	Abbey National Treasury Services 0.51% 04/11/2016	13,000	4.49
GBP	13,000,000	Bank of Montreal 0.65% 15/11/2016	13,000	4.49
GBP	13,000,000	Bank of Nova Scotia 0.35% 06/03/2017	13,000	4.49
GBP	5,000,000	Commonwealth Bank of Australia 0.45% 10/10/2016	5,000	1.73
GBP	10,000,000	Commonwealth Bank of Australia 0.49% 23/01/2017	10,000	3.45
GBP	13,500,000	DNB Bank 0.59% 14/09/2016	13,500	4.66
GBP	12,500,000	National Australia Bank 0.62% 14/09/2016	12,500	4.31
GBP	7,500,000	National Bank of Abu Dhabi 0.5% 20/10/2016	7,500	2.59
GBP	6,500,000	National Bank of Abu Dhabi 0.66% 06/10/2016	6,500	2.24
GBP	13,500,000	Nationwide Building Society 0.42% 07/10/2016	13,500	4.66
GBP	13,000,000	Nordea Bank 0.305% 30/11/2016	13,000	4.49
GBP	13,000,000	Rabobank Nederland 0.39% 06/02/2017	13,000	4.48
GBP	12,000,000	Skandinaviska Enskilda Banken 0.31% 09/02/2017	12,000	4.14
GBP	12,000,000	Skandinaviska Enskilda Banken 0.5% 09/09/2016	12,000	4.14
GBP	15,000,000	Standard Chartered 0.55% 18/11/2016	15,000	5.17
GBP	13,000,000	Svenska Handelsbanken 0.54% 12/09/2016	13,000	4.48
GBP	10,000,000	Toronto Dominion Bank 0% 19/10/2016	10,000	3.45
GBP	13,500,000	Wells Fargo Bank 0.64% 07/10/2016	13,500	4.66
<b>Euro commercial paper 18.39% (18.22%)</b>				
GBP	13,000,000	Agence Centrale des Organismes 0.375% 11/10/2016	12,997	4.48
GBP	1,240,000	Banque Fédérative du Crédit Mutuel 0.47% 09/01/2017	12,382	4.27
GBP	14,000,000	OP Corporate Bank 0.56% 23/12/2016	13,983	4.82
GBP	14,000,000	Oversea-Chinese Banking 0.444% 13/01/2017	13,979	4.82
<b>Total Fixed Interest</b>			<b>283,831</b>	<b>97.92</b>
<b>Total value of investments</b>			<b>283,831</b>	<b>97.92</b>
<b>Net other assets (11.43%)</b>			<b>6,032</b>	<b>2.08</b>
<b>Net assets</b>			<b>289,863</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	464,438	332,080
Total sales for the period	416,402	272,300

## Threadneedle European Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 3.01% (3.63%)</b>				<b>GERMANY 13.16% (16.85%)</b>			
	<b>Beverages 3.01% (2.73%)</b>				<b>Chemicals 4.06% (6.71%)</b>		
229,119	Anheuser-Busch InBev	21,925	3.01	131,605	Bayer	10,653	1.46
	<b>Banks 0.00% (0.90%)</b>			265,395	Brenntag	10,993	1.51
	<b>Total Belgium</b>	<b>21,925</b>	<b>3.01</b>	61,526	Linde	7,953	1.09
<b>DENMARK 5.46% (5.54%)</b>					<b>Automobiles &amp; Parts 1.97% (3.37%)</b>		
	<b>Personal Goods 1.33% (1.48%)</b>			88,038	Continental	14,414	1.97
104,568	Pandora	9,672	1.33		<b>Health Care Equipment &amp; Services 2.57% (2.49%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 4.13% (4.06%)</b>			277,348	Fresenius Medical Care	18,730	2.57
147,749	Chr. Hansen	6,821	0.93		<b>Travel &amp; Leisure 0.00% (1.19%)</b>		
681,584	Novo Nordisk	23,338	3.20		<b>Mobile Telecommunications 2.86% (1.31%)</b>		
	<b>Total Denmark</b>	<b>39,831</b>	<b>5.46</b>	1,642,156	Deutsche Telekom	20,842	2.86
<b>FINLAND 2.55% (1.88%)</b>					<b>Nonlife Insurance 1.24% (1.31%)</b>		
	<b>Industrial Engineering 0.98% (0.93%)</b>			79,480	Allianz	9,022	1.24
184,162	Kone	7,102	0.98		<b>Financial Services 0.46% (0.47%)</b>		
	<b>Nonlife Insurance 1.57% (0.95%)</b>			53,433	Deutsche Börse	3,393	0.46
339,717	Sampo	11,470	1.57		<b>Total Germany</b>	<b>96,000</b>	<b>13.16</b>
	<b>Total Finland</b>	<b>18,572</b>	<b>2.55</b>	<b>ITALY 2.70% (4.12%)</b>			
<b>FRANCE 19.36% (17.86%)</b>					<b>Industrial Transportation 1.04% (0.95%)</b>		
	<b>Oil &amp; Gas Producers 1.72% (2.48%)</b>			379,976	Atlantia	7,620	1.04
334,103	Total	12,519	1.72		<b>Personal Goods 0.00% (0.08%)</b>		
	<b>Construction &amp; Materials 1.99% (1.98%)</b>				<b>Mobile Telecommunications 1.01% (0.97%)</b>		
250,189	Vinci	14,541	1.99	1,918,746	Infrastructure Wireless Italia	7,335	1.01
	<b>Electronic &amp; Electrical Equipment 2.15% (3.57%)</b>				<b>Banks 0.00% (1.64%)</b>		
177,890	Legrand	8,096	1.11		<b>Technology Hardware &amp; Equipment 0.65% (0.48%)</b>		
144,480	Schneider Electric	7,568	1.04	115,379	Ei Towers	4,754	0.65
	<b>Industrial Transportation 0.60% (1.01%)</b>				<b>Total Italy</b>	<b>19,709</b>	<b>2.70</b>
520,403	Groupe Eurotunnel	4,369	0.60	<b>NETHERLANDS 9.21% (11.85%)</b>			
	<b>Beverages 1.48% (1.24%)</b>				<b>Chemicals 1.98% (1.96%)</b>		
120,912	Pernod Ricard	10,828	1.48	274,018	Akzo Nobel	14,484	1.98
	<b>Personal Goods 1.71% (1.55%)</b>				<b>Aerospace &amp; Defence 0.00% (1.25%)</b>		
85,013	L'Oreal	12,436	1.71		<b>Personal Goods 3.46% (3.32%)</b>		
	<b>Health Care Equipment &amp; Services 2.25% (0.98%)</b>			707,668	Unilever (EUR)	25,207	3.46
167,357	Essilor International	16,394	2.25		<b>Media 1.84% (1.67%)</b>		
	<b>Media 1.02% (1.07%)</b>			980,301	Relx (EUR)	13,406	1.84
1,166,446	Havas	7,423	1.02		<b>Banks 1.14% (2.82%)</b>		
	<b>Nonlife Insurance 1.52% (1.29%)</b>			871,117	ING Groep	8,299	1.14
680,676	AXA	11,050	1.52		<b>Technology Hardware &amp; Equipment 0.79% (0.83%)</b>		
	<b>Financial Services 1.15% (1.22%)</b>			70,921	ASML	5,760	0.79
220,188	Amundi	8,382	1.15		<b>Total Netherlands</b>	<b>67,156</b>	<b>9.21</b>
	<b>Software &amp; Computer Services 2.53% (0.00%)</b>			<b>NORWAY 1.00% (0.00%)</b>			
115,443	Dassault Systems	7,474	1.02		<b>Banks 1.00% (0.00%)</b>		
70,431	Iliad	11,014	1.51	780,699	DnB NOR Bank	7,259	1.00
	<b>Technology Hardware &amp; Equipment 1.24% (1.47%)</b>				<b>Total Norway</b>	<b>7,259</b>	<b>1.00</b>
136,031	Ingenico Group	9,077	1.24				
	<b>Total France</b>	<b>141,171</b>	<b>19.36</b>				

## Threadneedle European Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>REPUBLIC OF IRELAND 7.91% (8.06%)</b>				<b>UNITED KINGDOM 1.84% (0.00%)</b>			
	<b>Construction &amp; Materials 3.81% (3.40%)</b>				<b>Oil &amp; Gas Producers 1.84% (0.00%)</b>		
736,108	CRH (Dublin Listing)	18,802	2.58	708,093	Royal Dutch Shell A Shares (NL Listing)	13,433	1.84
421,500	Kingspan Group (EUR)	8,942	1.23		<b>Total United Kingdom</b>	<b>13,433</b>	<b>1.84</b>
	<b>Travel &amp; Leisure 4.10% (3.86%)</b>						
112,490	Paddy Power (Irish Listing)	10,173	1.39		<b>UNITED STATES OF AMERICA 1.22% (1.15%)</b>		
1,850,452	Ryanair Holdings	19,784	2.71		<b>Automobiles &amp; Parts 1.22% (1.15%)</b>		
	<b>Banks 0.00% (0.80%)</b>			110,256	Autoliv (SDR)	8,933	1.22
	<b>Total Republic of Ireland</b>	<b>57,701</b>	<b>7.91</b>		<b>Total United States of America</b>	<b>8,933</b>	<b>1.22</b>
<b>SPAIN 7.55% (7.57%)</b>				<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Construction &amp; Materials 2.01% (2.12%)</b>				<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
947,207	Ferrovial	14,653	2.01		Sell EUR 597,000		
	<b>Support Services 1.06% (1.48%)</b>				Buy GBP 499,666 RBC	(2)	—
212,103	Amadeus IT Group	7,709	1.06		<b>Total Derivatives</b>	<b>(2)</b>	<b>—</b>
	<b>Pharmaceuticals &amp; Biotechnology 1.39% (1.21%)</b>			<b>Total value of investments</b>	<b>725,281</b>	<b>99.45</b>	
623,113	Grifols	10,132	1.39	<b>Net other assets (1.93%)</b>	<b>4,035</b>	<b>0.55</b>	
	<b>General Retailers 1.08% (0.77%)</b>			<b>Net assets</b>	<b>729,316</b>	<b>100.00</b>	
286,174	Inditex	7,887	1.08				
	<b>Mobile Telecommunications 2.01% (1.99%)</b>			<i>March 2016 comparatives in brackets.</i>			
1,068,954	Cellnex Telecom	14,645	2.01	<b>Total Purchases and Sales</b>			
	<b>Total Spain</b>	<b>55,026</b>	<b>7.55</b>	<i>for the accounting period 8 March 2016 to 7 September 2016</i>			
					<b>2016</b>	<b>2015</b>	
					<b>£000</b>	<b>£000</b>	
<b>SWEDEN 5.79% (7.70%)</b>				Total purchases for the period	199,906	293,902	
	<b>Construction &amp; Materials 1.98% (1.89%)</b>			Total sales for the period	266,807	269,149	
928,653	Assa Abloy 'B' Shares	14,466	1.98				
	<b>Industrial Engineering 1.10% (2.79%)</b>						
358,507	Atlas Copco 'A' Shares	7,998	1.10				
	<b>Banks 2.71% (3.02%)</b>						
1,838,646	Nordea Bank	13,752	1.89				
591,571	Svenska Handelsbanken	6,016	0.82				
	<b>Total Sweden</b>	<b>42,232</b>	<b>5.79</b>				
<b>SWITZERLAND 18.69% (11.86%)</b>							
	<b>Chemicals 0.96% (0.00%)</b>						
4,432	Givaudan	7,042	0.96				
	<b>Construction &amp; Materials 2.11% (1.71%)</b>						
4,133	Sika	15,363	2.11				
	<b>Food Producers 5.39% (0.00%)</b>						
102	Lindt & Spruengli	5,370	0.74				
557,864	Nestle	33,930	4.65				
	<b>Personal Goods 0.49% (0.94%)</b>						
77,839	Cie Financiere Richemont	3,566	0.49				
	<b>Pharmaceuticals &amp; Biotechnology 8.83% (7.35%)</b>						
488,744	Novartis	29,273	4.01				
188,681	Roche	35,177	4.82				
	<b>Banks 0.91% (1.86%)</b>						
609,021	UBS Group	6,614	0.91				
	<b>Total Switzerland</b>	<b>136,335</b>	<b>18.69</b>				



## Threadneedle European Select Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 4.80% (5.17%)</b>				<b>ITALY 4.51% (3.57%)</b>			
	<b>Beverages 4.80% (5.17%)</b>				<b>Beverages 2.46% (1.58%)</b>		
1,675,966	Anheuser-Busch InBev	160,375	4.80	9,770,143	Davide Campari-Milano	82,118	2.46
	<b>Total Belgium</b>	<b>160,375</b>	<b>4.80</b>		<b>Personal Goods 1.02% (0.93%)</b>		
				926,090	Luxottica Group	34,085	1.02
<b>DENMARK 3.09% (4.02%)</b>					<b>Mobile Telecommunications 0.63% (0.65%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 3.09% (4.02%)</b>			5,554,406	Infrastructure Wireless Italia	21,232	0.63
3,012,784	Novo Nordisk	103,159	3.09		<b>Technology Hardware &amp; Equipment 0.40% (0.41%)</b>		
	<b>Total Denmark</b>	<b>103,159</b>	<b>3.09</b>	322,870	Ei Towers	13,303	0.40
					<b>Total Italy</b>	<b>150,738</b>	<b>4.51</b>
<b>FINLAND 4.69% (3.72%)</b>				<b>NETHERLANDS 19.05% (14.91%)</b>			
	<b>Industrial Engineering 1.02% (1.09%)</b>				<b>Chemicals 4.54% (2.87%)</b>		
887,095	Kone	34,208	1.02	1,509,525	Akzo Nobel	79,792	2.39
	<b>Nonlife Insurance 3.67% (2.63%)</b>			2,284,997	IMCD Group	71,684	2.15
3,628,217	Sampo	122,499	3.67		<b>Beverages 2.21% (0.00%)</b>		
	<b>Total Finland</b>	<b>156,707</b>	<b>4.69</b>	1,199,750	Heineken Holdings	73,804	2.21
					<b>Personal Goods 6.08% (6.08%)</b>		
<b>FRANCE 14.04% (10.45%)</b>				5,701,925	Unilever (EUR)	203,105	6.08
	<b>Electronic &amp; Electrical Equipment 2.14% (1.60%)</b>				<b>Media 5.15% (4.91%)</b>		
1,573,863	Legrand	71,631	2.14	12,581,002	Relx (EUR)	172,045	5.15
	<b>Industrial Transportation 0.00% (0.78%)</b>				<b>Technology Hardware &amp; Equipment 1.07% (1.05%)</b>		
	<b>Support Services 1.06% (0.00%)</b>			441,174	ASML	35,831	1.07
2,650,544	Elis	35,266	1.06		<b>Total Netherlands</b>	<b>636,261</b>	<b>19.05</b>
	<b>Beverages 3.72% (3.77%)</b>						
1,387,755	Pernod Ricard	124,281	3.72	<b>REPUBLIC OF IRELAND 3.42% (4.08%)</b>			
	<b>Personal Goods 3.83% (3.36%)</b>				<b>Construction &amp; Materials 1.20% (0.00%)</b>		
874,248	L'Oreal	127,893	3.83	1,892,779	Kingspan Group	40,218	1.20
	<b>Health Care Equipment &amp; Services 1.12% (0.94%)</b>				<b>Travel &amp; Leisure 2.22% (4.08%)</b>		
380,853	Essilor International	37,309	1.12	6,931,501	Ryanair Holdings	74,106	2.22
	<b>Media 1.14% (0.00%)</b>				<b>Total Republic of Ireland</b>	<b>114,324</b>	<b>3.42</b>
657,140	Publicis Groupe	38,099	1.14				
	<b>Software &amp; Computer Services 1.03% (0.00%)</b>			<b>SPAIN 4.82% (6.17%)</b>			
533,615	Dassault Systems	34,548	1.03		<b>Construction &amp; Materials 0.00% (1.82%)</b>		
	<b>Total France</b>	<b>469,027</b>	<b>14.04</b>		<b>Support Services 2.20% (1.89%)</b>		
				2,016,906	Amadeus IT Group	73,309	2.20
<b>GERMANY 10.31% (17.15%)</b>					<b>General Retailers 1.54% (1.48%)</b>		
	<b>Chemicals 2.36% (7.73%)</b>			1,865,967	Inditex	51,426	1.54
1,904,877	Brenntag	78,900	2.36		<b>Mobile Telecommunications 1.08% (0.98%)</b>		
	<b>Automobiles &amp; Parts 3.15% (3.62%)</b>			2,635,788	Cellnex Telecom	36,111	1.08
641,808	Continental	105,083	3.15		<b>Total Spain</b>	<b>160,846</b>	<b>4.82</b>
	<b>Personal Goods 0.00% (0.53%)</b>						
	<b>Health Care Equipment &amp; Services 3.94% (3.81%)</b>			<b>SWEDEN 9.98% (10.49%)</b>			
1,949,304	Fresenius Medical Care	131,645	3.94		<b>Construction &amp; Materials 3.56% (3.70%)</b>		
	<b>Nonlife Insurance 0.00% (1.00%)</b>			7,632,941	Assa Abloy 'B' Shares	118,902	3.56
	<b>Software &amp; Computer Services 0.86% (0.46%)</b>				<b>Industrial Engineering 2.91% (1.67%)</b>		
4,123,667	Tele Columbus	28,608	0.86	4,358,014	Atlas Copco 'A' Shares	97,229	2.91
	<b>Total Germany</b>	<b>344,236</b>	<b>10.31</b>		<b>Banks 3.51% (5.12%)</b>		
				11,514,799	Svenska Handelsbanken	117,105	3.51
					<b>Total Sweden</b>	<b>333,236</b>	<b>9.98</b>



## Threadneedle European Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 17.19% (17.32%)</b>				Sell EUR 52,398			
	<b>Chemicals 2.02% (1.05%)</b>			Buy USD 58,537 J.P. Morgan		—	—
42,561	Givaudan	67,629	2.02	<b>Total Derivatives</b>		<b>559</b>	<b>0.02</b>
	<b>Construction &amp; Materials 1.18% (0.98%)</b>			<b>Total value of investments</b>		<b>3,269,764</b>	<b>97.90</b>
10,565	Sika	39,271	1.18	<b>Net other assets (1.39%)</b>		<b>70,098</b>	<b>2.10</b>
	<b>Food Producers 2.38% (2.25%)</b>			<b>Net assets</b>		<b>3,339,862</b>	<b>100.00</b>
1,304,651	Nestle	79,350	2.38	<i>March 2016 comparatives in brackets.</i>			
	<b>Personal Goods 2.71% (3.96%)</b>			<b>Total Purchases and Sales</b>			
1,978,420	Cie Financiere Richemont	90,648	2.71	<i>for the accounting period 8 March 2016 to 7 September 2016</i>			
	<b>Pharmaceuticals &amp; Biotechnology 8.90% (8.01%)</b>					<b>2016</b>	<b>2015</b>
3,071,616	Novartis	183,975	5.51			<b>£000</b>	<b>£000</b>
607,882	Roche	113,331	3.39	Total purchases for the period		613,672	762,897
	<b>Banks 0.00% (1.07%)</b>			Total sales for the period		779,995	417,351
	<b>Total Switzerland</b>	<b>574,204</b>	<b>17.19</b>				
<b>UNITED STATES OF AMERICA 1.98% (1.50%)</b>							
	<b>Automobiles &amp; Parts 1.98% (1.50%)</b>						
828,940	Autoliv	66,092	1.98				
	<b>Total United States of America</b>	<b>66,092</b>	<b>1.98</b>				
<b>DERIVATIVES 0.02% (0.06%)</b>							
	<b>Forward Foreign Exchange Contracts 0.02% (0.06%)</b>						
	Sell SGD 2,543,348						
	Buy EUR 1,663,606 J.P. Morgan	(13)	—				
	Sell SGD 212,115						
	Buy EUR 138,707 J.P. Morgan	(1)	—				
	Sell USD 17,374						
	Buy EUR 15,552 J.P. Morgan	—	—				
	Sell USD 496						
	Buy EUR 439 J.P. Morgan	—	—				
	Sell SGD 1,503,981						
	Buy EUR 988,389 J.P. Morgan	(4)	—				
	Sell EUR 166,000						
	Buy GBP 138,790 RBC	(1)	—				
	Sell EUR 81,653,997						
	Buy SGD 124,722,316 J.P. Morgan	574	0.02				
	Sell EUR 14,019						
	Buy SGD 21,331 J.P. Morgan	—	—				
	Sell EUR 40,296						
	Buy SGD 61,324 J.P. Morgan	—	—				
	Sell EUR 5,206						
	Buy SGD 7,893 J.P. Morgan	—	—				
	Sell EUR 1,151						
	Buy USD 1,286 J.P. Morgan	—	—				
	Sell EUR 11,722						
	Buy USD 13,074 J.P. Morgan	—	—				
	Sell EUR 12,431,758						
	Buy USD 14,000,087 J.P. Morgan	2	—				
	Sell EUR 33,555,581						
	Buy USD 37,788,786 J.P. Morgan	6	—				
	Sell EUR 493,124						
	Buy USD 550,330 J.P. Morgan	(4)	—				

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 0.91% (1.04%)</b>				<b>Support Services 6.37% (6.57%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 0.91% (1.04%)</b>			1,777,460	Bureau Veritas	29,580	1.83
332,488	Schoeller-Bleckmann Oilfield Equipment	14,674	0.91	1,526,421	Edenred	26,057	1.61
	<b>Total Austria</b>	<b>14,674</b>	<b>0.91</b>	2,335,191	Elis	31,070	1.92
				199,940	Teleperformance	16,297	1.01
<b>BELGIUM 6.15% (6.45%)</b>				<b>Automobiles &amp; Parts 0.00% (0.36%)</b>			
	<b>Chemicals 1.66% (2.01%)</b>			<b>Beverages 0.97% (0.75%)</b>			
584,618	Umicore	26,873	1.66	236,617	Remy Cointreau	15,719	0.97
	<b>Personal Goods 1.94% (2.05%)</b>			<b>Health Care Equipment &amp; Services 5.37% (5.15%)</b>			
1,145,145	Ontex Group	31,358	1.94	111,932	Eurofins Scientific	35,421	2.19
	<b>Media 1.28% (1.14%)</b>			688,902	Korian	18,859	1.17
570,265	Telenet Group	20,692	1.28	484,646	Orpea	32,498	2.01
	<b>Travel &amp; Leisure 0.63% (0.67%)</b>			<b>Pharmaceuticals &amp; Biotechnology 0.77% (0.90%)</b>			
311,117	Kinopolis Group	10,274	0.63	77,948	Virbac	12,451	0.77
	<b>Technology Hardware &amp; Equipment 0.64% (0.58%)</b>			<b>Real Estate Investment &amp; Services 0.78% (1.10%)</b>			
205,314	Melexis	10,390	0.64	316,263	Nexity	12,581	0.78
	<b>Total Belgium</b>	<b>99,587</b>	<b>6.15</b>	<b>Software &amp; Computer Services 0.91% (0.67%)</b>			
<b>DENMARK 5.09% (5.28%)</b>				542,052	Criteo ADR	14,800	0.91
	<b>Industrial Transportation 0.00% (0.00%)</b>			<b>Technology Hardware &amp; Equipment 1.15% (1.07%)</b>			
368,849	OW Bunker (Liquidated)	—	—	279,153	Ingenico Group	18,627	1.15
	<b>Personal Goods 1.04% (1.92%)</b>			<b>Total France</b>		<b>277,918</b>	<b>17.18</b>
181,244	Pandora	16,763	1.04	<b>GERMANY 15.39% (14.52%)</b>			
	<b>Health Care Equipment &amp; Services 1.48% (1.20%)</b>			<b>Chemicals 1.79% (1.81%)</b>			
620,365	Ambu	23,960	1.48	539,536	Brenntag	22,348	1.38
	<b>Pharmaceuticals &amp; Biotechnology 0.89% (1.20%)</b>			191,253	Fuchs Petrolub	6,571	0.41
311,672	Chr. Hansen	14,389	0.89	<b>Electronic &amp; Electrical Equipment 1.26% (1.35%)</b>			
	<b>Nonlife Insurance 0.52% (0.00%)</b>			656,888	HELLA KGaA Hueck & Co	20,398	1.26
556,262	Tryg	8,512	0.52	<b>Industrial Engineering 2.64% (2.05%)</b>			
	<b>Software &amp; Computer Services 1.16% (0.96%)</b>			365,300	Sartorius	22,119	1.37
462,553	SimCorp	18,721	1.16	505,539	Stabilus	20,555	1.27
	<b>Total Denmark</b>	<b>82,345</b>	<b>5.09</b>	<b>Support Services 3.11% (3.19%)</b>			
<b>FINLAND 3.92% (3.18%)</b>				1,331,986	CTS Eventim	32,646	2.02
	<b>Construction &amp; Materials 1.10% (0.89%)</b>			119,700	Grenkeleasing	17,561	1.09
1,113,638	Tikkurila	17,747	1.10	<b>Automobiles &amp; Parts 2.08% (2.42%)</b>			
	<b>Electronic &amp; Electrical Equipment 0.56% (0.42%)</b>			831,460	Norma Group	33,705	2.08
315,657	Vaisala	9,087	0.56	<b>Household Goods &amp; Home Construction 0.50% (0.00%)</b>			
	<b>Industrial Engineering 1.17% (0.74%)</b>			74,709	Zooplus	8,163	0.50
562,726	Cargotec	18,961	1.17	<b>Health Care Equipment &amp; Services 1.10% (1.00%)</b>			
	<b>Software &amp; Computer Services 1.09% (1.13%)</b>			383,108	Stratec Biomedical	17,829	1.10
530,539	BasWare	17,574	1.09	<b>Software &amp; Computer Services 2.91% (2.70%)</b>			
	<b>Total Finland</b>	<b>63,369</b>	<b>3.92</b>	290,388	CompuGroup Medical	9,784	0.60
<b>FRANCE 17.18% (17.85%)</b>				935,748	RIB Software	7,366	0.46
	<b>Industrial Transportation 0.86% (1.28%)</b>			4,322,480	Tele Columbus	29,987	1.85
1,662,648	Groupe Eurotunnel	13,958	0.86	<b>Total Germany</b>		<b>249,032</b>	<b>15.39</b>

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ITALY 13.02% (12.89%)</b>				<b>SPAIN 4.20% (3.54%)</b>			
	<b>Industrial Engineering 0.74% (0.65%)</b>				<b>Support Services 1.92% (1.97%)</b>		
238,516	Industria Macchine Automatic	11,888	0.74	3,948,206	Applus Services	31,131	1.92
	<b>Beverages 2.12% (1.98%)</b>				<b>Travel &amp; Leisure 0.62% (0.00%)</b>		
4,083,529	Davide Campari-Milano	34,322	2.12	2,455,680	Telepizza Group	10,056	0.62
	<b>Personal Goods 0.73% (0.82%)</b>				<b>Mobile Telecommunications 0.93% (0.91%)</b>		
672,758	Salvatore Ferragamo	11,852	0.73	1,099,126	Cellnex Telecom	15,058	0.93
	<b>Health Care Equipment &amp; Services 1.96% (2.10%)</b>				<b>Real Estate Investment Trusts 0.73% (0.66%)</b>		
647,843	DiaSorin	31,609	1.96	2,237,586	Lar Espana Real Estate	11,760	0.73
	<b>Food &amp; Drug Retailers 1.22% (0.53%)</b>				<b>Total Spain</b>	<b>68,005</b>	<b>4.20</b>
1,320,118	MARR	19,750	1.22				
	<b>Mobile Telecommunications 1.78% (1.77%)</b>			<b>SWEDEN 9.45% (8.90%)</b>			
7,522,992	Infrastructure Wireless Italia	28,757	1.78		<b>Chemicals 0.93% (1.12%)</b>		
	<b>Banks 1.68% (2.10%)</b>			2,180,453	Hexpol	15,124	0.93
6,005,462	FinecoBank	27,207	1.68	7,233,378	Cloetta 'B' Shares	19,238	1.19
	<b>Financial Services 0.98% (1.60%)</b>				<b>Household Goods &amp; Home Construction 0.91% (0.74%)</b>		
992,296	Banca Generali	15,888	0.98	1,975,948	Nobia	14,657	0.91
	<b>Technology Hardware &amp; Equipment 1.81% (1.34%)</b>				<b>Leisure Goods 2.07% (1.27%)</b>		
711,356	Ei Towers	29,309	1.81	2,585,914	Dometic Group	14,155	0.87
	<b>Total Italy</b>	<b>210,582</b>	<b>13.02</b>	1,540,107	Thule Group	19,392	1.20
					<b>Health Care Equipment &amp; Services 1.55% (1.45%)</b>		
<b>LUXEMBOURG 0.73% (0.75%)</b>				3,641,970	Elekta 'B' Shares	25,100	1.55
	<b>Construction &amp; Materials 0.73% (0.75%)</b>				<b>General Retailers 0.51% (0.83%)</b>		
623,728	BRAAS Monier Building Group	11,759	0.73	1,337,712	Byggmax Group	8,215	0.51
	<b>Total Luxembourg</b>	<b>11,759</b>	<b>0.73</b>		<b>Financial Services 2.29% (2.36%)</b>		
<b>NETHERLANDS 5.17% (6.58%)</b>				999,088	Avanza Bank Holdings	29,661	1.83
	<b>Chemicals 2.11% (2.13%)</b>			300,256	Intrum Justitia	7,399	0.46
1,088,298	IMCD Group	34,142	2.11		<b>Total Sweden</b>	<b>152,941</b>	<b>9.45</b>
	<b>Industrial Engineering 0.00% (1.17%)</b>			<b>SWITZERLAND 7.74% (8.00%)</b>			
	<b>Health Care Equipment &amp; Services 1.82% (1.87%)</b>				<b>Construction &amp; Materials 4.49% (3.89%)</b>		
1,375,819	GrandVision	29,493	1.82	13,445	Belimo	33,954	2.10
	<b>Food &amp; Drug Retailers 1.24% (1.41%)</b>			10,396	Sika	38,643	2.39
702,156	Sligro Food Group	19,971	1.24		<b>General Industrials 0.60% (0.68%)</b>		
	<b>Total Netherlands</b>	<b>83,606</b>	<b>5.17</b>	7,712	Vetropack	9,696	0.60
<b>REPUBLIC OF IRELAND 6.75% (6.74%)</b>					<b>Electronic &amp; Electrical Equipment 1.41% (1.11%)</b>		
	<b>Construction &amp; Materials 2.14% (1.60%)</b>			27,624	LEM Holding	22,799	1.41
1,634,483	Kingspan Group (EUR)	34,674	2.14		<b>Industrial Engineering 1.24% (1.56%)</b>		
	<b>Support Services 0.69% (0.90%)</b>			93,909	Burckhardt Compression	20,192	1.24
2,194,880	Grafton Group	11,183	0.69		<b>Financial Services 0.00% (0.76%)</b>		
	<b>Travel &amp; Leisure 3.45% (3.77%)</b>				<b>Total Switzerland</b>	<b>125,284</b>	<b>7.74</b>
5,402,714	Dalata Hotel Group	18,723	1.16				
4,783,855	Irish Continental Group	19,324	1.20	<b>UNITED KINGDOM 1.97% (2.30%)</b>			
195,165	Paddy Power (Irish Listing)	17,650	1.09		<b>Health Care Equipment &amp; Services 1.08% (1.15%)</b>		
	<b>Real Estate Investment Trusts 0.47% (0.47%)</b>			388,252	LivaNova	17,436	1.08
6,214,371	Green REIT (Ireland Listing)	7,595	0.47		<b>Technology Hardware &amp; Equipment 0.89% (1.15%)</b>		
	<b>Total Republic of Ireland</b>	<b>109,149</b>	<b>6.75</b>	524,799	Dialog Semiconductor	14,391	0.89
					<b>Total United Kingdom</b>	<b>31,827</b>	<b>1.97</b>

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 1.05% (1.10%)</b>			
<b>Automobiles &amp; Parts 1.05% (1.10%)</b>			
209,613	Autoliv (SDR)	16,984	1.05
	<b>Total United States of America</b>	<b>16,984</b>	<b>1.05</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell EUR 212,424		
	Buy CHF 231,067 J.P. Morgan	—	—
	Sell EUR 535,834		
	Buy CHF 582,863 J.P. Morgan	(1)	—
	<b>Total Derivatives</b>	<b>(1)</b>	<b>—</b>
<b>Total value of investments</b>		<b>1,597,061</b>	<b>98.72</b>
<b>Net other assets (0.88%)</b>		<b>20,695</b>	<b>1.28</b>
<b>Net assets</b>		<b>1,617,756</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 08 March 2016 to 07 September 2016

	2016 £000	2015 £000
Total purchases for the period	149,228	223,624
Total sales for the period	131,806	193,916

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 0.53% (0.48%)</b>				<b>Technology Hardware &amp; Equipment 1.43% (1.60%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 0.53% (0.48%)</b>			342,197	Ingenico Group	22,834	1.43
190,541	Schoeller-Bleckmann Oilfield Equipment	8,409	0.53	<b>Total France</b>			
	<b>Total Austria</b>	<b>8,409</b>	<b>0.53</b>			<b>251,528</b>	<b>15.78</b>
<b>BELGIUM 5.84% (5.68%)</b>				<b>GERMANY 13.18% (11.15%)</b>			
	<b>Chemicals 1.90% (2.00%)</b>				<b>Chemicals 2.22% (1.92%)</b>		
659,212	Umicore	30,302	1.90	669,171	Brenntag	27,717	1.74
	<b>Personal Goods 2.24% (2.06%)</b>			136,341	Symrise	7,742	0.48
1,305,052	Ontex Group	35,737	2.24		<b>Industrial Engineering 2.43% (1.35%)</b>		
	<b>Media 1.00% (0.99%)</b>			338,424	Sartorius	20,491	1.28
436,250	Telenet Group	15,829	1.00	449,307	Stabilus	18,268	1.15
	<b>Travel &amp; Leisure 0.70% (0.63%)</b>				<b>Support Services 3.35% (2.83%)</b>		
336,984	Kinopolis Group	11,128	0.70	1,292,859	CTS Eventim	31,687	1.99
	<b>Total Belgium</b>	<b>92,996</b>	<b>5.84</b>	147,367	Grenkeleasing	21,620	1.36
<b>DENMARK 4.07% (4.78%)</b>					<b>Automobiles &amp; Parts 1.05% (1.16%)</b>		
	<b>Personal Goods 1.27% (2.18%)</b>			412,575	Norma Group	16,725	1.05
219,382	Pandora	20,291	1.27		<b>Health Care Equipment &amp; Services 0.50% (0.41%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.71% (0.87%)</b>			170,078	Strattec Biomedical	7,915	0.50
243,173	Chr. Hansen	11,226	0.71		<b>Software &amp; Computer Services 3.63% (3.48%)</b>		
	<b>Nonlife Insurance 0.87% (0.71%)</b>			399,569	CANCOM	14,953	0.94
910,337	Tryg	13,930	0.87	399,077	CompuGroup Medical	13,446	0.84
	<b>Software &amp; Computer Services 1.22% (1.02%)</b>			688,169	RIB Software	5,417	0.34
481,231	SimCorp	19,477	1.22	3,470,976	Tele Columbus	24,080	1.51
	<b>Total Denmark</b>	<b>64,924</b>	<b>4.07</b>		<b>Total Germany</b>	<b>210,061</b>	<b>13.18</b>
<b>FINLAND 2.18% (1.52%)</b>				<b>ISLE OF MAN 0.60% (1.01%)</b>			
	<b>Industrial Engineering 1.29% (0.76%)</b>				<b>Support Services 0.60% (1.01%)</b>		
608,529	Cargotec	20,505	1.29	2,187,299	Paysafe Group	9,611	0.60
	<b>Leisure Goods 0.89% (0.76%)</b>				<b>Total Isle of Man</b>	<b>9,611</b>	<b>0.60</b>
605,148	Amer Sports	14,160	0.89				
	<b>Total Finland</b>	<b>34,665</b>	<b>2.18</b>	<b>ITALY 12.10% (12.42%)</b>			
<b>FRANCE 15.78% (15.54%)</b>					<b>Industrial Engineering 0.86% (0.61%)</b>		
	<b>Industrial Transportation 0.78% (0.79%)</b>			273,878	Industria Macchine Automatic	13,651	0.86
1,482,002	Groupe Eurotunnel	12,441	0.78		<b>Beverages 2.14% (1.31%)</b>		
	<b>Support Services 6.68% (6.24%)</b>			4,052,244	Davide Campari-Milano	34,059	2.14
1,600,225	Bureau Veritas	26,631	1.67		<b>Household Goods &amp; Home Construction 1.05% (0.99%)</b>		
1,640,471	Edenred	28,004	1.76	897,807	De' Longhi	16,707	1.05
2,137,360	Elis IPO	28,438	1.78		<b>Personal Goods 0.84% (1.12%)</b>		
288,082	Teleperformance	23,482	1.47	758,311	Salvatore Ferragamo	13,359	0.84
	<b>Automobiles &amp; Parts 0.00% (0.68%)</b>				<b>Health Care Equipment &amp; Services 1.08% (1.01%)</b>		
	<b>Health Care Equipment &amp; Services 5.90% (5.26%)</b>			354,405	DiaSorin	17,292	1.08
72,929	Eurofins Scientific	23,078	1.45		<b>Food &amp; Drug Retailers 0.68% (0.55%)</b>		
1,278,555	Korian	35,001	2.20	720,873	MARR	10,785	0.68
535,436	Orpea	35,904	2.25		<b>Mobile Telecommunications 1.82% (1.89%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.99% (0.97%)</b>			7,614,054	Infrastructure Wireless Italia	29,105	1.82
98,383	Virbac	15,715	0.99		<b>Banks 1.73% (2.10%)</b>		
				6,090,685	FinecoBank	27,593	1.73
					<b>Financial Services 0.52% (1.28%)</b>		
				516,044	Banca Generali	8,263	0.52

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ITALY 12.10% (12.42%) (continued)</b>				<b>SWITZERLAND 3.57% (2.36%)</b>			
	Technology Hardware & Equipment 1.38% (1.56%)				Construction & Materials 3.57% (2.36%)		
535,370	Ei Towers	22,058	1.38	6,208	Belimo	15,678	0.98
	<b>Total Italy</b>	<b>192,872</b>	<b>12.10</b>	11,083	Sika	41,197	2.59
					<b>Total Switzerland</b>	<b>56,875</b>	<b>3.57</b>
<b>LUXEMBOURG 0.71% (0.66%)</b>				<b>UNITED KINGDOM 20.54% (25.51%)</b>			
	Construction & Materials 0.71% (0.66%)				Chemicals 1.05% (0.96%)		
599,211	BRAAS Monier Building Group	11,297	0.71	1,075,784	Victrex	16,739	1.05
	<b>Total Luxembourg</b>	<b>11,297</b>	<b>0.71</b>		Construction & Materials 0.33% (0.50%)		
				3,201,119	Ibstock	5,272	0.33
<b>NETHERLANDS 4.98% (5.04%)</b>					Electronic & Electrical Equipment 2.36% (2.55%)		
	Chemicals 1.93% (2.22%)			1,465,532	Halma	15,344	0.96
977,481	IMCD Group	30,665	1.93	454,286	Oxford Instruments	3,505	0.22
	Industrial Engineering 1.00% (1.04%)			697,598	Renishaw	18,828	1.18
622,031	Aalberts Industries	15,975	1.00		Industrial Engineering 0.59% (1.28%)		
	Health Care Equipment & Services 2.05% (1.78%)			213,449	Spirax-Sarco Engineering	9,370	0.59
1,524,009	GrandVision	32,670	2.05		Support Services 2.74% (2.93%)		
	<b>Total Netherlands</b>	<b>79,310</b>	<b>4.98</b>	547,398	Ashtead Group	7,253	0.46
				1,389,032	Berendsen	17,432	1.09
<b>REPUBLIC OF IRELAND 6.59% (6.28%)</b>				4,127,945	Howden Joinery Group	18,914	1.19
	Construction & Materials 1.77% (1.48%)				Household Goods & Home Construction 1.71% (1.91%)		
1,332,577	Kingspan Group (EUR)	28,270	1.77	3,364,283	Crest Nicholson Holdings	16,350	1.03
	Support Services 0.84% (0.95%)			5,846,845	McCarthy & Stone	10,787	0.68
2,617,065	Grafton Group	13,334	0.84		Health Care Equipment & Services 0.79% (1.14%)		
	Travel & Leisure 2.97% (2.98%)			280,982	LivaNova	12,619	0.79
4,560,798	Dalata Hotel Group	15,805	0.99		Pharmaceuticals & Biotechnology 1.74% (1.34%)		
3,709,865	Irish Continental Group	14,986	0.94	1,462,362	Genus	27,756	1.74
182,713	Paddy Power (Irish Listing)	16,524	1.04		Food & Drug Retailers 1.06% (0.99%)		
	Real Estate Investment Trusts 1.01% (0.87%)			9,248,424	Booker Group	16,962	1.06
13,135,969	Green REIT (Ireland Listing)	16,053	1.01		General Retailers 0.00% (0.79%)		
	<b>Total Republic of Ireland</b>	<b>104,972</b>	<b>6.59</b>		Media 0.90% (1.80%)		
				5,587,471	Ascential	14,365	0.90
<b>SPAIN 4.16% (3.04%)</b>					Travel & Leisure 1.55% (2.49%)		
	Support Services 1.99% (1.67%)			5,092,201	Merlin Entertainments	24,748	1.55
4,026,692	Applus Services	31,749	1.99		Life Insurance 2.08% (1.85%)		
	Travel & Leisure 0.57% (0.00%)			3,424,583	St James's Place	33,167	2.08
2,236,345	Telepizza Group	9,158	0.57		Real Estate Investment Trusts 2.01% (1.98%)		
	Mobile Telecommunications 1.06% (0.94%)			484,990	Derwent London	13,366	0.84
1,229,145	Cellnex Telecom	16,840	1.06	1,900,757	Shaftesbury REIT	18,618	1.17
	Real Estate Investment Trusts 0.54% (0.43%)				Financial Services 0.84% (2.36%)		
1,632,832	Lar Espana Real Estate	8,582	0.54	966,478	Close Brothers Group	13,337	0.84
	<b>Total Spain</b>	<b>66,329</b>	<b>4.16</b>		Software & Computer Services 0.79% (0.64%)		
				648,640	AVEVA Group	12,629	0.79
<b>SWEDEN 4.08% (3.29%)</b>					<b>Total United Kingdom</b>	<b>327,361</b>	<b>20.54</b>
	Food Producers 0.98% (0.84%)						
5,859,795	Cloetta 'B' Shares	15,585	0.98				
	Leisure Goods 2.05% (1.30%)						
2,476,244	Dometic Group	13,554	0.85				
1,520,727	Thule Group	19,148	1.20				
	Financial Services 1.05% (1.15%)						
561,489	Avanza Bank Holdings	16,670	1.05				
	<b>Total Sweden</b>	<b>64,957</b>	<b>4.08</b>				

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 0.77% (1.00%)</b>			
<b>Automobiles &amp; Parts 0.77% (1.00%)</b>			
150,761	Autoliv (SDR)	12,215	0.77
	<b>Total United States of America</b>	<b>12,215</b>	<b>0.77</b>
<b>DERIVATIVES 0.00% (0.02%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.02%)</b>			
	Sell EUR 239,172		
	Buy CHF 260,164 J.P. Morgan	–	–
	Sell EUR 419,072		
	Buy CHF 455,853 J.P. Morgan	(1)	–
	Sell USD 228,656		
	Buy EUR 202,300 J.P. Morgan	(1)	–
	Sell USD 350,141		
	Buy EUR 313,315 J.P. Morgan	2	–
	Sell USD 411,851		
	Buy EUR 364,694 J.P. Morgan	(1)	–
	Sell USD 446,472		
	Buy EUR 398,877 J.P. Morgan	2	–
	Sell USD 473,322		
	Buy EUR 424,364 J.P. Morgan	4	–
	Sell EUR 501,000		
	Buy GBP 418,878 RBC	(2)	–
	Sell EUR 820,000		
	Buy GBP 686,308 RBC	(3)	–
	Sell EUR 3,800,654		
	Buy USD 4,280,126 J.P. Morgan	1	–
	Sell EUR 5,538		
	Buy USD 6,190 J.P. Morgan	–	–
	Sell EUR 60,754,949		
	Buy USD 68,419,490 J.P. Morgan	10	–
	<b>Total Derivatives</b>	<b>11</b>	<b>–</b>
<b>Total value of investments</b>		<b>1,588,393</b>	<b>99.68</b>
<b>Net other assets (0.22%)</b>		<b>5,096</b>	<b>0.32</b>
<b>Net assets</b>		<b>1,593,489</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	102,348	413,795
Total sales for the period	365,017	150,013

## Threadneedle Pan European Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 2.60% (3.84%)</b>				<b>Travel &amp; Leisure 0.00% (1.20%)</b>			
	<b>Beverages 1.57% (2.86%)</b>				<b>Mobile Telecommunications 2.34% (1.45%)</b>		
61,640	Anheuser-Busch InBev	5,898	1.57	693,155	Deutsche Telekom	8,797	2.34
	<b>Banks 1.03% (0.98%)</b>				<b>Nonlife Insurance 0.98% (1.62%)</b>		
85,101	KBC Groep	3,872	1.03	32,621	Allianz	3,703	0.98
	<b>Total Belgium</b>	<b>9,770</b>	<b>2.60</b>		<b>Total Germany</b>	<b>35,352</b>	<b>9.39</b>
<b>DENMARK 3.74% (4.39%)</b>				<b>ITALY 0.75% (1.95%)</b>			
	<b>Personal Goods 1.54% (1.95%)</b>				<b>Mobile Telecommunications 0.75% (0.80%)</b>		
62,733	Pandora	5,802	1.54	743,527	Infrastructure Wireless Italia	2,842	0.75
	<b>Pharmaceuticals &amp; Biotechnology 2.20% (2.44%)</b>				<b>Banks 0.00% (1.15%)</b>		
241,942	Novo Nordisk	8,284	2.20		<b>Total Italy</b>	<b>2,842</b>	<b>0.75</b>
	<b>Total Denmark</b>	<b>14,086</b>	<b>3.74</b>	<b>NETHERLANDS 7.35% (8.86%)</b>			
<b>FINLAND 1.09% (2.31%)</b>					<b>Chemicals 1.87% (1.61%)</b>		
	<b>Industrial Engineering 1.07% (1.00%)</b>			133,270	Akzo Nobel	7,045	1.87
104,053	Kone	4,013	1.07		<b>Aerospace &amp; Defence 0.00% (2.09%)</b>		
	<b>Nonlife Insurance 0.02% (0.00%)</b>				<b>Media 2.06% (1.90%)</b>		
2,773	Sampo	94	0.02	566,182	Relx (EUR)	7,743	2.06
	<b>Technology Hardware &amp; Equipment 0.00% (1.31%)</b>				<b>Banks 1.00% (1.02%)</b>		
	<b>Total Finland</b>	<b>4,107</b>	<b>1.09</b>	395,063	ING Groep	3,764	1.00
<b>FRANCE 10.06% (10.96%)</b>					<b>Technology Hardware &amp; Equipment 2.42% (2.24%)</b>		
	<b>Electronic &amp; Electrical Equipment 2.95% (3.06%)</b>			112,109	ASML	9,105	2.42
90,555	Legrand	4,121	1.10		<b>Total Netherlands</b>	<b>27,657</b>	<b>7.35</b>
132,782	Schneider Electric	6,955	1.85	<b>REPUBLIC OF IRELAND 7.22% (5.83%)</b>			
	<b>Industrial Transportation 0.87% (0.89%)</b>				<b>Construction &amp; Materials 4.07% (2.72%)</b>		
389,706	Groupe Eurotunnel	3,272	0.87	374,004	CRH	9,552	2.54
	<b>Beverages 1.05% (1.40%)</b>			271,775	Kingspan Group	5,775	1.53
44,186	Pernod Ricard	3,957	1.05		<b>Travel &amp; Leisure 3.15% (3.11%)</b>		
	<b>Personal Goods 1.11% (1.82%)</b>			38,004	Paddy Power (Irish Listing)	3,437	0.91
28,644	L'Oreal	4,190	1.11	787,177	Ryanair Holdings	8,416	2.24
	<b>Health Care Equipment &amp; Services 1.25% (0.99%)</b>				<b>Total Republic of Ireland</b>	<b>27,180</b>	<b>7.22</b>
47,849	Essilor International	4,687	1.25	<b>SPAIN 6.40% (5.80%)</b>			
	<b>Nonlife Insurance 0.98% (1.49%)</b>				<b>Construction &amp; Materials 1.90% (1.92%)</b>		
227,679	AXA	3,696	0.98	461,510	Ferrovial	7,139	1.90
	<b>Financial Services 1.07% (1.31%)</b>				<b>Support Services 1.83% (1.39%)</b>		
106,092	Amundi	4,039	1.07	190,036	Amadeus IT Group	6,907	1.83
	<b>Software &amp; Computer Services 0.78% (0.00%)</b>				<b>General Retailers 1.59% (1.48%)</b>		
45,297	Dassault Systems	2,933	0.78	217,818	Inditex	6,003	1.59
	<b>Total France</b>	<b>37,850</b>	<b>10.06</b>		<b>Mobile Telecommunications 1.08% (1.01%)</b>		
<b>GERMANY 9.39% (12.35%)</b>				296,270	Cellnex Telecom	4,059	1.08
	<b>Chemicals 2.20% (3.28%)</b>				<b>Total Spain</b>	<b>24,108</b>	<b>6.40</b>
47,106	Bayer	3,813	1.01	<b>SWEDEN 3.55% (2.21%)</b>			
107,804	Brenntag	4,465	1.19		<b>Industrial Engineering 2.07% (1.21%)</b>		
	<b>Automobiles &amp; Parts 2.06% (3.03%)</b>			349,219	Atlas Copco 'A' Shares	7,791	2.07
47,290	Continental	7,743	2.06		<b>Banks 1.48% (1.00%)</b>		
	<b>Health Care Equipment &amp; Services 1.81% (1.77%)</b>			547,884	Svenska Handelsbanken	5,572	1.48
101,145	Fresenius Medical Care	6,831	1.81		<b>Total Sweden</b>	<b>13,363</b>	<b>3.55</b>



## Threadneedle Pan European Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 15.01% (9.54%)</b>				<b>Financial Services 1.51% (2.58%)</b>			
	<b>Construction &amp; Materials 2.92% (1.89%)</b>			895,969	3i Group	5,689	1.51
2,951	Sika	10,969	2.92	<b>Technology Hardware &amp; Equipment 0.00% (1.26%)</b>			
	<b>Food Producers 3.62% (0.00%)</b>			<b>Total United Kingdom</b>			
224,060	Nestle	13,628	3.62			<b>112,884</b>	<b>29.99</b>
	<b>Personal Goods 0.94% (1.00%)</b>			<b>Total value of investments</b>			
77,473	Cie Financiere Richemont	3,550	0.94			<b>365,698</b>	<b>97.15</b>
	<b>Pharmaceuticals &amp; Biotechnology 7.53% (5.15%)</b>			<b>Net other assets (0.34%)</b>			
169,038	Novartis	10,125	2.69			<b>10,731</b>	<b>2.85</b>
97,768	Roche	18,227	4.84	<b>Net assets</b>			
	<b>Banks 0.00% (1.50%)</b>					<b>376,429</b>	<b>100.00</b>
	<b>Total Switzerland</b>	<b>56,499</b>	<b>15.01</b>	<i>March 2016 comparatives in brackets.</i>			
<b>UNITED KINGDOM 29.99% (31.62%)</b>				<b>Total Purchases and Sales</b>			
	<b>Oil &amp; Gas Producers 3.92% (3.09%)</b>			<i>for the accounting period 8 March 2016 to 7 September 2016</i>			
750,104	Royal Dutch Shell B Shares	14,758	3.92			<b>2016</b>	<b>2015</b>
	<b>Oil Equipment, Services &amp; Distribution 1.80% (0.00%)</b>					<b>£000</b>	<b>£000</b>
970,023	John Wood Group	6,780	1.80	Total purchases for the period			
	<b>Chemicals 1.20% (1.06%)</b>			Total sales for the period			
137,536	Johnson Matthey	4,530	1.20			120,391	149,851
	<b>Household Goods &amp; Home Construction 3.11% (3.79%)</b>					156,375	136,233
346,725	Persimmon	6,283	1.67				
73,093	Reckitt Benckiser Group	5,408	1.44				
	<b>Personal Goods 5.41% (4.81%)</b>						
281,817	Burberry Group	3,712	0.99				
459,563	Unilever	16,643	4.42				
	<b>Tobacco 4.03% (4.44%)</b>						
156,910	British American Tobacco	7,540	2.00				
190,512	Imperial Brands	7,635	2.03				
	<b>Health Care Equipment &amp; Services 1.06% (0.97%)</b>						
325,949	Smith & Nephew	3,990	1.06				
	<b>Media 1.07% (0.00%)</b>						
1,968,073	ITV	4,037	1.07				
	<b>Travel &amp; Leisure 1.02% (1.06%)</b>						
264,077	Compass Group	3,853	1.02				
	<b>Fixed Line Telecommunications 1.83% (3.91%)</b>						
1,757,339	BT Group	6,866	1.83				
	<b>Life Insurance 4.03% (4.65%)</b>						
1,864,549	Legal & General Group	3,986	1.06				
352,199	Prudential	4,943	1.31				
643,326	St James's Place	6,231	1.66				

## Threadneedle European Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.75% (1.40%)</b>					<b>BERMUDA 0.34% (0.00%)</b>				
		<b>A- 0.42% (0.44%)</b>					<b>BBB+ 0.34% (0.00%)</b>		
EUR	764,000	AusNet Services Holdings 2.375% 24/07/2020	699	0.42	EUR	605,000	Bacardi 2.75% 03/07/2023	579	0.34
		<b>BBB+ 0.86% (0.78%)</b>					<b>Total Bermuda</b>	<b>579</b>	<b>0.34</b>
EUR	559,000	Aurizon Network 2% 18/09/2024	492	0.29	<b>CANADA 0.21% (0.00%)</b>				
EUR	555,000	*BHP Billiton Finance 5.625% 22/10/2079	531	0.31			<b>BBB- 0.21% (0.00%)</b>		
EUR	474,000	SGSP Australia Assets 2% 30/06/2022	431	0.26	GBP	325,000	Repsol Oil & Gas 6.625% 05/12/2017	345	0.21
		<b>BBB 0.20% (0.00%)</b>					<b>Total Canada</b>	<b>345</b>	<b>0.21</b>
EUR	385,000	APT Pipelines 2% 22/03/2027	334	0.20	<b>CAYMAN ISLANDS 1.01% (1.05%)</b>				
		<b>BBB- 0.07% (0.00%)</b>					<b>BBB 1.01% (1.05%)</b>		
GBP	100,000	Asciano Finance 5% 19/09/23	114	0.07	GBP	1,090,000	*Thames Water Utilities Cayman Finance 5.375% 21/07/2025	1,127	0.67
		<b>BB+ 0.20% (0.18%)</b>			GBP	557,000	*Yorkshire Water Services Bradford Finance 6% 24/04/2025	573	0.34
EUR	388,000	*Santos Finance FRN 8.25% 22/09/2070	337	0.20			<b>Total Cayman Islands</b>	<b>1,700</b>	<b>1.01</b>
		<b>Total Australia</b>	<b>2,938</b>	<b>1.75</b>	<b>CHILE 1.37% (1.95%)</b>				
<b>AUSTRIA 1.00% (0.95%)</b>							<b>AA- 1.37% (1.95%)</b>		
		<b>AA+ 0.50% (0.48%)</b>			EUR	2,500,000	Chile Government International Bond 1.625% 30/01/2025	2,300	1.37
EUR	620,000	Austria Government Bond 3.15% 20/06/2044	847	0.50			<b>Total Chile</b>	<b>2,300</b>	<b>1.37</b>
		<b>BBB- 0.13% (0.00%)</b>			<b>DENMARK 1.14% (1.14%)</b>				
EUR	200,000	Erste Group Bank 7.125% 10/10/2022	213	0.13			<b>AAA 0.89% (0.95%)</b>		
		<b>Baa3 0.19% (0.00%)</b>			DKK	12,800,000	Realkredit Danmark 1% 01/04/2020	1,499	0.89
EUR	300,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	317	0.19			<b>BBB 0.25% (0.00%)</b>		
		<b>BB+ 0.00% (0.13%)</b>			EUR	444,000	ISS Global 2.125% 02/12/2024	412	0.25
		<b>Ba1 0.00% (0.19%)</b>					<b>BBB- 0.00% (0.19%)</b>		
		<b>Ca 0.18% (0.15%)</b>					<b>Total Denmark</b>	<b>1,911</b>	<b>1.14</b>
EUR	50,000	Heta Asset Resolution 4.25% 31/10/2016	37	0.02	<b>FINLAND 0.15% (0.31%)</b>				
EUR	350,000	Heta Asset Resolution 4.375% 24/01/2017	260	0.16			<b>Baa2 0.15% (0.31%)</b>		
		<b>Total Austria</b>	<b>1,674</b>	<b>1.00</b>	EUR	273,000	Sampo 1.5% 16/09/2021	244	0.15
<b>BELGIUM 1.69% (1.24%)</b>							<b>Total Finland</b>	<b>244</b>	<b>0.15</b>
		<b>A- 0.72% (0.40%)</b>			<b>FRANCE 7.85% (7.75%)</b>				
EUR	1,025,000	Anheuser-Busch InBev 2.7% 31/03/2026	1,013	0.60			<b>AA 1.70% (1.81%)</b>		
EUR	200,000	Anheuser-Busch InBev 2.75% 17/03/2036	201	0.12	EUR	1,450,000	Dexia Credit 0.25% 19/03/2020	1,236	0.74
		<b>BBB- 0.10% (0.00%)</b>			EUR	1,850,000	Dexia Credit Local 0.625% 21/01/2022	1,614	0.96
EUR	200,000	*Argenta Spaarbank 3.875% 24/05/2026	176	0.10			<b>Aa2u 3.21% (3.34%)</b>		
		<b>BB 0.16% (0.17%)</b>			EUR	2,180,000	France Government Bond OAT 2.5% 25/05/2030	2,356	1.41
EUR	313,000	*KBC Groep 5.625% 19/12/2049	261	0.16	EUR	2,265,000	France Government Bond OAT 3.25% 25/05/2045	3,023	1.80
		<b>Not Rated 0.71% (0.67%)</b>					<b>AA- 0.00% (0.05%)</b>		
EUR	1,150,000	Belgium Government Bond 1.9% 22/06/2038	1,189	0.71	EUR	1,000,000	RTE Réseau de transport d'électricité 1% 19/10/2026	885	0.53
		<b>Total Belgium</b>	<b>2,840</b>	<b>1.69</b>			<b>A+ 0.53% (0.68%)</b>		
					EUR	600,000	Banque Fédérative du Crédit Mutuel 1.625% 19/01/2026	557	0.33
					GBP	400,000	Electricite de France 5.5% 17/10/2041	593	0.35

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>FRANCE 7.85% (7.75%) (continued)</b>					<b>ICELAND 0.38% (0.39%)</b>				
	<b>A- 0.40% (0.16%)</b>					<b>BBB- 0.38% (0.39%)</b>			
EUR	200,000	Air Liquide Finance 0.375% 18/04/2022	171	0.10	EUR	726,000	Arion Banki 3.125% 12/03/2018	630	0.38
EUR	250,000	Autorout 4.125% 13/04/2020	242	0.14		<b>Total Iceland</b>		<b>630</b>	<b>0.38</b>
EUR	300,000	AXA 1.125% 15/05/2028	268	0.16					
	<b>Baa1 0.34% (0.33%)</b>				<b>INDONESIA 1.43% (1.45%)</b>				
EUR	600,000	Sanef 1.875% 16/03/2026	568	0.34		<b>BB+ 1.43% (1.45%)</b>			
	<b>BBB 0.27% (0.28%)</b>				EUR	2,650,000	Indonesia Government International Bond 2.875% 08/07/2021	2,394	1.43
EUR	200,000	*BPCE 2.75% 30/11/2027	176	0.11		<b>Total Indonesia</b>		<b>2,394</b>	<b>1.43</b>
EUR	300,000	Credit Mutuel 3.25% 01/06/2026	273	0.16					
	<b>BBB- 0.32% (0.56%)</b>				<b>ITALY 5.40% (10.75%)</b>				
EUR	275,000	*Orange 4% 26/10/2049	248	0.15		<b>Baa2u 3.59% (8.14%)</b>			
EUR	300,000	TDF Infrastructure 2.875% 19/10/2022	281	0.17	EUR	3,530,000	Buoni Poliennali Del Tesoro 2.7% 01/03/2047	3,350	2.00
	<b>BB+ 0.09% (0.00%)</b>				EUR	1,000,000	Buoni Poliennali Del Tesoro 3.25% 01/09/2046	1,057	0.63
EUR	184,000	*Credit Agricole 6.5% 23/12/2049	156	0.09	EUR	1,375,000	Buoni Poliennali Del Tesoro 3.5% 01/03/2030	1,459	0.87
	<b>BB 0.00% (0.10%)</b>				EUR	115,000	Buoni Poliennali Del Tesoro 4.75% 01/09/2044	152	0.09
	<b>B+ 0.11% (0.11%)</b>					<b>Baa3 0.18% (0.20%)</b>			
EUR	202,000	Numericable-SFR 5.375% 15/05/2022	178	0.11	GBP	132,000	Acquedotto Pugliese 6.92% 29/06/2018	138	0.08
	<b>Not Rated 0.20% (0.00%)</b>				EUR	180,000	*Assicurazioni Generali FRN 27/10/2047	161	0.10
EUR	400,000	Compagnie Finance 0.75% 09/09/2028	337	0.20		<b>BB+ 0.16% (0.11%)</b>			
	<b>Total France</b>		<b>13,162</b>	<b>7.85</b>	GBP	250,000	Telecom Italia 7.375% 15/12/2017	268	0.16
<b>GERMANY 1.59% (8.78%)</b>						<b>Not Rated 1.47% (2.30%)</b>			
	<b>Aaa 0.00% (7.16%)</b>				EUR	2,900,000	Banca Monte dei Paschi di Siena 3.5% 20/03/2017	2,475	1.47
EUR	300,000	*Allianz SE 2.241% 07/07/2045	251	0.15		<b>Total Italy</b>		<b>9,060</b>	<b>5.40</b>
	<b>BBB+ 0.45% (0.47%)</b>				<b>JAPAN 0.00% (0.14%)</b>				
EUR	836,000	CRH Finance Germany 1.75% 16/07/2021	752	0.45		<b>BB+ 0.00% (0.14%)</b>			
	<b>Baa1 0.57% (0.56%)</b>					<b>Total Japan</b>		<b>-</b>	<b>-</b>
EUR	1,000,000	Eurogrid 1.875% 10/06/2025	949	0.57	<b>JERSEY 1.04% (0.96%)</b>				
	<b>BB- 0.08% (0.08%)</b>					<b>A- 0.72% (0.45%)</b>			
EUR	150,000	Unitymedia Hessen 4% 15/01/2025	133	0.08	GBP	400,000	Heathrow Funding 0% 31/10/2048	591	0.35
	<b>B 0.07% (0.07%)</b>				EUR	453,000	Heathrow Funding 1.875% 23/05/2022	414	0.25
EUR	130,000	Deutsche Raststaetten Gruppe IV 6.75% 30/12/2020	115	0.07	EUR	220,000	UBS Group Fund 2.125% 04/03/2024	202	0.12
	<b>Not Rated 0.27% (0.29%)</b>					<b>BBB+ 0.00% (0.12%)</b>			
EUR	500,000	Telefonica Deutsch 2.375% 10/02/2021	459	0.27		<b>BBB- 0.32% (0.39%)</b>			
	<b>Total Germany</b>		<b>2,659</b>	<b>1.59</b>	GBP	545,000	UBM 6.5% 23/11/2016	546	0.32
<b>GUERNSEY 0.21% (0.21%)</b>						<b>Total Jersey</b>		<b>1,753</b>	<b>1.04</b>
	<b>BBB+ 0.21% (0.21%)</b>				<b>LUXEMBOURG 1.12% (0.99%)</b>				
EUR	405,000	Credit Suisse 1.25% 14/04/2022	346	0.21		<b>BBB 1.12% (0.99%)</b>			
	<b>Total Guernsey</b>		<b>346</b>	<b>0.21</b>	EUR	683,000	GELF Bond Issuer I 3.13% 03/04/2018	601	0.36
<b>HUNGARY 6.18% (4.68%)</b>					EUR	800,000	Grand City Properties 1.5% 17/04/2025	693	0.41
	<b>BB+ 6.18% (4.68%)</b>				EUR	666,000	Holcim Finance 1.375% 26/05/2023	592	0.35
HUF	2,064,170,000	Hungary Government Bond 5.5% 24/06/2025	6,827	4.07		<b>Total Luxembourg</b>		<b>1,886</b>	<b>1.12</b>
EUR	3,750,000	Hungary Government International Bond 3.875% 24/02/2020	3,533	2.11					
	<b>Total Hungary</b>		<b>10,360</b>	<b>6.18</b>					

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>MEXICO 2.24% (2.19%)</b>									
		<b>BBB+ 2.24% (2.19%)</b>							
EUR	350,000	Petroleos Mexicanos 1.875% 21/04/2022	286	0.17					
EUR	1,000,000	United Mexican States 4% 15/03/2115	839	0.50					
EUR	2,900,000	United Mexican States 5.625% 09/04/2021	2,625	1.57					
		<b>Total Mexico</b>	<b>3,750</b>	<b>2.24</b>					
<b>NETHERLANDS 7.75% (5.91%)</b>									
		<b>AAA 0.91% (0.97%)</b>							
EUR	1,790,000	Nederlandse Financierings 0.125% 20/04/2022	1,534	0.91					
		<b>AA 0.28% (0.30%)</b>							
EUR	542,000	Roche Finance Europe 0.5% 27/02/2023	469	0.28					
		<b>AA- 0.40% (0.00%)</b>							
EUR	400,000	Alliander 0.875% 22/04/2026	352	0.21					
EUR	350,000	Nederland Gasunie 1% 11/05/2026	312	0.19					
		<b>A+ 0.43% (0.44%)</b>							
EUR	272,000	Enexis Holding 1.5% 20/10/2023	250	0.15					
EUR	500,000	Schiphol Nederland 2% 05/10/2026	479	0.28					
		<b>A 0.44% (0.00%)</b>							
EUR	520,000	ABB Finance 0.625% 03/05/2023	451	0.27					
EUR	315,000	Airbus Group Finance 1.375% 13/05/2031	283	0.17					
		<b>A- 0.30% (0.31%)</b>							
EUR	518,000	Tennet Holding 1.875% 13/06/2036	500	0.30					
		<b>BBB+ 1.19% (0.33%)</b>							
EUR	500,000	*Deutsche Telekom FRN 03/04/2020	421	0.25					
EUR	600,000	JAB Holdings 1.75% 25/05/2023	539	0.32					
EUR	785,000	Vesteda Finance 1.75% 22/07/2019	686	0.41					
EUR	400,000	Vonovia Finance 1.5% 10/06/2026	355	0.21					
		<b>Baa1 0.25% (0.00%)</b>							
EUR	495,000	Evonik Finance 0.375% 07/09/2024	414	0.25					
		<b>BBB 0.57% (0.93%)</b>							
EUR	325,000	*Eneco Holding 3.25% 29/12/2049	282	0.17					
EUR	322,000	Madrilena Red de Gas Finance 3.779% 11/09/2018	291	0.17					
EUR	261,000	*Tennet Holding FRN 6.655% 29/06/2049	229	0.14					
EUR	185,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	160	0.09					
		<b>BBB- 0.73% (0.32%)</b>							
EUR	300,000	Koninklijke KPN 1.125% 11/09/2028	251	0.15					
GBP	350,000	RWE Finance 5.625% 06/12/2023	440	0.26					
EUR	200,000	*Vonovia Finance 4% 29/12/2049	179	0.11					
EUR	400,000	*Vonovia Finance 4.625% 08/04/2074	357	0.21					
		<b>Baa3 0.19% (0.17%)</b>							
EUR	365,000	Redexis Gas Finance 1.875% 27/04/2027	313	0.19					
		<b>BB+ 0.20% (0.20%)</b>							
EUR	390,000	*SNS Bank FRN 05/11/2025	335	0.20					
					<b>Not Rated 1.86% (1.94%)</b>				
					EUR	3,600,000	Netherlands Government 0.25% 15/07/2025	3,126	1.86
							<b>Total Netherlands</b>	<b>13,008</b>	<b>7.75</b>
					<b>NORWAY 1.75% (1.68%)</b>				
							<b>AAA 1.35% (1.44%)</b>		
					EUR	2,320,000	DNB Boligkreditt 2.75% 21/03/2022	2,265	1.35
							<b>AA- 0.17% (0.00%)</b>		
					EUR	325,000	Avinor 1% 29/04/2025	285	0.17
							<b>A1 0.23% (0.24%)</b>		
					EUR	429,000	SpareBank 1 SR Bank 2.125% 27/02/2019	378	0.23
							<b>Total Norway</b>	<b>2,928</b>	<b>1.75</b>
					<b>PORTUGAL 0.03% (0.04%)</b>				
							<b>Not Rated 0.03% (0.04%)</b>		
					EUR	300,000	Novo Banco 4% 21/01/2019 (Defaulted)	58	0.03
							<b>Total Portugal</b>	<b>58</b>	<b>0.03</b>
					<b>REPUBLIC OF IRELAND 1.21% (2.02%)</b>				
							<b>A+ 0.00% (0.95%)</b>		
							<b>BBB+ 0.50% (0.34%)</b>		
					EUR	475,000	Ryanair 1.125% 10/03/2023	410	0.24
					EUR	490,000	Transmission Finance 1.5% 24/05/2023	433	0.26
							<b>BBB- 0.48% (0.00%)</b>		
					EUR	931,000	FCA Capital Ireland 1.375% 17/04/2020	807	0.48
							<b>BB+ 0.00% (0.50%)</b>		
							<b>B+ 0.23% (0.23%)</b>		
					EUR	265,000	*Allied Irish Banks 4.125% 26/11/2025	214	0.13
					EUR	200,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	164	0.10
							<b>Total Republic of Ireland</b>	<b>2,028</b>	<b>1.21</b>
					<b>SINGAPORE 0.23% (0.23%)</b>				
							<b>AAA 0.23% (0.23%)</b>		
					EUR	425,000	Temasek Financial 1.5% 01/03/2028	388	0.23
							<b>Total Singapore</b>	<b>388</b>	<b>0.23</b>
					<b>SLOVENIA 2.01% (1.68%)</b>				
							<b>A 2.01% (0.00%)</b>		
					EUR	2,750,000	Slovenia Government Bond 3% 08/04/2021	2,623	1.56
					EUR	905,000	Slovenia Government International Bond 1.5% 25/03/2035	746	0.45
							<b>A- 0.00% (1.68%)</b>		
							<b>Total Slovenia</b>	<b>3,369</b>	<b>2.01</b>
					<b>SOUTH KOREA 1.69% (1.81%)</b>				
							<b>AA 1.69% (0.00%)</b>		
					EUR	3,170,000	Export-Import Bank of Korea 2% 30/04/2020	2,839	1.69
							<b>AA- 0.00% (1.81%)</b>		
							<b>Total South Korea</b>	<b>2,839</b>	<b>1.69</b>

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>SPAIN 17.61% (5.33%)</b>					<b>UNITED KINGDOM 21.39% (22.83%)</b>				
	<b>BBB+ 16.82% (4.65%)</b>					<b>AAA 0.76% (0.80%)</b>			
EUR	7,600,000	Spain Government Bond 0.75% 30/07/2021	6,592	3.93	GBP	613,000	Bank of Scotland 4.875% 20/12/2024	790	0.47
EUR	12,605,000	Spain Government Bond 1.95% 30/04/2026	11,581	6.90	EUR	534,000	Wellcome Trust 1.125% 21/01/2027	479	0.29
EUR	1,145,000	Spain Government Bond 2.15% 31/10/2025	1,070	0.64		<b>Aa1u 12.51% (14.71%)</b>			
EUR	530,000	Spain Government Bond 5.15% 31/10/2044	750	0.45	GBP	1,500,000	United Kingdom Gilt 1.5% 22/01/2021	1,585	0.95
EUR	7,500,000	Spain Government Bond 5.85% 31/01/2022	8,226	4.90	GBP	1,000,000	United Kingdom Gilt 1.75% 22/01/2017	1,006	0.60
	<b>Baa1 0.35% (0.37%)</b>				GBP	385,000	United Kingdom Gilt 3.5% 22/01/2045	584	0.35
EUR	667,000	Aigues de Barcelona Finance 1.944% 15/09/2021	588	0.35	GBP	1,475,000	United Kingdom Gilt 3.5% 22/07/2068	2,796	1.67
	<b>BBB 0.44% (0.31%)</b>				GBP	2,735,000	United Kingdom Gilt 4.5% 07/09/2034	4,228	2.52
GBP	250,000	Telefonica Emisiones 5.375% 02/02/2018	265	0.16	GBP	200,000	United Kingdom Gilt 4.75% 07/12/2030	302	0.18
GBP	400,000	Telefonica Emisiones 5.597% 12/03/2020	462	0.28	GBP	7,100,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2026	8,886	5.30
	<b>Total Spain</b>		<b>29,534</b>	<b>17.61</b>	GBP	900,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2046	1,583	0.94
<b>SUPRANATIONAL 1.01% (1.05%)</b>						<b>A+ 0.23% (0.24%)</b>			
	<b>Aa1 0.35% (0.32%)</b>				EUR	425,000	Motability Operations 1.625% 09/06/2023	386	0.23
EUR	550,000	Euro Stability Mechanism 1.85% 01/12/2055	584	0.35		<b>A 0.30% (0.00%)</b>			
	<b>AA- 0.66% (0.73%)</b>				EUR	280,000	HSBC Holdings 0.875% 06/09/2024	236	0.14
EUR	1,240,000	Corp Andina de Fomento 4.625% 29/03/2018	1,118	0.66	EUR	300,000	Lloyds Bank 1.375% 08/09/2022	266	0.16
	<b>Total Supranational</b>		<b>1,702</b>	<b>1.01</b>		<b>A- 1.16% (1.35%)</b>			
<b>SWEDEN 0.15% (0.00%)</b>					EUR	460,000	BAT International Finance 1% EMTN 23/05/2022	403	0.24
	<b>A 0.15% (0.00%)</b>				GBP	200,000	*HSBC Bank 5% 20/03/2023	208	0.12
EUR	304,000	Atlas Copco 0.625% 30/08/2026	257	0.15	GBP	900,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,343	0.80
	<b>Total Sweden</b>		<b>257</b>	<b>0.15</b>		<b>BBB+ 1.05% (0.00%)</b>			
<b>SWITZERLAND 1.18% (1.00%)</b>					GBP	506,000	*BG Energy Capital 6.5% 30/11/2072	535	0.32
	<b>Aaa 0.56% (0.59%)</b>					<b>BBB 1.02% (0.33%)</b>			
EUR	1,074,000	Credit Suisse 0.75% 17/09/2021	941	0.56	EUR	485,000	British Telecommunications 1.125% 10/03/2023	427	0.25
	<b>A 0.51% (0.30%)</b>				GBP	300,000	*Telereal Securitisation 4.0902% 10/12/2033	314	0.19
EUR	435,000	Credit Suisse 1.5% 10/04/2026	388	0.23	EUR	545,000	Vodafone Group 1.25% 25/08/2021	482	0.29
EUR	510,000	Swisscom 1.875% 08/09/2021	467	0.28		<b>Baa1 0.19% (0.30%)</b>			
	<b>BB+ 0.11% (0.00%)</b>				EUR	190,000	Hammerson 1.75% 15/03/2023	166	0.10
EUR	200,000	*UBS Group 5.75% 29/12/2049	176	0.11	EUR	175,000	Hammerson 2% 01/07/2022	155	0.09
	<b>BB 0.00% (0.11%)</b>					<b>BBB 1.02% (0.33%)</b>			
	<b>Total Switzerland</b>		<b>1,972</b>	<b>1.18</b>	EUR	325,000	Babcock International Group 1.75% 06/10/2022	287	0.17
<b>UNITED ARAB EMIRATES 0.15% (0.15%)</b>					GBP	150,000	BSKYB Finance UK 5.75% 20/10/2017	158	0.09
	<b>A3 0.15% (0.00%)</b>				GBP	425,000	Imperial Brands Finance 7.75% 24/06/2019	502	0.30
EUR	300,000	Emirates 1.75% 23/03/2022	254	0.15	GBP	400,000	InterContinental Hotels Group 6% 09/12/2016	405	0.24
	<b>Baa1 0.00% (0.15%)</b>				EUR	407,000	*NGG Finance 4.25% 18/06/2076	371	0.22
	<b>Total United Arab Emirates</b>		<b>254</b>	<b>0.15</b>		<b>Baa2 0.19% (0.26%)</b>			
					GBP	300,000	BUPA Finance 3.375% 17/06/2021	327	0.19
						<b>BBB- 1.30% (1.32%)</b>			
					GBP	676,000	G4S 7.75% 13/05/2019	778	0.46
					GBP	349,000	GKN Holdings 6.75% 28/10/2019	405	0.24
					GBP	691,000	Go-Ahead Group 5.375% 29/09/2017	722	0.43
					EUR	320,000	Royal Bank of Scotland 2.5% 22/03/2023	277	0.17

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 21.39% (22.83%) (continued)</b>						<b>BBB– 0.86% (0.62%)</b>			
		<b>Baa3 0.79% (1.17%)</b>			EUR	800,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	681	0.41
GBP	615,000	National Express Group 6.25% 13/01/2017	626	0.37	EUR	470,000	Kraft Heinz Foods 2% 30/06/2023	431	0.26
GBP	487,000	Safeway 6% 10/01/2017	494	0.29	EUR	375,000	Molson Coors Brewing 1.25% 15/07/2024	325	0.19
GBP	200,000	*TSB Banking Group 5.75% 06/05/2026	211	0.13					
		<b>BB 0.00% (0.22%)</b>					<b>BB 0.15% (0.00%)</b>		
		<b>BB– 0.52% (0.49%)</b>			EUR	300,000	Fiat Finance North America 5.625% 12/06/2017	261	0.15
GBP	140,000	Jerrold Finco 9.75% 15/09/2018	147	0.09			<b>BB– 0.00% (0.17%)</b>		
GBP	200,000	*Lloyds Banking Group 7.875% 29/12/2049	210	0.13			<b>Total United States of America</b>	<b>6,596</b>	<b>3.93</b>
GBP	325,000	Southern Water Greensands Financing 8.5% 15/04/2019	369	0.22					
GBP	125,000	Virgin Media Secured Finance 5.125% 15/01/2025	133	0.08					
		<b>B+ 0.12% (0.12%)</b>			<b>DERIVATIVES –1.04% (–0.28%)</b>				
GBP	200,000	*Barclays Bank 7.75% 08/03/2075	200	0.12			<b>Credit Default Swaps –0.80% (–0.25%)</b>		
		<b>CCC+ 0.08% (0.00%)</b>			EUR	(19,250,000)	Barclays Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2021 Spread 500	(1,333)	(0.80)
GBP	115,000	Annington Finance No.5 PIK 13% 15/01/2023	134	0.08			<b>Futures and Options –0.05% (0.00%)</b>		
		<b>Not Rated 1.17% (1.52%)</b>			EUR	166	UBS EURO-Bobl Future Expiring December 2016	26	0.02
GBP	295,000	*Cattles 7.125% 05/07/2017 (Defaulted)	2	–	EUR	(88)	UBS EURO-Btp Bond Future Expiring December 2016	(81)	(0.05)
GBP	480,000	First Hydro Finance 9% 31/07/2021	642	0.38	EUR	90	UBS EURO Bond Future Expiring December 2016	73	0.04
GBP	862,000	*Pennon Group 6.75% 08/03/2018	903	0.54	EUR	(39)	UBS EURO Buxl 30 Year Future Expiring December 2016	(103)	(0.06)
GBP	415,000	Virgin Money 2.25% 21/04/2020	421	0.25	GBP	(35)	UBS Long Gilt Future Expiring December 2016	3	–
		<b>Total United Kingdom</b>	<b>35,884</b>	<b>21.39</b>					
<b>UNITED STATES OF AMERICA 3.93% (2.60%)</b>							<b>Forward Foreign Exchange Contracts –0.19% (–0.03%)</b>		
		<b>AAA 0.17% (0.00%)</b>					Sell HUF 509,564,051		
EUR	320,000	Johnson & Johnson 0.65% 20/05/2024	279	0.17			Buy EUR 1,645,807 RBC	(4)	–
		<b>AA 0.46% (0.45%)</b>					Sell DKK 12,944,192		
EUR	900,000	Berkshire Hathaway 1.125% 16/03/2027	777	0.46			Buy EUR 1,740,608 Goldman Sachs	1	–
		<b>AA– 0.37% (0.00%)</b>					Sell GBP 1,646,341		
EUR	210,000	Coca-Cola 1.1% 02/09/2036	178	0.11			Buy EUR 1,934,459 J.P. Morgan	(20)	(0.01)
EUR	460,000	Metropolitan Life Global Funding I 2.375% 11/01/23 EUR	435	0.26			Sell GBP 1,858,086		
		<b>A 0.00% (0.17%)</b>					Buy EUR 2,185,287 UBS	(21)	(0.01)
		<b>A– 0.25% (0.00%)</b>					Sell GBP 3,328,021		
EUR	500,000	JP Morgan Chase 0.625% 25/01/2024	425	0.25			Buy EUR 3,861,404 J.P. Morgan	(82)	(0.05)
		<b>BBB+ 0.95% (0.97%)</b>					Sell GBP 28,002		
GBP	600,000	AT&T 5.5% 15/03/2027	789	0.47			Buy EUR 33,300 UBS	–	–
EUR	342,000	Bank of America 2.375% 19/06/2024	326	0.19			Sell GBP 500,000		
EUR	521,000	Citigroup 2.125% 10/09/2026	493	0.29			Buy EUR 593,323 Citigroup	(1)	–
		<b>BBB 0.72% (0.22%)</b>					Sell GBP 543,042		
EUR	485,000	Digital Euro Finco 2.625% 15/04/2024	434	0.26			Buy EUR 627,620 Goldman Sachs	(15)	(0.01)
EUR	415,000	Liberty Mutual Group 2.75% 04/05/2026	379	0.23			Sell GBP 541,075		
EUR	440,000	Mondelez International 1.625% 08/03/2027	383	0.23			Buy EUR 628,659 UBS	(13)	(0.01)
							Sell GBP 664,976		
							Buy EUR 768,453 Goldman Sachs	(19)	(0.01)
							Sell GBP 6,885,635		
							Buy EUR 8,051,651 UBS	(116)	(0.07)
							Sell HUF 3,005,662,747		
							Buy EUR 9,674,851 HSBC	(51)	(0.03)
							Sell EUR 1,261,113		
							Buy GBP 1,056,153 Goldman Sachs	(4)	–
							Sell EUR 261,000		
							Buy GBP 218,218 RBC	(1)	–

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES –1.04% (–0.28%) (continued)</b>			
	Sell EUR 3,173,910		
	Buy HUF 984,327,739 HSBC	12	0.01
	<b>Total Derivatives</b>	<b>(1,749)</b>	<b>(1.04)</b>
<b>Total value of investments</b>		<b>159,599</b>	<b>95.15</b>
<b>Net other assets (7.62%)</b>		<b>8,133</b>	<b>4.85</b>
<b>Net assets</b>		<b>167,732</b>	<b>100.00</b>

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	152,040	95.26
Floating rate notes	9,308	5.83
Derivatives	(1,749)	(1.09)
<b>Total value of investments</b>	<b>159,599</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO-Bobl Future Expiring December 2016	18,415
UBS EURO-Btp Bond Future Expiring December 2016	(10,676)
UBS EURO Bond Future Expiring December 2016	12,519
UBS EURO Buxl 30 Year Future Expiring December 2016	(6,331)
UBS Long Gilt Future Expiring December 2016	(4,593)
<b>Total net exposure</b>	<b>9,334</b>

March 2016 comparatives in brackets.

\*Variable rate bonds.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	111,294	151,485
Total sales for the period	101,559	206,991



## Threadneedle European Corporate Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 3.92% (4.80%)</b>					<b>CANADA 0.25% (0.00%)</b>				
		<b>A- 0.85% (1.28%)</b>					<b>BBB- 0.25% (0.00%)</b>		
EUR	1,627,000	AusNet Services Holdings 2.375% 24/07/2020	1,489	0.85	GBP	410,000	Repsol Oil & Gas 6.625% 05/12/2017	435	0.25
		<b>BBB+ 2.15% (3.14%)</b>					<b>Total Canada</b>	<b>435</b>	<b>0.25</b>
EUR	1,247,000	Aurizon Network 2% 18/09/2024	1,097	0.62	<b>CAYMAN ISLANDS 1.58% (2.54%)</b>				
EUR	990,000	*BHP Billiton Finance 5.625% 22/10/2079	947	0.54			<b>BBB 1.40% (2.54%)</b>		
EUR	1,904,000	SGSP Australia Assets 2% 30/06/2022	1,733	0.99	GBP	1,678,000	*Thames Water Utilities Cayman Finance 5.375% 21/07/2025	1,735	0.99
		<b>BBB 0.53% (0.00%)</b>			GBP	700,000	*Yorkshire Water Services Bradford Finance 6% 24/04/2025	720	0.41
EUR	1,075,000	APT Pipelines 2% 22/03/2027	933	0.53			<b>BB+ 0.18% (0.00%)</b>		
		<b>BBB- 0.19% (0.00%)</b>			USD	427,000	Noble Holding International 4% 16/03/2018	314	0.18
GBP	300,000	Asciano Finance 5% 19/09/23	343	0.19			<b>Total Cayman Islands</b>	<b>2,769</b>	<b>1.58</b>
		<b>BB+ 0.20% (0.38%)</b>			<b>DENMARK 1.04% (0.80%)</b>				
EUR	404,000	*Santos Finance FRN 8.25% 22/09/2070	351	0.20			<b>BBB 1.04% (0.00%)</b>		
		<b>Total Australia</b>	<b>6,893</b>	<b>3.92</b>	EUR	1,960,000	ISS Global 2.125% 02/12/2024	1,819	1.04
<b>AUSTRIA 0.91% (1.56%)</b>							<b>BBB- 0.00% (0.80%)</b>		
		<b>A- 0.10% (0.00%)</b>					<b>Total Denmark</b>	<b>1,819</b>	<b>1.04</b>
EUR	200,000	*Vienna Insurance Group Wiener Versicherung Gruppe 5.5% 09/10/2043	183	0.10	<b>FINLAND 0.27% (1.09%)</b>				
		<b>BBB- 0.29% (0.00%)</b>					<b>Baa2 0.27% (1.09%)</b>		
EUR	475,000	Erste Group Bank 7.125% 10/10/2022	505	0.29	EUR	536,000	Sampo 1.5% 16/09/2021	479	0.27
		<b>Baa3 0.24% (0.00%)</b>					<b>Total Finland</b>	<b>479</b>	<b>0.27</b>
EUR	400,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	423	0.24	<b>FRANCE 7.78% (8.88%)</b>				
		<b>BB+ 0.00% (0.52%)</b>					<b>AA- 0.00% (0.11%)</b>		
		<b>Ba1 0.00% (0.51%)</b>			EUR	1,200,000	RTE Réseau de transport d'électricité 1% 19/10/2026	1,062	0.60
		<b>Ca 0.28% (0.53%)</b>			USD	1,000,000	Total Capital International 2.7% 25/01/2023	772	0.44
EUR	65,000	Heta Asset Resolution 4.25% 31/10/2016	49	0.03	EUR	1,000,000	*Total Capital International FRN 19/03/2020	841	0.48
EUR	600,000	Heta Asset Resolution 4.375% 24/01/2017	446	0.25			<b>A 0.84% (1.53%)</b>		
		<b>Total Austria</b>	<b>1,606</b>	<b>0.91</b>	EUR	900,000	Banque Fédérative du Crédit Mutuel 1.625% 19/01/2026	836	0.48
<b>BELGIUM 2.18% (1.72%)</b>					EUR	700,000	Unibail Rodamco 1.375% 17/10/2022	633	0.36
		<b>A- 1.77% (1.24%)</b>					<b>A- 1.97% (0.51%)</b>		
EUR	1,956,000	Anheuser-Busch InBev 2.7% 31/03/2026	1,933	1.10	EUR	800,000	Air Liquide Finance 0.375% 18/04/2022	686	0.39
EUR	1,165,000	Anheuser-Busch InBev 2.75% 17/03/2036	1,173	0.67	EUR	1,900,000	*Air Liquide Finance 13/06/2018	1,600	0.91
		<b>BBB- 0.20% (0.00%)</b>			EUR	650,000	Autorout 4.125% 13/04/2020	628	0.36
EUR	400,000	*Argenta Spaarbank 3.875% 24/05/2026	352	0.20	EUR	600,000	AXA 1.125% 15/05/2028	536	0.31
		<b>BB 0.21% (0.48%)</b>					<b>BBB+ 0.68% (0.62%)</b>		
EUR	455,000	*KBC Groep 5.625% 19/12/2049	380	0.21	EUR	600,000	Autoroutes Paris 2.25% 16/01/2020	542	0.31
		<b>Total Belgium</b>	<b>3,838</b>	<b>2.18</b>	EUR	700,000	Orange 4.125% 23/01/2019	647	0.37
<b>BERMUDA 1.00% (0.00%)</b>							<b>Baa1 0.48% (1.03%)</b>		
		<b>BBB+ 1.00% (0.00%)</b>			EUR	900,000	Sanef 1.875% 16/03/2026	852	0.48
EUR	1,845,000	Bacardi 2.75% 03/07/2023	1,764	1.00			<b>BBB 0.69% (0.90%)</b>		
		<b>Total Bermuda</b>	<b>1,764</b>	<b>1.00</b>	EUR	450,000	*AXA 3.875% 20/05/2049	396	0.23
					EUR	200,000	*BPCE 2.75% 30/11/2027	176	0.10
					EUR	700,000	Credit Mutuel 3.25% 01/06/2026	638	0.36



## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FRANCE 7.78% (8.88%) (continued)</b>					<b>ITALY 0.51% (1.26%)</b>				
		<b>BBB- 0.71% (1.55%)</b>					<b>Baa3 0.26% (0.61%)</b>		
EUR	660,000	*Orange 4% 26/10/2049	595	0.34	GBP	137,000	Acquedotto Pugliese 6.92% 29/06/2018	143	0.08
EUR	700,000	TDF Infrastructure 2.875% 19/10/2022	656	0.37	EUR	360,000	*Assicurazioni Generali FRN 27/10/2047	323	0.18
		<b>BB+ 0.19% (0.00%)</b>					<b>BB+ 0.25% (0.31%)</b>		
EUR	405,000	*Credit Agricole 6.5% 23/12/2049	343	0.19	GBP	400,000	Telecom Italia 7.375% 15/12/2017	429	0.25
		<b>BB 0.00% (0.27%)</b>					<b>Not Rated 0.00% (0.34%)</b>		
		<b>B+ 0.17% (0.21%)</b>					<b>Total Italy</b>	<b>895</b>	<b>0.51</b>
EUR	340,000	Numericable-SFR 5.375% 15/05/2022	299	0.17					
		<b>Not Rated 0.53% (0.00%)</b>			<b>JAPAN 0.00% (0.33%)</b>				
EUR	1,100,000	Compagnie Finance 0.75% 09/09/2028	926	0.53			<b>BB+ 0.00% (0.33%)</b>		
		<b>Total France</b>	<b>13,664</b>	<b>7.78</b>			<b>Total Japan</b>	<b>—</b>	<b>—</b>
<b>GERMANY 10.03% (11.00%)</b>					<b>JERSEY 1.18% (1.70%)</b>				
		<b>AAA 4.27% (2.70%)</b>					<b>A- 0.69% (0.57%)</b>		
EUR	3,100,000	FMS Wertmanagement 0.125% 16/04/2020	2,656	1.51	EUR	988,000	Heathrow Funding 1.875% 23/05/2022	903	0.51
EUR	5,700,000	*KFW FRN 11/09/2019	4,846	2.76	EUR	350,000	UBS Group Fund 2.125% 04/03/2024	321	0.18
		<b>Aaa 1.86% (3.10%)</b>					<b>BBB+ 0.00% (0.39%)</b>		
EUR	2,457,000	Bundesrepublik Deutschland 2.5% 15/08/2046	3,279	1.86			<b>BBB- 0.49% (0.74%)</b>		
		<b>A+ 0.24% (0.52%)</b>			GBP	850,000	UBM 6.5% 23/11/2016	852	0.49
EUR	500,000	*Allianz SE 2.241% 07/07/2045	419	0.24			<b>Total Jersey</b>	<b>2,076</b>	<b>1.18</b>
		<b>BBB+ 0.67% (1.30%)</b>			<b>LUXEMBOURG 3.28% (4.26%)</b>				
EUR	1,305,000	CRH Finance Germany 1.75% 16/07/2021	1,174	0.67			<b>Aa2 0.31% (0.00%)</b>		
		<b>Baa1 1.29% (1.95%)</b>			EUR	620,000	Nestle Finance 0.75% 08/11/2021	544	0.31
EUR	500,000	Eurogrid 1.625% 03/11/2023	463	0.26			<b>BBB 2.32% (3.32%)</b>		
EUR	1,900,000	Eurogrid 1.875% 10/06/2025	1,803	1.03	EUR	1,615,000	GELF Bond Issuer I 3.13% 03/04/2018	1,421	0.81
		<b>Ba1 0.32% (0.00%)</b>			EUR	2,100,000	Grand City Properties 1.5% 17/04/2025	1,820	1.03
EUR	630,000	Heidelbergcement 2.25% 03/06/2024	569	0.32	EUR	947,000	Holcim Finance 1.375% 26/05/2023	842	0.48
		<b>BB- 0.18% (0.22%)</b>					<b>BBB- 0.65% (0.84%)</b>		
EUR	350,000	Unitymedia Hessen 4% 15/01/2025	310	0.18	EUR	400,000	Glencore Finance Europe 3.75% 01/04/2026	366	0.21
		<b>B 0.12% (0.29%)</b>			GBP	680,000	Glencore Finance Europe 6% 03/04/2022	775	0.44
EUR	245,000	Deutsche Raststaetten Gruppe IV 6.75% 30/12/2020	216	0.12			<b>BB+ 0.00% (0.10%)</b>		
		<b>Not Rated 1.08% (0.92%)</b>					<b>Total Luxembourg</b>	<b>5,768</b>	<b>3.28</b>
EUR	800,000	Bundesrepublik Deutschland 0% 15/08/2026	680	0.39	<b>MEXICO 0.61% (0.50%)</b>				
EUR	1,325,000	Telefonica Deutsch 2.375% 10/02/2021	1,215	0.69			<b>BBB+ 0.61% (0.50%)</b>		
		<b>Total Germany</b>	<b>17,630</b>	<b>10.03</b>	EUR	1,050,000	Petroleos Mexicanos 1.875% 21/04/2022	859	0.49
<b>GUERNSEY 0.24% (0.52%)</b>					EUR	260,000	United Mexican States 4% 15/03/2115	218	0.12
		<b>BBB+ 0.24% (0.52%)</b>					<b>Total Mexico</b>	<b>1,077</b>	<b>0.61</b>
EUR	495,000	Credit Suisse 1.25% 14/04/2022	423	0.24	<b>NETHERLANDS 16.07% (12.93%)</b>				
		<b>Total Guernsey</b>	<b>423</b>	<b>0.24</b>			<b>AAA 0.33% (0.00%)</b>		
<b>ICELAND 0.24% (0.54%)</b>					EUR	650,000	Bank Nederlandse Gemeenten 1.88% 06/06/2019	581	0.33
		<b>BBB- 0.24% (0.54%)</b>					<b>AA 0.39% (0.88%)</b>		
EUR	488,000	Arion Banki 3.125% 12/03/2018	424	0.24	EUR	792,000	Roche Finance Europe 0.5% 27/02/2023	685	0.39
		<b>Total Iceland</b>	<b>424</b>	<b>0.24</b>			<b>AA- 2.04% (0.00%)</b>		
					EUR	1,200,000	Alliander 0.875% 22/04/2026	1,056	0.60
					EUR	1,700,000	*Nederland Gasunie 0.075% 16/10/2018	1,431	0.81
					EUR	1,250,000	Nederland Gasunie 1% 11/05/2026	1,113	0.63

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 16.07% (12.93%) (continued)</b>							<b>A1 0.30% (0.69%)</b>		
		<b>A+ 1.85% (1.50%)</b>			EUR	600,000	SpareBank 1 SR Bank 2.125% 27/02/2019	529	0.30
EUR	900,000	Enexis Holding 0.875% 28/04/2026	786	0.45			<b>Total Norway</b>	<b>5,694</b>	<b>3.24</b>
EUR	1,034,000	Enexis Holding 1.5% 20/10/2023	951	0.54					
EUR	1,570,000	Schiphol Nederland 2% 05/10/2026	1,503	0.86					
		<b>A 1.36% (0.00%)</b>			<b>PORTUGAL 0.07% (0.15%)</b>				
EUR	880,000	ABB Finance 0.625% 03/05/2023	763	0.43			<b>Not Rated 0.07% (0.15%)</b>		
EUR	700,000	ABN AMRO Bank 0.625% 31/05/2022	605	0.34	EUR	600,000	Novo Banco 4% 21/01/2019 (Defaulted)	116	0.07
EUR	685,000	Airbus Group Finance 1.375% 13/05/2031	616	0.35			<b>Total Portugal</b>	<b>116</b>	<b>0.07</b>
USD	550,000	*ING Bank FRN 22/03/2019	416	0.24					
		<b>A- 0.96% (1.44%)</b>			<b>REPUBLIC OF IRELAND 2.19% (3.08%)</b>				
EUR	1,748,000	Tennet Holding 1.875% 13/06/2036	1,686	0.96	EUR	730,000	BBB+ 1.24% (0.96%) Ryanair 1.125% 10/03/2023	630	0.36
		<b>BBB+ 4.21% (2.13%)</b>			EUR	1,740,000	Transmission Finance 1.5% 24/05/2023	1,538	0.88
USD	750,000	Deutsche Annington Finance 5% 02/10/2023	620	0.35			<b>BBB- 0.69% (0.00%)</b>		
EUR	2,500,000	*Deutsche Telekom FRN 03/04/2020	2,104	1.20	EUR	1,394,000	FCA Capital Ireland 1.375% 17/04/2020	1,208	0.69
USD	850,000	Heineken 3.4% 01/04/2022	677	0.39			<b>BB+ 0.00% (1.53%)</b>		
EUR	1,000,000	JAB Holdings 1.75% 25/05/2023	899	0.51			<b>B+ 0.26% (0.59%)</b>		
EUR	568,000	PostNL 5.375% 14/11/2017	507	0.29	EUR	309,000	*Allied Irish Banks 4.125% 26/11/2025	250	0.14
EUR	1,410,000	Vesteda Finance 1.75% 22/07/2019	1,232	0.70	EUR	260,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	213	0.12
EUR	600,000	Vesteda Finance 2.5% 27/10/2022	557	0.32			<b>Total Republic of Ireland</b>	<b>3,839</b>	<b>2.19</b>
EUR	900,000	Vonovia Finance 1.5% 10/06/2026	798	0.45					
		<b>Baa1 0.75% (0.00%)</b>			<b>SINGAPORE 0.34% (0.73%)</b>				
EUR	1,565,000	Evonik Finance 0.375% 07/09/2024	1,310	0.75			<b>AAA 0.34% (0.73%)</b>		
		<b>BBB 1.65% (3.61%)</b>			EUR	655,000	Temasek Financial 1.5% 01/03/2028	597	0.34
EUR	1,190,000	*Eneco Holding 3.25% 29/12/2049	1,033	0.59			<b>Total Singapore</b>	<b>597</b>	<b>0.34</b>
EUR	885,000	Madrikena Red de Gas Finance 3.779% 11/09/2018	799	0.45	<b>SPAIN 1.23% (1.49%)</b>				
EUR	475,000	*Tennet Holding FRN 6.655% 29/06/2049	416	0.24			<b>Baa1 0.24% (0.54%)</b>		
EUR	740,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	641	0.37	EUR	484,000	Aigues de Barcelona Finance 1.944% 15/09/2021	427	0.24
		<b>BBB- 1.24% (1.44%)</b>					<b>BBB 0.99% (0.95%)</b>		
EUR	700,000	Koninklijke KPN 1.125% 11/09/2028	585	0.33	GBP	335,000	Telefonica Emisiones 5.375% 02/02/2018	356	0.20
GBP	625,000	RWE Finance 5.625% 06/12/2023	785	0.45	GBP	1,200,000	Telefonica Emisiones 5.597% 12/03/2020	1,385	0.79
EUR	900,000	*Vonovia Finance 4% 29/12/2049	807	0.46			<b>Total Spain</b>	<b>2,168</b>	<b>1.23</b>
		<b>Baa3 0.31% (0.52%)</b>			<b>SWEDEN 0.31% (0.00%)</b>				
EUR	635,000	Redexis Gas Finance 1.875% 27/04/2027	545	0.31			<b>A 0.31% (0.00%)</b>		
		<b>BB+ 0.84% (1.09%)</b>			EUR	634,000	Atlas Copco 0.625% 30/08/2026	535	0.31
USD	500,000	EDP Finance 6% 02/02/2018	393	0.22			<b>Total Sweden</b>	<b>535</b>	<b>0.31</b>
EUR	1,277,000	*SNS Bank FRN 05/11/2025	1,096	0.62	<b>SWITZERLAND 1.65% (3.29%)</b>				
		<b>BB 0.14% (0.00%)</b>					<b>Aaa 0.31% (0.00%)</b>		
EUR	286,000	Schaeffler Finance 2.5% 15/05/2020	247	0.14	EUR	630,000	Credit Suisse 0.75% 17/09/2021	552	0.31
		<b>BB- 0.00% (0.32%)</b>					<b>A+ 0.28% (0.00%)</b>		
		<b>Total Netherlands</b>	<b>28,243</b>	<b>16.07</b>	USD	660,000	*UBS FRN 26/03/2018	495	0.28
<b>NORWAY 3.24% (1.89%)</b>							<b>A 0.86% (2.85%)</b>		
		<b>AAA 1.41% (1.20%)</b>			EUR	652,000	Credit Suisse 1.5% 10/04/2026	582	0.33
EUR	2,874,000	DNB Boligkreditt 0.375% 20/10/2020	2,479	1.41	EUR	1,010,000	Swisscom 1.875% 08/09/2021	925	0.53
		<b>AA- 0.54% (0.00%)</b>					<b>BB+ 0.20% (0.00%)</b>		
EUR	1,075,000	Avinor 1% 29/04/2025	943	0.54	EUR	400,000	*UBS Group 5.75% 29/12/2049	352	0.20
		<b>A+ 0.99% (0.00%)</b>					<b>BB 0.00% (0.44%)</b>		
USD	1,200,000	*DNB Bank FRN 02/06/2021	903	0.51			<b>Total Switzerland</b>	<b>2,906</b>	<b>1.65</b>
EUR	1,000,000	*Statoil FRN 19/08/2019	840	0.48					

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED ARAB EMIRATES 0.22% (0.49%)</b>					<b>Baa2 0.51% (1.95%)</b>				
		<b>A3 0.22% (0.00%)</b>					BUPA Finance 3.375% 17/06/2021	893	0.51
EUR	464,000	Emirates 1.75% 23/03/2022	393	0.22					
		<b>Baa1 0.00% (0.49%)</b>					<b>BBB- 1.72% (2.47%)</b>		
		<b>Total United Arab Emirates</b>	<b>393</b>	<b>0.22</b>	GBP	330,000	Barclays Bank 10% 21/05/2021	426	0.24
					GBP	650,000	G4S 7.75% 13/05/2019	748	0.43
					GBP	700,000	GKN Holdings 6.75% 28/10/2019	813	0.46
					GBP	600,000	Go-Ahead Group 5.375% 29/09/2017	627	0.36
<b>UNITED KINGDOM 19.05% (22.33%)</b>					EUR	460,000	Royal Bank of Scotland 2.5% 22/03/2023	399	0.23
		<b>AAA 2.25% (1.97%)</b>					<b>Baa3 1.59% (2.68%)</b>		
GBP	880,000	*Abbey National Treasury Services FRN 20/01/2017	880	0.50			National Express Group 6.25% 13/01/2017	1,286	0.73
GBP	1,320,000	*Nationwide Building Society FRN 27/04/2018	1,320	0.75	GBP	1,263,000			
EUR	1,962,000	Wellcome Trust 1.125% 21/01/2027	1,760	1.00	GBP	811,000	Safeway 6% 10/01/2017	823	0.47
		<b>A+ 0.43% (0.83%)</b>			GBP	645,000	*TSB Banking Group 5.75% 06/05/2026	682	0.39
EUR	830,000	Motability Operations 1.625% 09/06/2023	754	0.43			<b>BB 0.00% (1.07%)</b>		
		<b>A 1.40% (0.00%)</b>					<b>BB- 0.67% (0.92%)</b>		
EUR	890,000	HSBC Holdings 0.875% 06/09/2024	749	0.43	GBP	160,000	Jerrold Finco 9.75% 15/09/2018	168	0.10
EUR	1,930,000	Lloyds Bank 1.375% 08/09/2022	1,714	0.97	GBP	400,000	*Lloyds Banking Group 7.875% 29/12/2049	420	0.24
		<b>A- 1.80% (2.91%)</b>			GBP	250,000	Southern Water Greensands Financing 8.5% 15/04/2019	284	0.16
EUR	400,000	AstraZeneca 0.25% 12/05/2021	339	0.19	GBP	275,000	Virgin Media Secured Finance 5.125% 15/01/2025	293	0.17
EUR	1,095,000	BAT International Finance 1% EMTN 23/05/2022	960	0.55			<b>B+ 0.17% (0.38%)</b>		
USD	1,347,000	BP Capital Markets 3.814% 10/02/2024	1,092	0.62	GBP	300,000	*Barclays Bank 7.75% 08/03/2075	300	0.17
EUR	360,000	Experian Finance 4.75% 04/02/2020	348	0.20			<b>B 0.29% (0.53%)</b>		
GBP	400,000	*HSBC Bank 5% 20/03/2023	416	0.24	USD	680,000	*Royal Bank of Scotland 8.625% 29/12/2049	519	0.29
		<b>BBB+ 3.73% (1.25%)</b>					<b>CCC+ 0.24% (0.18%)</b>		
GBP	525,000	*BG Energy Capital 6.5% 30/11/2072	555	0.32	GBP	363,773	Annington Finance No.5 PIK 13% 15/01/2023	423	0.24
EUR	2,100,000	British Telecommunications 1.125% 10/03/2023	1,847	1.05			<b>Not Rated 1.44% (3.07%)</b>		
EUR	500,000	Elsevier Finance 2.5% 24/09/2020	459	0.26	GBP	300,000	*Cattles 7.125% 05/07/2017 (Defaulted)	2	—
GBP	350,000	Everything Everywhere 4.375% 28/03/2019	379	0.22	GBP	730,000	First Hydro Finance 9% 31/07/2021	977	0.56
GBP	746,000	Severn Trent Utilities Finance 6% 22/01/2018	799	0.45	EUR	350,000	Lehman Brothers UK Capital Funding III 3.875% 29/12/2049 (Defaulted)	—	—
USD	420,000	Standard Chartered 4.05% 12/04/2026	326	0.18	GBP	1,085,000	*Pennon Group 6.75% 08/03/2018	1,137	0.65
GBP	800,000	*Telereal Securitisation 4.0902% 10/12/2033	836	0.48	GBP	395,000	Virgin Money 2.25% 21/04/2020	401	0.23
EUR	1,005,000	Vodafone Group 1.25% 25/08/2021	888	0.50			<b>Total United Kingdom</b>	<b>33,482</b>	<b>19.05</b>
EUR	550,000	Vodafone Group 1.6% 29/07/2031	472	0.27					
		<b>Baa1 0.52% (0.85%)</b>			<b>UNITED STATES OF AMERICA 10.68% (9.15%)</b>				
EUR	525,000	Hammerson 1.75% 15/03/2023	457	0.26			<b>AAA 0.53% (0.00%)</b>		
EUR	525,000	Hammerson 2% 01/07/2022	464	0.26	EUR	1,080,000	Johnson & Johnson 0.65% 20/05/2024	941	0.53
		<b>BBB 2.29% (1.27%)</b>					<b>AA 1.01% (1.12%)</b>		
EUR	455,000	*Aviva 3.875% 03/07/2044	395	0.22	EUR	2,050,000	Berkshire Hathaway 1.125% 16/03/2027	1,769	1.01
EUR	850,000	Babcock International Group 1.75% 06/10/2022	750	0.43			<b>Aa2e 0.00% (0.40%)</b>		
GBP	200,000	BSKYB Finance UK 5.75% 20/10/2017	211	0.12			<b>AA- 0.85% (0.00%)</b>		
GBP	200,000	Imperial Brands Finance 5.5% 22/11/2016	202	0.11	EUR	740,000	Coca-Cola 1.1% 02/09/2036	626	0.36
GBP	750,000	Imperial Brands Finance 7.75% 24/06/2019	886	0.50	EUR	910,000	Metropolitan Life Global Funding I 2.375% 11/01/23 EUR	861	0.49
GBP	800,000	InterContinental Hotels Group 6% 09/12/2016	810	0.46			<b>A 0.49% (0.47%)</b>		
EUR	870,000	*NGG Finance 4.25% 18/06/2076	793	0.45	EUR	1,000,000	Wells Fargo 1% 02/02/2027	857	0.49

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 10.68% (9.15%) (continued)</b>									
		<b>A– 0.99% (1.14%)</b>				Sell USD 40,000			
EUR	1,000,000	JP Morgan Chase 0.625% 25/01/2024	849	0.48		Buy EUR 35,820 Goldman Sachs		–	–
EUR	1,000,000	JPMorgan Chase & Co 1.5% 26/10/2022	901	0.51		Sell GBP 400,000			
		<b>BBB+ 2.85% (3.00%)</b>				Buy EUR 477,628 UBS	1		–
						Sell GBP 600,000			
						Buy EUR 702,667 UBS	(9)	(0.01)	
						<b>Total Derivatives</b>	<b>(875)</b>	<b>(0.50)</b>	
USD	2,250,000	AT&T 3.4% 15/05/2025	1,734	0.99					
EUR	745,000	Bank of America 2.375% 19/06/2024	711	0.40	<b>Total value of investments</b>			<b>157,431</b>	<b>89.57</b>
EUR	930,000	Citigroup 2.125% 10/09/2026	880	0.50	<b>Net other assets (3.20%)</b>			<b>18,330</b>	<b>10.43</b>
USD	1,935,000	Verizon Communications 5.15% 15/09/2023	1,693	0.96	<b>Net assets</b>			<b>175,761</b>	<b>100.00</b>
		<b>BBB 1.80% (0.59%)</b>			<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
EUR	860,000	Digital Euro Finco 2.625% 15/04/2024	770	0.44				<b>Value £000</b>	<b>% of Investment</b>
EUR	2,077,000	Liberty Mutual Group 2.75% 04/05/2026	1,898	1.08	Fixed interest		125,488		79.71
EUR	565,000	Mondelez International 1.625% 08/03/2027	492	0.28	Floating rate notes		32,818		20.85
		<b>BBB– 2.06% (2.20%)</b>			Derivatives		(875)		(0.56)
					<b>Total value of investments</b>		<b>157,431</b>		<b>100.00</b>
EUR	2,285,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	1,945	1.11	<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>				
EUR	1,030,000	Kraft Heinz Foods 2% 30/06/2023	944	0.54			<b>Value £000</b>		
EUR	840,000	Molson Coors Brewing 1.25% 15/07/2024	728	0.41	UBS EURO-Bobl Future Expiring December 2016		(3,217)		
		<b>BB 0.10% (0.00%)</b>			UBS EURO Bond Future Expiring December 2016		2,643		
EUR	200,000	Fiat Finance North America 5.625% 12/06/2017	174	0.10	UBS Long Gilt Future Expiring December 2016		(2,231)		
		<b>BB– 0.00% (0.23%)</b>			UBS US 5 Year Note Future Expiring December 2016		(182)		
		<b>Total United States of America</b>	<b>18,773</b>	<b>10.68</b>	UBS US 10 Year Note Future Expiring December 2016		(6,480)		
					<b>Total net exposure</b>		<b>(9,467)</b>		
<b>DERIVATIVES –0.50% (–0.23%)</b>					<i>March 2016 comparatives in brackets.</i>				
		<b>Credit Default Swaps –0.10% (–0.20%)</b>			<i>*Variable rate bonds.</i>				
EUR	(2,500,000)	BNP Paribas Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2021 Spread 500	(173)	(0.10)	<b>Total Purchases and Sales</b>				
		<b>Futures and Options –0.02% (0.07%)</b>			<i>for the accounting period 8 March 2016 to 7 September 2016</i>				
EUR	(29)	UBS EURO-Bobl Future Expiring December 2016	–	–			<b>2016 £000</b>	<b>2015 £000</b>	
EUR	19	UBS EURO Bond Future Expiring December 2016	–	–	Total purchases for the period		142,836	44,813	
GBP	(17)	UBS Long Gilt Future Expiring December 2016	3	–	Total sales for the period		64,581	57,333	
USD	(2)	UBS US 5 Year Note Future Expiring December 2016	(1)	–					
USD	(66)	UBS US 10 Year Note Future Expiring December 2016	(31)	(0.02)					
		<b>Forward Foreign Exchange Contracts –0.38% (–0.10%)</b>							
		Sell USD 13,881,000							
		Buy EUR 12,250,009 UBS	(70)	(0.04)					
		Sell GBP 2,000,000							
		Buy EUR 2,370,837 RBC	(7)	–					
		Sell GBP 200,000							
		Buy EUR 231,669 HSBC	(5)	–					
		Sell GBP 200,000							
		Buy EUR 238,804 Citigroup	1	–					
		Sell GBP 23,644,109							
		Buy EUR 27,427,362 Citigroup	(584)	(0.33)					

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.35% (0.00%)</b>					<b>Not Rated 0.25% (0.06%)</b>				
		<b>BBB- 0.35% (0.00%)</b>			EUR	2,375,000	*Aquarius Plus Investments FRN 08/08/2017	1,986	0.25
EUR	1,331,000	Origin Energy Finance 2.5% 23/10/2020	1,171	0.15			<b>Total Croatia</b>	<b>2,881</b>	<b>0.37</b>
EUR	734,000	Origin Energy Finance 3.5% 04/10/21	675	0.08	<b>CZECH REPUBLIC 0.41% (0.66%)</b>				
USD	1,166,000	Origin Energy Finance 5.45% 14/10/2021	934	0.12			<b>Ba2 0.41% (0.47%)</b>		
		<b>Total Australia</b>	<b>2,780</b>	<b>0.35</b>	EUR	3,706,000	RPG 6.75% 01/05/2020	3,222	0.41
<b>AUSTRIA 0.85% (0.98%)</b>							<b>Not Rated 0.00% (0.19%)</b>		
		<b>Ca 0.85% (0.98%)</b>					<b>Total Czech Republic</b>	<b>3,222</b>	<b>0.41</b>
EUR	3,705,000	Heta Asset Resolution 4.25% 31/10/2016	2,777	0.35	<b>DENMARK 0.00% (0.17%)</b>				
EUR	5,250,000	Heta Asset Resolution 4.375% 24/01/2017	3,901	0.50			<b>BB 0.00% (0.17%)</b>		
		<b>Total Austria</b>	<b>6,678</b>	<b>0.85</b>			<b>Total Denmark</b>	<b>—</b>	<b>—</b>
<b>BELGIUM 0.19% (0.52%)</b>					<b>FRANCE 7.38% (6.38%)</b>				
		<b>BB 0.19% (0.52%)</b>			EUR	4,716,000	*Total 3.875% 29/12/2049	4,248	0.54
EUR	1,792,000	*KBC Groep 5.625% 19/12/2049	1,496	0.19			<b>BBB 0.45% (0.00%)</b>		
		<b>Total Belgium</b>	<b>1,496</b>	<b>0.19</b>	USD	4,380,000	*Credit Agricole 8.125% 19/09/2033	3,582	0.45
<b>BRAZIL 0.09% (0.15%)</b>							<b>BBB- 0.57% (0.53%)</b>		
		<b>B+ 0.00% (0.15%)</b>			EUR	1,240,000	*Orange 4% 26/10/2049	1,118	0.14
		<b>D 0.09% (0.00%)</b>			EUR	3,100,000	*Orange 5% 29/10/2049	2,907	0.37
USD	1,705,000	Telemar Norte Leste 5.5% 23/10/2020 144A (Defaulted)	334	0.04	GBP	400,000	*Orange 5.875% 29/12/49	441	0.06
USD	1,876,000	Telemar Norte Leste 5.5% 23/10/2020 Reg S (Defaulted)	368	0.05			<b>BB+ 0.69% (0.47%)</b>		
		<b>Total Brazil</b>	<b>702</b>	<b>0.09</b>	EUR	1,950,000	*Credit Agricole 6.5% 23/12/2049	1,649	0.21
<b>CANADA 1.43% (0.83%)</b>					EUR	4,038,000	SPCM 2.875% 15/06/2023	3,450	0.44
		<b>B 0.15% (0.15%)</b>			EUR	400,000	*Veolia Environnement 4.45% Perpetual	354	0.04
USD	1,659,000	Bombardier 5.75% 15/03/22	1,168	0.15			<b>BB 1.05% (1.81%)</b>		
		<b>B- 1.28% (0.68%)</b>			EUR	4,605,000	Novalis 3% 30/04/2022	3,981	0.51
EUR	4,730,000	Cott Finance 5.5% 01/07/2024	4,274	0.54	EUR	1,110,000	*Solvay Finance 5.118% 29/06/2049	1,005	0.13
EUR	8,335,000	Valeant Pharmaceuticals International 4.5% 15/05/2023	5,781	0.74	EUR	3,492,000	*Solvay Finance 5.869% 29/06/2049	3,262	0.41
		<b>Total Canada</b>	<b>11,223</b>	<b>1.43</b>			<b>BB- 0.56% (0.00%)</b>		
<b>CAYMAN ISLANDS 0.84% (0.76%)</b>					EUR	2,687,000	Rexel 3.25% 15/06/2022	2,344	0.30
		<b>BB 0.13% (0.18%)</b>			EUR	2,310,000	Rexel 3.5% 15/06/2023	2,024	0.26
USD	1,660,000	UPCB Finance VI 6.875% 15/01/2022	1,045	0.13			<b>B+ 3.06% (3.12%)</b>		
		<b>B+ 0.15% (0.02%)</b>			EUR	3,000,000	Areva 3.125% 20/03/2023	2,424	0.31
EUR	1,460,000	Petrobras Global Finance 3.25% 01/04/2019	1,217	0.15	EUR	2,400,000	Areva 3.5% EMTN 22/03/2021	1,996	0.25
		<b>B2 0.42% (0.41%)</b>			EUR	2,250,000	Areva 4.875% Bonds 23/09/2024	1,972	0.25
EUR	3,660,000	Viridian Group FundCo II 7.5% 01/03/2020	3,281	0.42	EUR	1,686,000	Cerba European Laboratory 7% 01/02/2020	1,473	0.19
		<b>Not Rated 0.14% (0.15%)</b>			EUR	4,615,000	Horizon Holdings III 5.125% 01/08/2022	4,153	0.53
USD	2,374,000	PSOS Finance 11.75% 23/04/2018	1,064	0.14	EUR	5,847,000	Numericable-SFR 5.375% 15/05/2022	5,142	0.65
		<b>Total Cayman Islands</b>	<b>6,607</b>	<b>0.84</b>	EUR	4,748,000	Numericable-SFR 5.625% 15/05/2024	4,212	0.53
<b>CROATIA 0.37% (0.19%)</b>					USD	1,412,000	Numericable-SFR 6% 15/05/2022	1,085	0.14
		<b>B 0.12% (0.13%)</b>			EUR	1,845,000	Paprec Holding 5.25% 01/04/2022	1,627	0.21
EUR	1,000,000	Agrokor DD 9.125% 01/02/2020	895	0.12			<b>B 0.17% (0.20%)</b>		
					EUR	1,755,000	Autodis 6.5% 01/02/2019	1,373	0.17
							<b>B- 0.29% (0.25%)</b>		
					EUR	1,965,000	Europcar Groupe 5.75% 15/06/2022	1,732	0.22
					EUR	624,000	WFS Global Holdings 9.5% 15/07/2022 (Lux)	515	0.07
							<b>Total France</b>	<b>58,069</b>	<b>7.38</b>

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 6.57% (6.30%)</b>					<b>JAPAN 1.41% (1.65%)</b>				
		<b>Ba1 0.49% (0.00%)</b>					<b>BB+ 1.41% (1.65%)</b>		
EUR	2,925,000	HeidelbergCement 2.25% 03/06/2024	2,640	0.34	EUR	4,871,000	Softbank Group 4% 30/07/2022	4,567	0.58
EUR	1,335,000	HeidelbergCement Finance Luxembourg 2.25% 30/03/2023	1,204	0.15	EUR	5,344,000	Softbank Group 4.75% 30/07/2025	5,110	0.65
		<b>BB 1.15% (0.52%)</b>			EUR	1,500,000	Softbank Group 5.25% 30/07/2027	1,443	0.18
EUR	4,459,000	ThyssenKrupp 2.75% 08/03/2021	3,964	0.50	<b>Total Japan</b>				
EUR	3,985,000	ThyssenKrupp 4% 27/08/2018	3,576	0.45				<b>11,120</b>	<b>1.41</b>
EUR	1,755,000	WEPA Hygieneprodukte 3.75% 15/05/2024	1,561	0.20	<b>JERSEY 2.34% (1.21%)</b>				
		<b>Ba2e 0.00% (0.25%)</b>					<b>BB+ 0.46% (0.00%)</b>		
		<b>BB- 2.59% (2.77%)</b>			EUR	3,949,000	Lincoln Finance 6.875% 15/04/2021	3,627	0.46
EUR	2,452,000	Techem 6.125% 01/10/2019	2,134	0.27			<b>(P)BB 0.33% (0.00%)</b>		
EUR	6,522,000	Unitymedia Hessen 5.125% 21/01/2023	4,717	0.60	EUR	3,000,000	Adient Global Holdings 3.5% 15/08/2024	2,618	0.33
EUR	4,540,000	Unitymedia Hessen 5.5% 15/09/2022	3,285	0.42			<b>BB- 0.23% (0.25%)</b>		
EUR	1,575,000	Unitymedia Hessen 5.625% 15/04/2023	1,139	0.15	GBP	1,769,000	AA Bond 5.5% 31/07/2022	1,821	0.23
EUR	6,841,000	Unitymedia Hessen 5.75% 15/01/2023	5,000	0.64			<b>B+ 0.00% (0.13%)</b>		
EUR	2,260,000	Unitymedia NRW 3.5% 15/01/2027	1,964	0.25			<b>B 0.89% (0.83%)</b>		
USD	2,662,000	Unitymedia NRW 5% 15/01/2025	2,075	0.26	GBP	3,073,000	CPUK Finance 7% 28/08/2020	3,273	0.42
		<b>B+ 0.28% (0.32%)</b>			EUR	4,200,000	Mercury Bondco PIK 8.25% 30/05/2021	3,707	0.47
EUR	2,472,000	ProGroup 5.125% 01/05/2022	2,236	0.28			<b>B- 0.43% (0.00%)</b>		
		<b>B 0.87% (1.12%)</b>			GBP	3,140,000	TVL Finance 8.5% 15/05/2023	3,334	0.43
EUR	3,856,000	Safari Holding Verwaltungs 8.25% 15/02/2021	3,446	0.44	<b>Total Jersey</b>				
EUR	1,452,000	Techem Energy Metering Service 7.875% 01/10/2020	1,275	0.16				<b>18,380</b>	<b>2.34</b>
EUR	2,550,000	Unitymedia 3.75% 15/01/2027	2,143	0.27	<b>LUXEMBOURG 19.90% (17.90%)</b>				
		<b>B- 0.78% (0.91%)</b>					<b>BB+ 4.74% (3.61%)</b>		
EUR	4,350,000	Pfleiderer 7.875% 01/08/2019	3,804	0.48	EUR	3,161,000	CNH Industrial Finance 6.25% 09/03/2018	2,874	0.36
EUR	2,680,000	Trionista Topco 6.875% 30/04/2021	2,376	0.30	EUR	3,451,000	Gaz Capital 3.389% 20/03/2020	3,026	0.38
		<b>CCC+ 0.41% (0.41%)</b>			EUR	2,420,000	Gaz Capital 4.625% 15/10/2018	2,154	0.27
EUR	3,570,000	CeramTec Group 8.25% 15/08/2021	3,194	0.41	GBP	5,892,000	Gaz Capital 5.338% 25/09/2020	6,364	0.81
		<b>Total Germany</b>	<b>51,733</b>	<b>6.57</b>	USD	3,510,000	Gaz Capital 5.999% 23/01/2021	2,842	0.36
<b>ITALY 4.78% (3.79%)</b>					USD	15,595,000	Gaz Capital 6.51% 07/03/2022	13,035	1.66
		<b>BB+ 3.84% (2.92%)</b>			EUR	3,050,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	2,668	0.34
EUR	5,242,000	*Enel 5% 15/01/2075	4,751	0.60	EUR	4,200,000	*Grand City Properties 3.75% 29/12/2049	3,576	0.45
GBP	1,950,000	*Enel 6.625% 15/09/2076	2,133	0.27	EUR	724,000	Telecom Italia Finance 7.75% 24/01/2033	835	0.11
EUR	8,509,000	Finmeccanica 4.5% 19/01/2021	8,146	1.03			<b>Ba1 2.03% (2.31%)</b>		
EUR	1,010,000	Telecom Italia 3.625% 19/01/2024	925	0.12	EUR	6,609,000	HeidelbergCement Finance Luxembourg 7.5% 03/04/2020	6,910	0.88
EUR	4,945,000	Telecom Italia 3.625% 25/05/2026	4,472	0.57	EUR	1,395,000	HeidelbergCement Finance Luxembourg 8% 31/01/2017	1,207	0.15
EUR	7,690,000	Telecom Italia 4.5% 25/01/2021	7,386	0.94	EUR	4,567,000	HeidelbergCement Finance Luxembourg 8.5% 31/10/2019	4,798	0.61
EUR	2,400,000	Telecom Italia 5.25% 10/02/2022	2,402	0.31	EUR	3,525,000	Sberbank 3.3524% 15/11/2019	3,109	0.39
		<b>BB 0.33% (0.00%)</b>					<b>BB 3.43% (1.58%)</b>		
EUR	2,890,000	LKG Italia Bondco 3.875% 01/04/2024	2,637	0.33	EUR	388,000	Dufry Finance 4.5% 15/07/2022	344	0.04
		<b>B+ 0.39% (0.32%)</b>			EUR	6,648,000	Dufry Finance 4.55% 01/08/2023	5,962	0.76
EUR	1,000,000	Schumann 7% 31/07/2023	864	0.11	EUR	2,771,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	2,576	0.33
EUR	2,568,000	Zobe Holding 7.875% 01/02/2018	2,203	0.28	EUR	8,367,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	8,114	1.03
		<b>B- 0.22% (0.22%)</b>			EUR	1,694,000	Fiat Finance & Trade 6.625% 15/03/2018	1,541	0.20
EUR	2,010,000	Snai 7.625% 15/06/2018	1,747	0.22	EUR	4,250,000	Hanesbrands 3.5% 15/06/2024	3,821	0.48
		<b>Not Rated 0.00% (0.33%)</b>			EUR	5,410,000	Wind Acquisition Finance 4% 15/07/2020	4,648	0.59
		<b>Total Italy</b>	<b>37,666</b>	<b>4.78</b>					



## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 19.90% (17.90%) (continued)</b>					<b>Ba1 0.96% (0.62%)</b>				
		<b>BB– 0.61% (2.42%)</b>			EUR	1,260,000	Saipem Finance International 3% 08/03/2021	1,082	0.14
EUR	625,000	Altice Financing 5.25% 15/02/2023	554	0.07	EUR	1,540,000	Saipem Finance International 3.75% 08/09/2023	1,334	0.17
EUR	1,300,000	Altice Financing 6.5% 15/01/2022	1,161	0.15	EUR	5,900,000	*Telefonica Europe 4.2% 29/12/2049	5,147	0.65
USD	727,000	Altice Financing 6.625% 15/02/2025	564	0.07			<b>BB 1.72% (0.92%)</b>		
USD	1,580,000	Altice Financing 7.5% 15/05/2026	1,238	0.16			*Koninklijke KPN 6.125% 29/03/2049	1,617	0.21
EUR	1,505,000	BMBG Bond Finance 3% 15/06/2021	1,300	0.16	EUR	1,783,000	*Koninklijke KPN 6.875% 14/03/2073	3,480	0.44
		<b>B+ 2.45% (1.86%)</b>			GBP	3,171,000	OI European Group 4.875% 31/03/2021	2,209	0.28
GBP	2,940,000	Cabot Financial Luxembourg 10.375% 01/10/2019	3,115	0.40	EUR	2,268,000	OI European Group 6.75% 15/09/2020	1,645	0.21
EUR	1,450,000	Cirsa Funding 5.875% 15/05/2023	1,282	0.16	EUR	1,596,000	Schaeffler Finance 3.25% 15/05/2025	2,387	0.30
EUR	3,470,000	Cirsa Funding Luxembourg 5.75% 15/05/2021	3,100	0.39	EUR	2,583,000	Schaeffler Finance 3.5% 15/05/2022	2,228	0.28
EUR	6,259,000	Garfunkelux 7.5% 01/08/2022	5,500	0.70			<b>BB– 0.85% (1.39%)</b>		
GBP	1,550,000	Garfunkelux 8.5% 01/11/2022	1,627	0.21	EUR	2,515,000	Grupo Antolin Dutch 4.75% 01/04/2021	2,196	0.28
EUR	5,180,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	4,664	0.59	EUR	4,700,000	InterXion Holding 6% 15/07/2020	4,166	0.53
		<b>B 4.50% (4.30%)</b>			EUR	347,000	Ziggo Secured Finance 3.75% 15/01/2025	299	0.04
EUR	3,349,000	Altice 6.25% 15/02/2025	2,833	0.36			<b>B+ 2.49% (1.87%)</b>		
EUR	10,040,000	Altice 7.25% 15/05/2022	8,955	1.14	EUR	3,069,000	Carlson Wagonlit 7.5% 15/06/2019	2,683	0.34
USD	727,000	Altice 7.625% 15/12/2025	564	0.07	EUR	3,300,000	Petrobras Global Finance 4.75% 14/01/2025	2,538	0.32
EUR	4,247,000	Bormioli Rocco Holdings 10.5% 01/08/2018	3,673	0.47	GBP	1,856,000	Petrobras Global Finance 5.375% 01/10/2029	1,563	0.20
EUR	2,056,000	Intralot Capital 6% 15/05/2021	1,714	0.22	GBP	2,831,000	Petrobras Global Finance 6.625% 16/01/2034	2,501	0.32
EUR	250,000	Intralot Finance 9.75% 15/08/2018	220	0.03	GBP	3,553,000	Petrobras International Finance 6.25% 14/12/2026	3,300	0.42
EUR	3,399,000	Lecta 6.5% 01/08/2023	2,922	0.37	EUR	3,020,000	Schaeffler Finance 3.25% 15/05/2019	2,582	0.33
EUR	2,231,000	Matterhorn Telecom 3.875% 01/05/2022	1,881	0.24	EUR	3,606,000	Schaeffler Holding Finance PIK 5.75% 15/11/2021	1,976	0.25
EUR	3,316,000	Swissport Investment 6.75% 15/12/2021	2,922	0.37	EUR	7,605,000	Schaeffler Holding Finance PIK 6.875% 15/08/2018	2,445	0.31
EUR	11,014,000	Wind Acquisition Finance 7% 23/04/2021	9,673	1.23			<b>B 3.25% (4.42%)</b>		
		<b>B– 1.40% (0.65%)</b>			GBP	4,777,000	InterGen 7.5% 30/06/2021	3,941	0.50
EUR	4,250,000	Cerberus Nightingale 8.25% 01/02/2020	3,703	0.47	EUR	7,462,000	LGE HoldCo VI 7.125% 15/05/2024	7,099	0.90
EUR	1,180,000	JH Holding Finance PIK 8.25% 01/12/2022	1,068	0.14	EUR	7,386,000	United Group 7.875% 15/11/2020 REGS	6,526	0.83
EUR	7,258,730	Play Topco 7.75% 28/02/2020	6,201	0.79	CHF	5,678,000	UPC Holding 6.75% 15/03/2023 CHF	4,764	0.60
		<b>CCC+ 0.32% (1.17%)</b>			EUR	1,649,000	UPC Holding 6.75% 15/03/2023 EUR	1,513	0.19
EUR	1,089,987	Ardagh Finance Holdings PIK 8.375% 15/06/2019	968	0.12	EUR	2,120,000	Ziggo Bond Finance 4.625% 15/01/2025	1,813	0.23
EUR	1,322,084	*Bilbao Luxembourg PIK 10.5% 24/10/2018	1,120	0.14			<b>D 0.13% (0.00%)</b>		
EUR	550,000	Swissport Investment 9.75% 15/12/2022	467	0.06	EUR	2,415,000	Oi Brasil Holdings Cooperatief 5.625% 22/06/2021	487	0.06
		<b>Not Rated 0.42% (0.00%)</b>			EUR	752,000	Portugal Telecom International Finance 4.5% 16/06/2025 (Defaulted)	151	0.02
USD	4,277,000	Codere Finance 2 (Luxembourg) PIK 9% 30/06/2021	3,307	0.42	EUR	680,000	Portugal Telecom International Finance 4.63% 08/05/2020 (Defaulted)	133	0.02
		<b>Total Luxembourg</b>	<b>156,700</b>	<b>19.90</b>	EUR	1,022,000	Portugal Telecom International Finance 5.875% 17/04/2018 (Defaulted)	201	0.03
<b>NETHERLANDS 11.85% (11.78%)</b>							<b>Not Rated 0.15% (0.19%)</b>		
		<b>BBB– 0.36% (0.34%)</b>			EUR	1,270,000	Boats Investments Netherlands PIK 11% 31/03/2017	601	0.08
EUR	3,200,000	*Vonovia Finance 4.625% 08/04/2074	2,855	0.36	USD	3,417,535	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	562	0.07
		<b>BB+ 1.94% (2.03%)</b>					<b>Total Netherlands</b>	<b>93,269</b>	<b>11.85</b>
EUR	3,089,000	*SNS Bank FRN 05/11/2025	2,651	0.34					
EUR	2,000,000	*Telefonica Europe 5% 31/03/2049	1,781	0.23					
EUR	3,800,000	*Telefonica Europe 6.5% 29/09/2049	3,462	0.44					
GBP	6,800,000	*Telefonica Europe 6.75% Perpetual	7,351	0.93					

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NORWAY 0.46% (0.86%)</b>					<b>SPAIN 0.02% (0.05%)</b>				
		<b>BB– 0.46% (0.86%)</b>					<b>CCC– 0.02% (0.05%)</b>		
EUR	4,121,000	Lock 7% 15/08/2021	3,646	0.46	EUR	1,850,000	Abengoa Finance 6% 31/03/2021 (Defaulted)	78	0.01
		<b>Total Norway</b>	<b>3,646</b>	<b>0.46</b>	EUR	1,937,000	Abengoa Finance 7% 15/04/2020 (Defaulted)	81	0.01
<b>POLAND 0.21% (0.25%)</b>							<b>Total Spain</b>	<b>159</b>	<b>0.02</b>
		<b>B+ 0.21% (0.00%)</b>			<b>SWEDEN 0.69% (0.82%)</b>				
EUR	1,920,000	Play Finance 2 5.25% 01/02/2019	1,655	0.21			<b>BB+ 0.46% (0.49%)</b>		
		<b>B 0.00% (0.25%)</b>			EUR	2,920,000	*Volvo Treasury 4.2% 10/06/2075	2,550	0.32
		<b>Total Poland</b>	<b>1,655</b>	<b>0.21</b>	EUR	1,250,000	*Volvo Treasury 4.85% 10/03/2078	1,102	0.14
<b>PORTUGAL 0.23% (0.31%)</b>							<b>B1 0.00% (0.08%)</b>		
		<b>Not Rated 0.23% (0.31%)</b>					<b>B 0.23% (0.25%)</b>		
EUR	1,000,000	Banco Espirito Santo 2.625% 08/05/2017 (Defaulted)	193	0.03	EUR	2,085,000	Unilabs Subholding 8.5% 15/07/2018	1,804	0.23
EUR	1,400,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	271	0.03			<b>Total Sweden</b>	<b>5,456</b>	<b>0.69</b>
EUR	6,900,000	Novo Banco 4% 21/01/2019 (Defaulted)	1,334	0.17	<b>SWITZERLAND 2.25% (0.72%)</b>				
		<b>Total Portugal</b>	<b>1,798</b>	<b>0.23</b>			<b>BBB+ 0.52% (0.00%)</b>		
<b>REPUBLIC OF IRELAND 2.19% (1.76%)</b>					EUR	4,527,000	*UBS 4.75% 12/02/2026	4,092	0.52
		<b>BB 0.18% (0.20%)</b>					<b>BBB 1.11% (0.27%)</b>		
EUR	1,285,000	Bank of Ireland 10% 19/12/2022	1,421	0.18	EUR	6,644,000	*Credit Suisse 5.75% 18/09/2025	6,119	0.78
		<b>B+ 0.99% (1.23%)</b>			USD	3,200,000	Credit Suisse 6.5% 08/08/2023	2,626	0.33
EUR	1,009,000	*Allied Irish Banks 4.125% 26/11/2025	815	0.10			<b>BB+ 0.26% (0.00%)</b>		
EUR	4,840,000	Ardagh Packaging Finance 4.25% 15/01/2022	4,195	0.53	EUR	2,292,000	*UBS Group 5.75% 29/12/2049	2,016	0.26
GBP	1,381,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	1,077	0.14			<b>BB 0.36% (0.45%)</b>		
EUR	2,120,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	1,739	0.22	USD	3,630,000	*Credit Suisse 7.5% 11/12/2049	2,856	0.36
		<b>B 0.14% (0.00%)</b>					<b>Total Switzerland</b>	<b>17,709</b>	<b>2.25</b>
EUR	1,315,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	1,143	0.14	<b>UNITED KINGDOM 23.12% (23.38%)</b>				
		<b>B2e 0.24% (0.00%)</b>					<b>Baa2 0.46% (0.54%)</b>		
EUR	2,160,000	Eircom Finance 4.5% 31/05/2022	1,876	0.24	GBP	2,326,000	Santander UK 10.0625% 29/10/2049	3,629	0.46
		<b>B3u 0.00% (0.33%)</b>					<b>BB+ 4.35% (2.47%)</b>		
		<b>CCC+ 0.64% (0.00%)</b>			EUR	1,987,000	International Game Technology 4.125% 15/02/2020	1,797	0.23
EUR	5,500,000	Ardagh Packaging Finance 6.75% 15/05/2024	5,004	0.64	EUR	1,995,000	International Game Technology 4.75% 15/02/2023	1,840	0.23
		<b>Total Republic of Ireland</b>	<b>17,270</b>	<b>2.19</b>	GBP	5,528,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	5,848	0.74
<b>RUSSIA 0.00% (0.19%)</b>					GBP	2,821,000	*Lloyds Bank 13% 29/01/2049	4,918	0.62
		<b>BB+ 0.00% (0.19%)</b>			EUR	1,678,000	*Royal Bank of Scotland 10.5% 16/03/2022	1,482	0.19
		<b>Total Russia</b>	–	–	GBP	1,042,000	Tesco 5.5% 13/01/2033	1,137	0.14
<b>SINGAPORE 0.12% (0.15%)</b>					GBP	3,510,000	Tesco 6.125% 24/02/2022	4,058	0.52
		<b>Not Rated 0.12% (0.15%)</b>			GBP	3,146,000	Tesco Property Finance 5.5% 13/10/2041	623	0.08
USD	2,906,367	Oro Negro Drilling 7.5% 24/01/2019 (Defaulted)	932	0.12	GBP	693,000	Tesco Property Finance 1 7.6227% 13/07/2039	3,549	0.45
		<b>Total Singapore</b>	<b>932</b>	<b>0.12</b>	GBP	617,000	Tesco Property Finance 3 5.744% 13/04/2040	713	0.09
					GBP	240,000	Travis Perkins 4.375% 15/09/2021	247	0.03
					GBP	2,992,000	Travis Perkins 4.5% 07/09/2023	3,057	0.39
					GBP	4,737,000	William Hill 4.875% 07/09/2023	5,054	0.64



## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 23.12% (23.38%) (continued)</b>					USD	4,550,000	*Royal Bank of Scotland 8.625% 29/12/2049	3,472	0.44
		<b>BB 4.32% (4.38%)</b>			EUR	1,260,000	Thomas Cook Finance 7.75% 15/06/2020	1,091	0.14
EUR	4,736,000	Anglo American 2.5% 29/04/21	3,924	0.50	GBP	1,150,000	Thomas Cook Group 7.75% 22/06/2017	1,202	0.15
EUR	2,493,000	Anglo American 2.875% 20/11/2020	2,116	0.27	EUR	4,281,000	Virgin Media Finance 4.5% 15/01/2025	3,717	0.47
EUR	4,551,000	Anglo American Capital 1.5% 01/04/2020	3,734	0.47	GBP	4,710,000	Virgin Media Finance 6.375% 15/10/2024	5,091	0.65
EUR	2,088,000	Anglo American Capital 1.75% 03/04/2018	1,763	0.22	<b>B2 0.00% (0.66%)</b>				
EUR	500,000	Anglo American Capital 3.25% 03/04/2023	415	0.05	<b>B- 0.93% (1.00%)</b>				
EUR	7,144,000	Anglo American Capital 3.5% 28/03/2022	6,078	0.77	EUR	2,535,000	Ephios Holdings II 8.25% 01/07/2023	2,332	0.30
GBP	2,879,000	*Barclays Bank 14% 29/11/2049	3,639	0.46	GBP	1,810,000	GHD Bondco 7% 15/04/2020	1,809	0.23
GBP	1,533,000	*Co-Operative Group 6.25% 08/07/2026	1,831	0.23	GBP	628,000	Keystone Financing 9.5% 15/10/2019	656	0.08
GBP	4,300,000	*Co-Operative Group FRN 6.88% 08/07/2020	4,984	0.63	GBP	2,428,000	Odeon & UCI Finco 9% 01/08/2018	2,513	0.32
EUR	6,551,000	Merlin Entertainments 2.75% 15/03/2022	5,634	0.72	<b>CCC+ 0.63% (1.87%)</b>				
		<b>BB- 4.24% (3.75%)</b>			GBP	4,281,470	Annington Finance No.5 PIK 13% 15/01/2023	4,978	0.63
GBP	496,000	Enterprise Inns 6.5% 06/12/2018	530	0.07	<b>CCC 0.28% (0.00%)</b>				
GBP	1,540,000	Enterprise Inns 6.875% 15/02/2021	1,639	0.21	GBP	2,215,000	Soho House Bond 9.125% 01/10/2018	2,215	0.28
EUR	4,375,000	Ineos Finance 4% 01/05/2023	3,776	0.48	<b>Caa2 0.41% (0.54%)</b>				
GBP	2,770,000	Iron Mountain Europe 6.125% 15/09/2022	2,953	0.38	GBP	3,429,000	Co-Operative Bank United Kingdom 5.125% 20/09/2017	3,248	0.41
GBP	3,792,000	Jerrold Finco 9.75% 15/09/2018	3,978	0.51	<b>CCC- 0.06% (0.09%)</b>				
GBP	589,000	*Lloyds Banking Group 7% 29/12/2049	593	0.08	EUR	675,000	PPC Finance 5.5% 01/05/2019	468	0.06
GBP	1,919,000	*Lloyds Banking Group 7.875% 29/12/2049	2,016	0.26	<b>Not Rated 0.96% (0.99%)</b>				
GBP	4,891,000	Moy Park Bondco 6.25% 29/05/2021	5,141	0.65	GBP	2,850,000	First Hydro Finance 9% 31/07/2021	3,815	0.48
GBP	3,251,000	Southern Water Greensands Financing 8.5% 15/04/2019	3,693	0.47	EUR	4,916,000	International Personal Finance 5.75% 07/04/2021	3,789	0.48
GBP	4,275,000	Virgin Media 4.875% 15/01/2027	4,481	0.57	USD	434	**NV Profit Share Preference Share	—	—
GBP	1,960,000	Virgin Media Secured Finance 5.125% 15/01/2025	2,091	0.27	<b>Total United Kingdom</b>				
GBP	2,041,000	Virgin Media Secured Finance 5.5% 15/01/2021	2,255	0.29				<b>182,070</b>	<b>23.12</b>
		<b>Ba3 0.42% (0.77%)</b>			<b>UNITED STATES OF AMERICA 2.67% (3.45%)</b>				
GBP	3,089,000	Anglian Water Osprey Financing 7% 31/01/2018	3,339	0.42	EUR	2,160,000	Ball Corporation 3.5% 15/12/2020	2,016	0.26
		<b>B+ 1.60% (2.12%)</b>			EUR	2,960,000	Ball Corporation 4.375% 15/12/2023	2,883	0.37
EUR	1,867,000	Boparan Finance 4.375% 15/07/2021	1,514	0.19	<b>BB 0.33% (0.30%)</b>				
GBP	1,600,000	Boparan Finance 5.5% 15/07/2021	1,527	0.19	EUR	2,815,000	Sealed Air 4.5% 15/09/2023	2,639	0.33
EUR	950,000	EC Finance 5.125% 15/07/2021	838	0.11	<b>B+ 0.15% (0.06%)</b>				
EUR	4,226,000	Ephios 6.25% 01/07/2022	3,855	0.49	EUR	1,360,000	Axalta Coating Systems 4.25% 15/08/2024	1,205	0.15
EUR	3,020,000	OTE 3.5% 09/07/2020	2,602	0.33	<b>B 0.36% (0.47%)</b>				
EUR	1,430,000	OTE 4.375% 02/12/2019	1,258	0.16	CHF	3,531,000	Nord Anglia Education Finance 5.75% 15/07/2022	2,860	0.36
EUR	1,104,000	OTE 7.875% 07/02/2018	997	0.13	<b>B- 0.62% (0.93%)</b>				
		<b>B1 0.39% (0.22%)</b>			USD	5,580,000	Neptune Finco 10.875% Notes 15/10/2025	4,899	0.62
GBP	1,480,000	Arrow Global Finance 5.125% 15/09/2024	1,486	0.19	<b>CCC+ 0.47% (0.53%)</b>				
GBP	1,364,000	Thames Water Kemble Finance 7.75% 01/04/2019	1,543	0.20	EUR	4,170,000	Kloeckner Penta 7.125% 01/05/2020	3,715	0.47
		<b>B 4.07% (3.98%)</b>			<b>Caa1 0.00% (0.08%)</b>				
GBP	4,124,000	Cognita Finance 7.75% 15/08/2021	4,349	0.55	<b>CCC- 0.11% (0.00%)</b>				
GBP	3,395,000	IDH Finance 6.25% 15/08/2022	3,387	0.43	USD	1,818,320	*DFC Finance PIK 12% 16/06/2020	836	0.11
EUR	2,229,000	Inovyn Finance 6.25% 15/05/2021	1,981	0.25	<b>Not Rated 0.00% (0.48%)</b>				
GBP	4,680,000	New Look Secured Bond 6.5% 01/07/22	4,509	0.57	<b>Total United States of America</b>				
GBP	2,095,000	Pizza Express Financing 6.625% 01/08/2021	2,097	0.27				<b>21,053</b>	<b>2.67</b>
USD	1,620,000	*Royal Bank of Scotland 8% 29/12/2049	1,176	0.15					

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Value £000	% of Investment
<b>DERIVATIVES –0.50% (0.04%)</b>					<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
		<b>Credit Default Swaps 0.04% (0.08%)</b>			Fixed interest	604,989	85.17
EUR	3,300,000	Barclays Fiat Chrysler Finance North America Credit Default Swap Sell Protection 20/09/2018 Spread 500	181	0.02	Floating rate notes	109,285	15.39
EUR	2,400,000	Goldman Sachs Fiat Chrysler Finance North America Credit Default Swap Sell Protection 20/12/2018 Spread 500	138	0.02	Derivatives	(3,950)	(0.56)
		<b>Forward Foreign Exchange Contracts –0.54% (–0.04%)</b>			<b>Total value of investments</b>	<b>710,324</b>	<b>100.00</b>
		Sell EUR 1,671,246			<i>March 2016 comparatives in brackets.</i>		
		Buy CHF 1,817,926 J.P. Morgan	(2)	–	<i>(P) Refers to Provisional Rating.</i>		
		Sell EUR 208,037			<i>*Variable rate bonds.</i>		
		Buy CHF 226,296 J.P. Morgan	–	–	<i>**Manually priced.</i>		
		Sell EUR 239,624			<b>Total Purchases and Sales</b>		
		Buy CHF 260,655 J.P. Morgan	–	–	<i>for the accounting period 8 March 2016 to 7 September 2016</i>		
		Sell GBP 1,000,000				<b>2016</b>	<b>2015</b>
		Buy EUR 1,179,042 Lloyds	(9)	–		<b>£000</b>	<b>£000</b>
		Sell GBP 2,000,000			Total purchases for the period	200,771	155,497
		Buy EUR 2,387,624 J.P. Morgan	7	–	Total sales for the period	89,579	139,876
		Sell USD 450,000					
		Buy EUR 398,415 J.P. Morgan	(1)	–			
		Sell CHF 53,000					
		Buy EUR 48,368 J.P. Morgan	–	–			
		Sell GBP 5,000,000					
		Buy EUR 5,926,776 UBS	(17)	–			
		Sell USD 67,966,000					
		Buy EUR 59,980,126 UBS	(344)	(0.04)			
		Sell CHF 10,318,000					
		Buy EUR 9,513,755 Bank of Scotland	36	–			
		Sell GBP 78,471,000					
		Buy EUR 91,018,110 J.P. Morgan	(1,946)	(0.25)			
		Sell GBP 80,000,000					
		Buy EUR 92,780,516 UBS	(1,993)	(0.25)			
		Sell EUR 13,465					
		Buy USD 15,164 J.P. Morgan	–	–			
		Sell EUR 4,910,398					
		Buy USD 5,529,870 J.P. Morgan	1	–			
		Sell EUR 89,605					
		Buy USD 100,000 J.P. Morgan	(1)	–			
		<b>Total Derivatives</b>	<b>(3,950)</b>	<b>(0.50)</b>			
<b>Total value of investments</b>			<b>710,324</b>	<b>90.22</b>			
<b>Net other assets (14.75%)</b>			<b>77,038</b>	<b>9.78</b>			
<b>Net assets</b>			<b>787,362</b>	<b>100.00</b>			

## Threadneedle Strategic Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 3.92% (2.13%)</b>					<b>B- 0.69% (0.30%)</b>				
		<b>A 1.16% (1.06%)</b>			EUR	955,000	Cott Finance 5.5% 01/07/2024	863	0.33
GBP	1,525,000	BHP Billiton Finance 3.25% 25/09/2024	1,726	0.66	EUR	1,360,000	Valeant Pharmaceuticals International 4.5% 15/05/2023	943	0.36
GBP	1,247,000	Scentre Group Trust 2.375% 08/04/2022	1,313	0.50			<b>Total Canada</b>	<b>2,057</b>	<b>0.78</b>
		<b>A- 0.22% (0.00%)</b>			<b>CAYMAN ISLANDS 2.43% (2.38%)</b>				
GBP	515,000	Vicinity Centres 3.375% 07/04/2026	580	0.22			<b>AA+ 0.13% (0.14%)</b>		
		<b>BBB+ 1.88% (0.87%)</b>			GBP	400,000	*Trafford Centre Finance FRN 28/07/2035 A3	335	0.13
GBP	1,812,000	*BHP Billiton Finance 6.5% 22/10/2077	2,042	0.78			<b>A 0.34% (0.32%)</b>		
USD	689,000	SGSP Australia Assets 3.25% 29/07/2026	524	0.20	GBP	622,000	Dwr Cymru Financing 6.015% 31/03/2028	911	0.34
AUD	2,500,000	SGSP Australia Assets 3.75% 28/06/2023	1,459	0.55			<b>A- 0.52% (0.54%)</b>		
GBP	785,000	SGSP Australia Assets 5.125% 11/02/2021	910	0.35	GBP	1,245,000	Thames Water Utilities Cayman Finance 7.241% 09/04/2058	1,361	0.52
		<b>BBB 0.22% (0.00%)</b>					<b>BBB 0.84% (0.96%)</b>		
GBP	500,000	APT Pipelines 4.25% 26/11/2024	575	0.22	GBP	716,000	South East Water Finance 5.6577% 30/09/2019	807	0.31
		<b>BBB- 0.19% (0.00%)</b>			GBP	1,350,000	*Thames Water Utilities Cayman Finance 5.375% 21/07/2025	1,396	0.53
GBP	450,000	Asciano Finance 5% 19/09/23	515	0.19			<b>BB+ 0.17% (0.00%)</b>		
		<b>BB+ 0.25% (0.20%)</b>			USD	835,000	Noble Holding International 6.95% 01/04/2045	455	0.17
EUR	760,000	*Santos Finance FRN 8.25% 22/09/2070	660	0.25			<b>BB 0.11% (0.12%)</b>		
		<b>Total Australia</b>	<b>10,304</b>	<b>3.92</b>	USD	460,000	UPCB Finance VI 6.875% 15/01/2022	289	0.11
<b>AUSTRIA 1.64% (1.54%)</b>							<b>B2 0.32% (0.30%)</b>		
		<b>BBB- 0.24% (0.00%)</b>			EUR	940,000	Viridian Group FundCo II 7.5% 01/03/2020	843	0.32
USD	800,000	*Erste Group Bank 5.5% 26/05/2025	619	0.24			<b>Total Cayman Islands</b>	<b>6,397</b>	<b>2.43</b>
		<b>Baa3 0.48% (0.00%)</b>			<b>CROATIA 0.31% (0.17%)</b>				
EUR	1,200,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	1,268	0.48			<b>B 0.14% (0.13%)</b>		
		<b>BB+ 0.00% (0.42%)</b>			EUR	400,000	Agrokor DD 9.125% 01/02/2020	358	0.14
		<b>Ba1 0.00% (0.42%)</b>					<b>Not Rated 0.17% (0.04%)</b>		
		<b>Ca 0.92% (0.70%)</b>			EUR	545,000	*Aquarius Plus Investments FRN 08/08/2017	456	0.17
EUR	208,000	Heta Asset Resolution 4.25% 31/10/2016	156	0.06			<b>Total Croatia</b>	<b>814</b>	<b>0.31</b>
EUR	3,050,000	Heta Asset Resolution 4.375% 24/01/2017	2,266	0.86	<b>CZECH REPUBLIC 0.42% (0.60%)</b>				
		<b>Total Austria</b>	<b>4,309</b>	<b>1.64</b>			<b>Ba2 0.42% (0.40%)</b>		
<b>BELGIUM 1.68% (1.17%)</b>					EUR	1,260,000	RPG 6.75% 01/05/2020	1,095	0.42
		<b>A- 1.30% (0.69%)</b>					<b>Not Rated 0.00% (0.20%)</b>		
GBP	1,159,000	Anheuser-Busch InBev 4% 24/09/2025	1,405	0.54			<b>Total Czech Republic</b>	<b>1,095</b>	<b>0.42</b>
GBP	1,231,000	Anheuser-Busch InBev 9.75% 30/07/2024	2,000	0.76	<b>DENMARK 0.52% (0.19%)</b>				
		<b>BB 0.38% (0.48%)</b>					<b>BBB+ 0.19% (0.00%)</b>		
EUR	1,205,000	*KBC Groep 5.625% 19/12/2049	1,006	0.38	GBP	480,000	*Danske Bank 5.375% 29/09/2021	505	0.19
		<b>Total Belgium</b>	<b>4,411</b>	<b>1.68</b>			<b>BBB 0.00% (0.19%)</b>		
<b>BRITISH VIRGIN ISLANDS 0.54% (0.52%)</b>							<b>BBB- 0.33% (0.00%)</b>		
		<b>BBB 0.54% (0.52%)</b>			GBP	725,000	TDC 5.625% 23/02/2023	854	0.33
GBP	1,256,000	Global Switch Holdings 4.375% 13/12/2022	1,424	0.54			<b>Total Denmark</b>	<b>1,359</b>	<b>0.52</b>
		<b>Total British Virgin Islands</b>	<b>1,424</b>	<b>0.54</b>					
<b>CANADA 0.78% (0.38%)</b>									
		<b>B 0.09% (0.08%)</b>							
USD	356,000	Bombardier 5.75% 15/03/22	251	0.09					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FRANCE 2.10% (3.67%)</b>									
		<b>A+ 0.00% (0.33%)</b>			EUR	694,000	Pfleiderer 7.875% 01/08/2019	607	0.23
					EUR	630,000	Trionista Topco 6.875% 30/04/2021	559	0.21
		<b>BBB 0.26% (0.41%)</b>							
GBP	555,000	AXA 7.125% 15/12/2020	682	0.26					
		<b>BBB- 0.00% (0.62%)</b>							
		<b>BB 0.50% (0.65%)</b>			EUR	640,000	CeramTec Group 8.25% 15/08/2021	573	0.22
							<b>Total Germany</b>	<b>10,230</b>	<b>3.89</b>
EUR	315,000	Crown European Holdings 4% 15/07/2022	296	0.11	<b>GUERNSEY 0.29% (0.00%)</b>				
EUR	705,000	Novalis 3% 30/04/2022	609	0.23			<b>BBB+ 0.29% (0.00%)</b>		
EUR	180,000	*Solvay Finance 5.118% 29/06/2049	163	0.06	GBP	750,000	Credit Suisse 2.75% 08/08/2025	750	0.29
EUR	280,000	*Solvay Finance 5.869% 29/06/2049	262	0.10			<b>Total Guernsey</b>	<b>750</b>	<b>0.29</b>
		<b>B+ 1.04% (1.20%)</b>			<b>ICELAND 0.37% (0.34%)</b>				
EUR	700,000	Areva 3.125% 20/03/2023	566	0.22			<b>BBB- 0.37% (0.34%)</b>		
EUR	301,000	Cerba European Laboratory 7% 01/02/2020	263	0.10	EUR	1,132,000	Arion Banki 3.125% 12/03/2018	982	0.37
EUR	739,000	Numericable-SFR 5.375% 15/05/2022	650	0.25			<b>Total Iceland</b>	<b>982</b>	<b>0.37</b>
EUR	716,000	Numericable-SFR 5.625% 15/05/2024	635	0.24	<b>ITALY 3.59% (3.59%)</b>				
USD	381,000	Numericable-SFR 6% 15/05/2022	293	0.11			<b>Baa3 0.38% (0.39%)</b>		
EUR	360,000	Paprec Holding 5.25% 01/04/2022	317	0.12	GBP	948,000	Acquedotto Pugliese 6.92% 29/06/2018	991	0.38
		<b>B 0.00% (0.03%)</b>					<b>BB+ 2.51% (2.13%)</b>		
		<b>B- 0.03% (0.18%)</b>			EUR	650,000	*Enel 5% 15/01/2075	589	0.22
EUR	100,000	WFS Global Holdings 9.5% 15/07/2022	82	0.03	GBP	810,000	*Enel 6.625% 15/09/2076	886	0.34
		<b>Not Rated 0.27% (0.25%)</b>			EUR	1,873,000	Finmeccanica 4.5% 19/01/2021	1,793	0.68
GBP	705,000	*Credit Agricole 7.5% 31/12/2049	710	0.27	EUR	220,000	Telecom Italia 3.625% 19/01/2024	202	0.08
		<b>Total France</b>	<b>5,528</b>	<b>2.10</b>	EUR	1,666,000	Telecom Italia 4.5% 25/01/2021	1,600	0.61
					EUR	700,000	Telecom Italia 5.25% 10/02/2022	700	0.27
					GBP	750,000	Telecom Italia 7.375% 15/12/2017	804	0.31
<b>GERMANY 3.89% (3.44%)</b>							<b>BB 0.08% (0.00%)</b>		
		<b>Ba1 0.10% (0.00%)</b>			EUR	240,000	LKG Italia Bondco 3.875% 01/04/2024	219	0.08
EUR	300,000	HeidelbergCement Finance Luxembourg 2.25% 30/03/2023	271	0.10			<b>B+ 0.17% (0.16%)</b>		
		<b>BB 0.13% (0.00%)</b>			EUR	527,000	Zobe Holding 7.875% 01/02/2018	452	0.17
EUR	390,000	WEPA Hygieneprodukte 3.75% 15/05/2024	347	0.13			<b>B3 0.45% (0.91%)</b>		
		<b>BB- 1.49% (1.38%)</b>			EUR	1,426,000	Banca Monte dei Paschi di Siena 3.625% 01/04/2019	1,196	0.45
EUR	675,000	Techem 6.125% 01/10/2019	587	0.22			<b>Total Italy</b>	<b>9,432</b>	<b>3.59</b>
EUR	736,000	Unitymedia Hessen 5.125% 21/01/2023	532	0.20	<b>JAPAN 0.64% (1.04%)</b>				
EUR	494,000	Unitymedia Hessen 5.625% 15/04/2023	357	0.14			<b>BB+ 0.64% (1.04%)</b>		
EUR	1,502,000	Unitymedia Hessen 5.75% 15/01/2023	1,098	0.42	EUR	1,132,000	Softbank Group 4% 30/07/2022	1,061	0.40
EUR	720,000	Unitymedia NRW 3.5% 15/01/2027	626	0.24	EUR	654,000	Softbank Group 4.75% 30/07/2025	625	0.24
USD	922,000	Unitymedia NRW 5% 15/01/2025	719	0.27			<b>Total Japan</b>	<b>1,686</b>	<b>0.64</b>
		<b>B+ 0.36% (0.33%)</b>			<b>JERSEY 2.05% (1.77%)</b>				
EUR	721,000	ProGroup 5.125% 01/05/2022	652	0.25			<b>A- 0.43% (0.60%)</b>		
EUR	350,000	Trionista Holdco 5% 30/04/2020	302	0.11	GBP	919,000	Heathrow Funding 5.225% 15/02/2023	1,135	0.43
		<b>B 1.15% (1.04%)</b>					<b>BBB+ 0.20% (0.18%)</b>		
EUR	650,000	Deutsche Raststaetten Gruppe IV 6.75% 30/12/2020	574	0.22	GBP	409,000	Gatwick Funding 5.25% 23/01/2024	515	0.20
EUR	1,111,000	Safari Holding Verwaltungs 8.25% 15/02/2021	993	0.38			<b>BBB 0.39% (0.35%)</b>		
EUR	675,000	Techem Energy Metering Service 7.875% 01/10/2020	593	0.23	GBP	824,000	Porterbrook Rail Finance 4.625% 04/04/2029	1,040	0.39
EUR	1,000,000	Unitymedia 3.75% 15/01/2027	840	0.32			<b>BB+ 0.14% (0.00%)</b>		
					EUR	395,000	Lincoln Finance 6.875% 15/04/2021	363	0.14

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>JERSEY 2.05% (1.77%) (continued)</b>					<b>B- 0.97% (0.48%)</b>				
		<b>(P)BB 0.21% (0.00%)</b>							
EUR	620,000	Adient Global Holdings 3.5% 15/08/2024	541	0.21	EUR	1,122,000	Cerberus Nightingale 8.25% 01/02/2020	978	0.37
					EUR	305,000	JH Holding Finance PIK 8.25% 01/12/2022	276	0.11
		<b>B+ 0.00% (0.19%)</b>			EUR	1,506,027	Play Topco 7.75% 28/02/2020	1,287	0.49
		<b>B 0.48% (0.45%)</b>							
GBP	610,000	CPUK Finance 7% 28/08/2020	650	0.25	EUR	202,361	Ardagh Finance Holdings PIK 8.375% 15/06/2019	180	0.07
EUR	700,000	Mercury Bondco PIK 8.25% 30/05/2021	618	0.23	EUR	377,105	*Bilbao Luxembourg PIK 10.5% 24/10/2018	320	0.12
		<b>B- 0.20% (0.00%)</b>							
GBP	505,000	TVL Finance 8.5% 15/05/2023	536	0.20	USD	629,000	Codere Finance 2 (Luxembourg) PIK 9% 30/06/2021	486	0.18
		<b>Total Jersey</b>	<b>5,398</b>	<b>2.05</b>			<b>Total Luxembourg</b>	<b>22,550</b>	<b>8.58</b>
<b>LUXEMBOURG 8.58% (9.07%)</b>					<b>MEXICO 0.93% (0.78%)</b>				
		<b>BBB- 0.40% (0.49%)</b>							
GBP	933,000	Glencore Finance Europe 6% 03/04/2022	1,063	0.40	GBP	1,405,000	United Mexican States 5.625% 19/03/2114	1,612	0.61
		<b>BB+ 1.55% (1.60%)</b>							
GBP	1,661,000	Gaz Capital 5.338% 25/09/2020	1,794	0.68					
USD	865,000	Gaz Capital 5.999% 23/01/2021	700	0.27					
USD	872,000	Gaz Capital 6.51% 07/03/2022	729	0.28	GBP	770,000	*America Movil 6.375% 06/09/2073	836	0.32
EUR	1,000,000	*Grand City Properties 3.75% 29/12/2049	851	0.32			<b>Total Mexico</b>	<b>2,448</b>	<b>0.93</b>
		<b>Ba1 1.08% (0.99%)</b>			<b>NETHERLANDS 8.64% (8.47%)</b>				
EUR	1,770,000	HeidelbergCement Finance Luxembourg 7.5% 03/04/2020	1,851	0.70	USD	1,295,000	Deutsche Annington Finance 5% 02/10/2023	1,071	0.41
EUR	960,000	HeidelbergCement Finance Luxembourg 8.5% 31/10/2019	1,009	0.38	GBP	1,620,000	*ING Bank 6.875% 29/05/2023	1,738	0.66
		<b>BB 1.88% (1.04%)</b>			GBP	2,415,000	PostNL 7.5% 14/08/2018	2,720	1.03
EUR	689,000	Dufry Finance 4.55% 01/08/2023	618	0.24					
USD	500,000	Dufry Finance 5.5% 15/10/2020	386	0.15	USD	769,000	ABN AMRO Bank 4.75% 28/07/2025	609	0.23
EUR	1,000,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	929	0.35	GBP	420,000	RWE Finance 5.625% 06/12/2023	528	0.20
EUR	801,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	777	0.30	GBP	586,000	RWE Finance 6.25% 03/06/2030	807	0.31
EUR	341,000	Fiat Finance & Trade 4.75% 22/03/2021	319	0.12	EUR	500,000	*Vonovia Finance 4% 29/12/2049	448	0.17
EUR	965,000	Hanesbrands 3.5% 15/06/2024	868	0.33					
EUR	1,000,000	Wind Acquisition Finance 4% 15/07/2020	859	0.33	EUR	1,797,000	*SNS Bank FRN 05/11/2025	1,542	0.59
USD	200,000	Wind Acquisition Finance 4.75% 15/07/2020	153	0.06	EUR	300,000	*Telefonica Europe 5% 31/03/2049	267	0.10
		<b>BB- 0.06% (1.44%)</b>			GBP	1,400,000	*Telefonica Europe 6.75% Perpetual	1,513	0.57
USD	200,000	Altice Financing 6.625% 15/02/2025	155	0.06	EUR	400,000	*Telefonica Europe 7.625% 29/09/2021	393	0.15
		<b>B+ 0.65% (0.62%)</b>							
GBP	310,000	Cabot Financial Luxembourg 10.375% 01/10/2019	328	0.12	EUR	500,000	*Telefonica Europe 4.2% 29/12/2049	436	0.17
EUR	675,000	Cirsa Funding Luxembourg 5.75% 15/05/2021	603	0.23					
EUR	470,000	Garfunkelux 7.5% 01/08/2022	413	0.16	GBP	881,000	*Koninklijke KPN 6.875% 14/03/2073	967	0.37
EUR	423,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	381	0.14	EUR	636,000	OI European Group 4.875% 31/03/2021	620	0.24
		<b>B 1.62% (1.78%)</b>			EUR	510,000	OI European Group 6.75% 15/09/2020	526	0.20
EUR	817,000	Altice 6.25% 15/02/2025	691	0.26	EUR	580,000	Schaeffler Finance 3.5% 15/05/2022	505	0.19
EUR	870,000	Altice 7.25% 15/05/2022	776	0.30					
USD	200,000	Altice 7.625% 15/12/2025	155	0.06	EUR	704,000	InterXion Holding 6% 15/07/2020	624	0.24
EUR	310,000	Befesa Zinc Capital 8.875% 15/05/2018	266	0.10	EUR	583,000	Ziggo Secured Finance 3.75% 15/01/2025	503	0.19
EUR	1,143,000	Bormioli Rocco Holdings 10.5% 01/08/2018	988	0.38					
EUR	489,000	Lecta 6.5% 01/08/2023	420	0.16	EUR	1,385,000	Carlson Wagonlit 7.5% 15/06/2019	1,211	0.46
EUR	1,071,000	Wind Acquisition Finance 7% 23/04/2021	941	0.36	GBP	968,000	Petrobras Global Finance 6.625% 16/01/2034	855	0.32
					EUR	660,000	Schaeffler Finance 3.25% 15/05/2019	564	0.21
					EUR	1,302,000	Schaeffler Holding Finance PIK 5.75% 15/11/2021	713	0.27

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 8.64% (8.47%) (continued)</b>					<b>SINGAPORE 0.07% (0.07%)</b>				
		<b>B+ 1.53% (1.01%) (continued)</b>					<b>Not Rated 0.07% (0.07%)</b>		
EUR	2,206,000	Schaeffler Holding Finance PIK 6.875% 15/08/2018	709	0.27	USD	562,851	Oro Negro Drilling 7.5% 24/01/2019 (Defaulted)	180	0.07
		<b>B 1.01% (2.03%)</b>					<b>Total Singapore</b>	<b>180</b>	<b>0.07</b>
GBP	799,000	InterGen 7.5% 30/06/2021	659	0.25	<b>SPAIN 0.19% (0.41%)</b>				
EUR	765,000	United Group 7.875% 15/11/2020 REGS	676	0.26			<b>BBB 0.19% (0.41%)</b>		
EUR	775,000	UPC Holding 6.75% 15/03/2023 EUR	711	0.27	GBP	400,000	Telefonica Emisiones SAU 5.289% 09/12/2022	493	0.19
EUR	700,000	Ziggo Bond Finance 4.625% 15/01/2025	598	0.23			<b>Total Spain</b>	<b>493</b>	<b>0.19</b>
		<b>Not Rated 0.08% (0.08%)</b>			<b>SWEDEN 0.37% (0.34%)</b>				
USD	1,239,044	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	204	0.08			<b>A 0.19% (0.00%)</b>		
		<b>Total Netherlands</b>	<b>22,717</b>	<b>8.64</b>	EUR	582,000	Atlas Copco 0.625% 30/08/2026	491	0.19
<b>NORWAY 0.17% (0.66%)</b>							<b>BB+ 0.00% (0.16%)</b>		
		<b>BB- 0.17% (0.66%)</b>					<b>B 0.18% (0.18%)</b>		
EUR	517,000	Lock 7% 15/08/2021	457	0.17	EUR	563,000	Unilabs Subholding 8.5% 15/07/2018	487	0.18
		<b>Total Norway</b>	<b>457</b>	<b>0.17</b>			<b>Total Sweden</b>	<b>978</b>	<b>0.37</b>
<b>POLAND 0.34% (0.32%)</b>					<b>SWITZERLAND 1.80% (1.45%)</b>				
		<b>B+ 0.16% (0.00%)</b>					<b>BBB+ 0.57% (0.00%)</b>		
EUR	471,000	Play Finance 2 5.25% 01/02/2019	406	0.16	EUR	555,000	*UBS 4.75% 12/02/2026	502	0.19
		<b>B 0.00% (0.15%)</b>			USD	1,258,000	UBS 5.125% 15/05/2024	984	0.38
		<b>B- 0.18% (0.00%)</b>					<b>BBB 0.62% (0.88%)</b>		
EUR	550,000	Play Finance 1 6.5% 01/08/2019	479	0.18	EUR	1,760,000	*Credit Suisse 5.75% 18/09/2025	1,621	0.62
		<b>CCC+ 0.00% (0.17%)</b>					<b>BB+ 0.33% (0.00%)</b>		
		<b>Total Poland</b>	<b>885</b>	<b>0.34</b>	USD	1,100,000	*UBS Group 7% 29/12/2049	878	0.33
<b>PORTUGAL 0.21% (0.23%)</b>							<b>BB 0.28% (0.57%)</b>		
		<b>Not Rated 0.21% (0.23%)</b>			USD	940,000	*Credit Suisse 7.5% 11/12/2049	740	0.28
EUR	300,000	Banco Espirito Santo 2.625% 08/05/2017 (Defaulted)	58	0.02			<b>Total Switzerland</b>	<b>4,725</b>	<b>1.80</b>
EUR	800,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	155	0.06	<b>UNITED ARAB EMIRATES 0.51% (0.45%)</b>				
EUR	1,800,000	Novo Banco 4% 21/01/2019 (Defaulted)	348	0.13			<b>A3 0.51% (0.00%)</b>		
		<b>Total Portugal</b>	<b>561</b>	<b>0.21</b>	EUR	1,575,000	Emirates 1.75% 23/03/2022	1,335	0.51
<b>REPUBLIC OF IRELAND 1.62% (2.00%)</b>							<b>Baa1 0.00% (0.45%)</b>		
		<b>AA+ 0.00% (0.53%)</b>					<b>Total United Arab Emirates</b>	<b>1,335</b>	<b>0.51</b>
		<b>BB 0.16% (0.14%)</b>			<b>UNITED KINGDOM 36.96% (37.40%)</b>				
EUR	380,000	Bank of Ireland 10% 19/12/2022	420	0.16			<b>AAA 0.11% (1.04%)</b>		
		<b>B+ 1.30% (1.23%)</b>			GBP	325,000	Broadgate Financing 4.949% 05/04/2029	278	0.11
EUR	1,267,000	*Allied Irish Banks 4.125% 26/11/2025	1,024	0.39			<b>Aaa 0.31% (0.58%)</b>		
EUR	1,290,000	Ardagh Packaging Finance 4.25% 15/01/2022	1,118	0.42	GBP	630,000	Clydesdale Bank 4.625% 08/06/2026	818	0.31
GBP	617,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	481	0.18			<b>Aa1u 1.94% (0.41%)</b>		
EUR	980,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	804	0.31	GBP	3,630,000	United Kingdom Gilt 1.5% 22/07/2026	3,919	1.49
		<b>B3u 0.00% (0.10%)</b>			GBP	455,000	United Kingdom Gilt 3.25% 22/01/2044	657	0.25
		<b>CCC+ 0.16% (0.00%)</b>			GBP	340,000	United Kingdom Gilt 3.5% 22/01/2045	516	0.20
EUR	450,000	Ardagh Packaging Finance 6.75% 15/05/2024	409	0.16			<b>AA 1.22% (1.03%)</b>		
		<b>Total Republic of Ireland</b>	<b>4,256</b>	<b>1.62</b>	GBP	1,420,000	Integrated Accommodation Services 6.48% 31/03/2029	1,319	0.50
					GBP	574,000	Telereal Securitisation 4.9741% 10/09/2027	501	0.19
					GBP	1,261,000	Telereal Securitisation 5.9478% 10/12/2031	1,385	0.53



## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 36.96% (37.40%) (continued)</b>									
		<b>A+ 0.41% (0.98%)</b>			GBP	750,000	Imperial Brands Finance 9% 17/02/2022	1,049	0.40
GBP	845,000	Motability Operations Group 4.375% 08/02/2027	1,079	0.41	GBP	980,000	Intercontinental Hotels 3.875% 28/11/2022	1,101	0.42
		<b>A 2.53% (1.29%)</b>			GBP	228,000	Lloyds Bank 7.625% 22/04/2025	302	0.11
					GBP	2,600,000	*NGG Finance 5.625% 18/06/2073	2,955	1.12
GBP	625,000	BG Energy Capital 5.125% 01/12/2025	816	0.31			<b>Baa2 0.52% (0.47%)</b>		
GBP	950,000	Canary Wharf Finance II 6.455% 22/04/2030	376	0.14	GBP	1,266,000	BUPA Finance 3.375% 17/06/2021	1,379	0.52
GBP	398,000	Greene King Finance 4.0643% 15/03/2035	440	0.17			<b>BBB- 1.93% (1.63%)</b>		
GBP	731,000	Greene King Finance 5.106% 15/03/2034	873	0.33	GBP	1,180,000	Barclays Bank 10% 21/05/2021	1,525	0.58
USD	830,000	HSBC Holdings 3.6% 25/05/2023	644	0.24	GBP	979,000	G4S 7.75% 13/05/2019	1,127	0.43
GBP	985,000	Lloyds Bank 2.5% 01/06/2022	1,050	0.40	GBP	651,000	GKN Holdings 5.375% 19/09/2022	779	0.30
GBP	945,000	Longstone Finance 4.791% 19/04/2030	769	0.29	GBP	755,000	GKN Holdings 6.75% 28/10/2019	877	0.33
GBP	540,000	Longstone Finance 4.896% 19/04/2031	624	0.24	GBP	330,000	Marks & Spencer 4.75% 12/06/2025	387	0.15
GBP	629,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	684	0.26	GBP	500,000	Unique Pub Finance 6.542% 30/03/2021	362	0.14
GBP	335,000	UNITE USAF II 3.921% 30/06/2025	390	0.15			<b>Baa3 1.45% (0.86%)</b>		
		<b>A- 0.87% (4.04%)</b>			GBP	1,120,000	BUPA Finance 5% 25/04/2023	1,236	0.47
GBP	1,422,000	Mitchells & Butlers Finance 5.574% 15/12/2030	851	0.32	GBP	1,280,000	*TSB Banking Group 5.75% 06/05/2026	1,353	0.51
GBP	320,000	Mitchells & Butlers Finance 5.965% 15/12/2023	143	0.05	GBP	1,075,000	WM Morrison Supermarkets 4.625% 08/12/2023	1,225	0.47
GBP	960,000	Western Power Distribution West Midlands 6% 09/05/2025	1,306	0.50	EUR	530,000	International Game Technology 4.75% 15/02/2023	489	0.19
		<b>BBB+ 5.92% (3.47%)</b>			GBP	664,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	703	0.27
GBP	650,000	*Annington Finance No.4 Variable 10/01/2023	503	0.19	GBP	540,000	*Nationwide Building Society 6.875% 11/03/2049	530	0.20
GBP	805,000	BAE Systems 4.125% 08/06/2022	923	0.35	GBP	360,000	RMPA Services 5.337% 30/09/2038	382	0.15
GBP	1,414,000	*BG Energy Capital 6.5% 30/11/2072 GBP	1,495	0.57	GBP	800,000	*Spirit Issuer FRN 28/12/2036	761	0.29
GBP	507,000	CRH Finance UK 4.125% 02/12/2029	616	0.23	GBP	1,075,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,213	0.46
GBP	615,000	ENW Finance 6.125% 21/07/2021	761	0.29	GBP	890,000	Tesco Property Finance 5.5% 13/10/2041	899	0.34
GBP	1,180,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,308	0.50	GBP	340,000	Tesco Property Finance 6 5.4111% 13/07/2044	342	0.13
GBP	725,000	*Legal & General Group 5.875% 29/03/2049	758	0.29	GBP	782,000	Travis Perkins 4.375% 15/09/2021	804	0.31
GBP	1,170,000	*Legal & General Group 10% 23/07/2041	1,539	0.59	GBP	1,160,000	Travis Perkins 4.5% 07/09/2023	1,185	0.45
GBP	570,000	London Power Networks 6.125% 07/06/2027	812	0.31	GBP	978,000	William Hill 4.875% 07/09/2023	1,043	0.40
GBP	842,000	*RSA Insurance Group 6.701% 29/05/2049	872	0.33			<b>BB 1.28% (2.04%)</b>		
GBP	302,000	*RSA Insurance Group 9.375% 20/05/2039	354	0.13	GBP	434,000	*Barclays Bank 14% 29/11/2049	549	0.21
GBP	470,000	South Eastern Power Networks 6.375% 12/11/2031	744	0.28	GBP	1,450,000	*Co-Operative Group FRN 6.88% 08/07/2020	1,681	0.64
GBP	297,000	Southern Gas Networks 2.5% 03/02/2025	321	0.12	USD	1,414,000	Royal Bank of Scotland Group 6.125% 15/12/2022	1,134	0.43
GBP	330,000	SPD Finance UK 5.875% 17/07/2026	455	0.17			<b>BB- 3.33% (3.15%)</b>		
USD	1,098,000	Standard Chartered 4.05% 12/04/2026	851	0.32	GBP	1,145,000	Enterprise Inns 6.5% 06/12/2018	1,223	0.47
GBP	1,575,000	*Telereal Securitisation 4.0902% 10/12/2033	1,647	0.63	GBP	880,000	Iron Mountain Europe 6.125% 15/09/2022	938	0.36
GBP	1,470,000	Western Power Distribution 3.625% 06/11/2023	1,636	0.62	GBP	1,053,000	Jerrold Finco 9.75% 15/09/2018	1,105	0.42
		<b>BBB 4.34% (5.19%)</b>			GBP	900,000	*Lloyds Banking Group 7.875% 29/12/2049	945	0.36
GBP	940,000	*Aviva 6.125% 29/09/2049	1,013	0.39	GBP	1,512,000	Moy Park Bondco 6.25% 29/05/2021	1,589	0.60
GBP	629,000	*Aviva 6.625% 03/06/2041	704	0.27	GBP	1,020,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,159	0.44
GBP	830,000	Eversholt Funding 5.831% 02/12/2020	981	0.37	GBP	430,000	Virgin Media 4.875% 15/01/2027	451	0.17
GBP	780,000	Eversholt Funding 6.359% 02/12/2025	1,067	0.41	GBP	635,000	Virgin Media Secured Finance 5.125% 15/01/2025	677	0.26
GBP	665,000	Imperial Brand Finance 8.125% 15/03/2024	965	0.37	GBP	688,000	Virgin Media Secured Finance 5.5% 15/01/2025	663	0.25
GBP	310,000	Imperial Brands Finance 5.5% 28/09/2026	411	0.16					
GBP	715,000	Imperial Brands Finance 7.75% 24/06/2019	845	0.32					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 36.96% (37.40%) (continued)</b>						<b>A 0.20% (0.34%)</b>			
		<b>Ba3 0.29% (0.40%)</b>			GBP	514,000	Wells Fargo 2% 28/07/2025	523	0.20
GBP	315,000	Anglian Water 5% 30/04/2023	327	0.12					
GBP	419,000	Anglian Water Osprey Financing 7% 31/01/2018	453	0.17	USD	935,000	<b>A- 2.20% (0.53%)</b> Aetna 4.375% 15/06/2046	726	0.28
		<b>B+ 1.19% (1.56%)</b>			GBP	1,650,000	American International Group 5% 26/04/2023	1,926	0.73
GBP	480,000	*Barclays Bank 7.75% 08/03/2075	480	0.18	USD	3,850,000	Columbia Pipeline 4.5% 01/06/2025	3,120	1.19
EUR	474,000	Boparan Finance 4.375% 15/07/2021	384	0.15					
GBP	450,000	Boparan Finance 5.5% 15/07/2021	430	0.16					
EUR	1,080,000	Ephios 6.25% 01/07/2022	985	0.37	GBP	2,148,000	<b>BBB+ 3.02% (4.29%)</b> AT&T 4.375% 14/09/2029	2,622	1.00
EUR	410,000	OTE 3.5% 09/07/2020	353	0.13	GBP	450,000	AT&T 5.5% 15/03/2027	592	0.22
EUR	380,000	OTE 4.375% 02/12/2019	334	0.13	GBP	645,000	Bank of America 2.3% 25/07/2025	657	0.25
EUR	200,000	OTE 7.875% 07/02/2018	181	0.07	GBP	1,500,000	Bank of America 6.125% 15/09/2021	1,820	0.69
		<b>B1 0.46% (0.34%)</b>			USD	1,120,000	*Prudential Financial 8.875% 15/06/2038	929	0.35
GBP	300,000	Arrow Global Finance 5.125% 15/09/2024	301	0.11	USD	1,630,000	Verizon Communications 5.012% 21/08/2054	1,344	0.51
GBP	810,000	Thames Water Kemble Finance 7.75% 01/04/2019	916	0.35					
		<b>B 1.99% (1.89%)</b>			GBP	601,000	<b>BBB 1.22% (2.11%)</b> Digital Stout Holding 4.75% 13/10/2023	696	0.26
GBP	442,000	Cognita Finance 7.75% 15/08/2021	466	0.18	USD	2,350,000	Plains All American Pipeline 4.65% 15/10/2025	1,815	0.69
GBP	615,000	IDH Finance 6.25% 15/08/2022	613	0.23	GBP	575,000	Welltower 4.8% 20/11/2028	703	0.27
EUR	191,000	Inovyn Finance 6.25% 15/05/2021	170	0.06					
GBP	327,000	New Look Secured Bond 6.5% 01/07/22	315	0.12					
GBP	245,000	Pizza Express Financing 6.625% 01/08/2021	245	0.09	USD	835,000	<b>BBB- 2.26% (2.18%)</b> *Hartford Financial Services 8.125% 15/06/2038	680	0.26
USD	1,040,000	*Royal Bank of Scotland 8.625% 29/12/2049	794	0.30	EUR	2,193,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	1,867	0.71
EUR	681,000	Thomas Cook Finance 7.75% 15/06/2020	589	0.22	USD	1,125,000	Molson Coors Brewing 5% 01/05/2042	980	0.37
EUR	1,110,000	Virgin Media Finance 4.5% 15/01/2025	964	0.37	GBP	810,000	The Kraft Heinz 4.125% 01/07/2027	962	0.37
GBP	1,030,000	Virgin Media Finance 6.375% 15/10/2024	1,113	0.42	USD	1,480,000	Transcontinental Gas Pipe Line 7.85% 01/02/2026	1,438	0.55
		<b>B2 0.00% (0.40%)</b>							
		<b>B- 0.48% (0.90%)</b>			EUR	250,000	<b>BB+ 0.24% (0.44%)</b> Ball Corporation 3.5% 15/12/2020	233	0.09
EUR	380,000	Ephios Holdings II 8.25% 01/07/2023	350	0.13	EUR	400,000	Ball Corporation 4.375% 15/12/2023	390	0.15
GBP	410,000	GHD Bondco 7% 15/04/2020	410	0.16					
GBP	486,000	Keystone Financing 9.5% 15/10/2019	508	0.19	CHF	830,000	<b>B 0.25% (0.31%)</b> Nord Anglia Education Finance 5.75% 15/07/2022	672	0.25
		<b>CCC+ 0.49% (0.87%)</b>							
GBP	1,098,267	Annington Finance No.5 PIK 13% 15/01/2023	1,277	0.49	USD	1,078,000	<b>B- 0.36% (0.49%)</b> Neptune Finco 10.875% Notes 15/10/2025	947	0.36
		<b>Caa2 0.31% (0.33%)</b>							
GBP	854,000	Co-Operative Bank United Kingdom 5.125% 20/09/2017	809	0.31					
		<b>Not Rated 2.40% (2.75%)</b>							
GBP	2,293,000	*Cattles 6.875% 17/01/2014 (Defaulted)	57	0.02					
GBP	1,760,000	First Hydro Finance 9% 31/07/2021	2,356	0.90	USD	443,120	<b>CCC+ 0.00% (0.09%)</b> <b>Caa1 0.00% (0.05%)</b> <b>CCC- 0.08% (0.00%)</b> *DFC Finance PIK 12% 16/06/2020	204	0.08
EUR	973,000	International Personal Finance 5.75% 07/04/2021	750	0.29					
GBP	2,975,000	*Pennon Group 6.75% 08/03/2018	3,117	1.19					
		<b>Total United Kingdom</b>	<b>97,188</b>	<b>36.96</b>			<b>Total United States of America</b>	<b>29,521</b>	<b>11.23</b>
<b>UNITED STATES OF AMERICA 11.23% (12.16%)</b>						<b>DERIVATIVES 0.52% (-0.67%)</b>			
		<b>AA- 0.88% (0.54%)</b>			EUR	(1,445,000)	<b>Credit Default Swaps -0.05% (0.18%)</b> Barclays BCA Antonveneta Credit Default Swap Buy Protection 20/12/2019 Spread 500	238	0.09
EUR	945,000	Coca-Cola 1.1% 02/09/2036	799	0.30					
GBP	1,390,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	1,515	0.58	EUR	(6,000,000)	Barclays Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2021 Spread 500	(416)	(0.16)
		<b>A+ 0.52% (0.54%)</b>							
GBP	1,370,000	*General Electric Capital 5.5% 15/09/2066	1,361	0.52					



## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment		
<b>DERIVATIVES 0.52% (–0.67%) (continued)</b>					<b>Interest Rate Swaps –0.48% (–0.35%)</b>			
EUR	(8,550,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(52)	(0.02)	GBP	8,400,000	Barclays Interest Rate Swap Receive GBP Libor Pay 2.705% 26/11/2023	(1,271) (0.48)
EUR	(1,075,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	2	–	AUD	40	UBS Australia 10 Year Bond Future Expiring September 2016	195 0.07
EUR	(1,100,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(24)	(0.01)	EUR	(26)	UBS EURO-Bobl Future Expiring December 2016	– –
EUR	(4,360,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(55)	(0.02)	EUR	(90)	UBS EURO Bond Future Expiring December 2016	– –
EUR	(1,855,000)	Barclays Swedbank Credit Default Swap Buy Protection 20/06/2020 Spread 100	(30)	(0.01)	JPY	(33)	UBS Japan 10 Year Bond Future Expiring September 2016	116 0.04
EUR	(750,000)	Barclays Synlab Unsecured Bondco Credit Default Swap Buy Protection 20/06/2021 Spread 500	(59)	(0.02)	GBP	47	UBS Long Gilt Future Expiring December 2016	2 –
EUR	(3,155,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	7	–	USD	(21)	UBS US 5 Year Note Future Expiring December 2016	(8) –
EUR	(3,400,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(33)	(0.01)	USD	(236)	UBS US 10 Year Note Future Expiring December 2016	(110) (0.04)
EUR	(1,680,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(37)	(0.01)	USD	28	UBS US Long Bond Future Expiring December 2016	20 0.01
EUR	(4,000,000)	Credit Suisse Kelda Group Credit Default Swap Buy Protection 20/03/2018 Spread 100	(33)	(0.01)	<b>Forward Foreign Exchange Contracts 0.97% (–0.23%)</b>			
EUR	(4,000,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(73)	(0.03)			Sell EUR 1,500,000	
EUR	(1,160,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(26)	(0.01)			Buy GBP 1,272,128 HSBC	11 –
EUR	(3,700,000)	Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100	161	0.06			Sell AUD 2,533,900	
EUR	(1,600,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(35)	(0.01)			Buy GBP 1,478,830 Citigroup	26 0.01
EUR	500,000	Goldman Sachs Virgin Media Finance Credit Default Swap Sell Protection 20/09/2018 Spread 500	34	0.01			Sell USD 330,000	
USD	(4,900,000)	Goldman Sachs Westpac Banking Credit Default Swap Buy Protection 20/03/2020 Spread 100	(69)	(0.03)			Buy GBP 248,853 J.P. Morgan	2 –
EUR	(500,000)	J.P. Morgan BCA Antonveneta Credit Default Swap Buy Protection 20/12/2019 Spread 500	82	0.03			Sell USD 34,686,000	
EUR	(950,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/12/2019 Spread 100	148	0.06			Buy GBP 26,385,676 Goldman Sachs	474 0.18
EUR	(1,000,000)	J.P. Morgan Care UK Health and Social Care Credit Default Swap Buy Protection 20/06/2021 Spread 500	130	0.05			Sell EUR 47,300,000	
EUR	4,000,000	J.P. Morgan Itraxx-European Credit Default Swap Index Sell Protection 20/12/2019 Spread 100	57	0.02			Buy GBP 40,771,607 Lloyds	1,003 0.38
EUR	(2,250,000)	J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	5	–			Sell EUR 47,405,000	
EUR	(3,100,000)	J.P. Morgan United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(52)	(0.02)			Buy GBP 40,869,239 HSBC	1,012 0.39
							Sell USD 580,000	
							Buy GBP 441,759 Goldman Sachs	9 –
							Sell CHF 863,000	
							Buy GBP 686,116 Bank of Scotland	20 0.01
							Sell CHF 9,000	
							Buy GBP 7,050 Goldman Sachs	– –
							Sell AUD 16,000	
							Buy GBP 9,147 Bank of Scotland	– –
							Sell EUR 1,100,000	
							Buy GBP 928,125 UBS	3 –
							Sell GBP 144,625	
							Buy USD 190,000 HSBC	(3) –
							<b>Total Derivatives</b>	<b>1,371 0.52</b>
							<b>Total value of investments</b>	<b>255,841 97.31</b>
							<b>Net other assets (3.93%)</b>	<b>7,078 2.69</b>
							<b>Net assets</b>	<b>262,919 100.00</b>
					<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>			
							<b>Value</b>	<b>% of</b>
							<b>£000</b>	<b>Investment</b>
						Fixed interest	204,199	79.81
						Floating rate notes	50,271	19.65
						Derivatives	1,371	0.54
						<b>Total value of investments</b>	<b>255,841</b>	<b>100.00</b>

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Value £000
<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>	
UBS Australia 10 Year Bond Future Expiring September 2016	3,159
UBS EURO-Bobl Future Expiring December 2016	(2,884)
UBS EURO Bond Future Expiring December 2016	(12,519)
UBS Japan 10 Year Bond Future Expiring September 2016	(36,765)
UBS Long Gilt Future Expiring December 2016	6,168
UBS US 5 Year Note Future Expiring December 2016	(1,908)
UBS US 10 Year Note Future Expiring December 2016	(23,169)
UBS US Long Bond Future Expiring December 2016	3,578
<b>Total net exposure</b>	<b>(64,340)</b>

March 2016 comparatives in brackets.

\*Variable rate Bonds.

(P) refers to provisional rating.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	65,579	68,291
Total sales for the period	85,441	92,134

## Threadneedle American Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.19% (5.36%)</b>				<b>HEALTH CARE 15.00% (14.25%)</b>			
	<b>Oil &amp; Gas Producers 5.59% (3.98%)</b>				<b>Health Care Equipment &amp; Services 5.20% (6.09%)</b>		
765,586	Devon Energy	25,286	1.29	167,372	Align Technology	11,913	0.61
360,869	EOG Resources	25,572	1.30	140,370	Cigna	13,383	0.68
551,359	Exxon Mobil	36,499	1.85	627,284	Medtronic	40,850	2.08
389,304	Occidental Petroleum	22,694	1.15	318,884	Thermo Fisher Scientific	35,979	1.83
	<b>Oil Equipment, Services &amp; Distribution 1.60% (1.38%)</b>				<b>Pharmaceuticals &amp; Biotechnology 9.80% (8.16%)</b>		
964,891	Halliburton	31,530	1.60	330,768	AbbVie	15,962	0.81
	<b>Total Oil &amp; Gas</b>	<b>141,581</b>	<b>7.19</b>	54,134	Allergan	9,678	0.49
				122,496	Biogen Idec	28,415	1.44
<b>BASIC MATERIALS 3.87% (2.60%)</b>				351,276	Bristol-Myers Squibb	14,954	0.76
	<b>Chemicals 3.30% (2.60%)</b>			290,277	Celgene	23,142	1.18
227,074	Albemarle	14,085	0.71	492,896	Johnson & Johnson	44,120	2.24
719,289	Dow Chemical	28,970	1.47	1,694,327	Pfizer	44,021	2.24
273,470	PPG Industries	21,992	1.12	177,086	Vertex Pharmaceuticals	12,673	0.64
	<b>Industrial Metals &amp; Mining 0.57% (0.00%)</b>				<b>Total Health Care</b>	<b>295,090</b>	<b>15.00</b>
301,613	Nucor	11,177	0.57				
	<b>Total Basic Materials</b>	<b>76,224</b>	<b>3.87</b>	<b>CONSUMER SERVICES 13.05% (16.29%)</b>			
					<b>Food &amp; Drug Retailers 2.75% (2.74%)</b>		
<b>INDUSTRIALS 8.35% (8.34%)</b>				412,592	CVS Health	28,777	1.46
	<b>Construction &amp; Materials 1.37% (0.71%)</b>			635,816	Sysco	25,395	1.29
287,299	Granite Construction	10,489	0.53		<b>General Retailers 5.48% (7.17%)</b>		
628,965	Masco	16,595	0.84	82,876	Amazon.com	48,853	2.48
	<b>Aerospace &amp; Defence 3.26% (3.12%)</b>			302,392	Dollar General	16,271	0.83
217,605	General Dynamics	25,143	1.28	426,175	Home Depot	42,715	2.17
214,148	Lockheed Martin	38,895	1.98		<b>Media 3.19% (4.07%)</b>		
	<b>General Industrials 1.18% (1.14%)</b>			905,807	Comcast	44,896	2.28
269,531	Honeywell International	23,301	1.18	304,110	Time Warner	17,818	0.91
	<b>Industrial Engineering 0.99% (1.61%)</b>				<b>Travel &amp; Leisure 1.63% (2.31%)</b>		
388,356	Ingersoll-Rand	19,391	0.99	232,341	McDonald's	20,351	1.04
	<b>Industrial Transportation 1.55% (1.76%)</b>			421,531	Southwest Airlines	11,632	0.59
371,810	United Parcel Service	30,423	1.55		<b>Total Consumer Services</b>	<b>256,708</b>	<b>13.05</b>
	<b>Total Industrials</b>	<b>164,237</b>	<b>8.35</b>				
<b>CONSUMER GOODS 7.04% (11.77%)</b>				<b>TELECOMMUNICATIONS 2.47% (2.22%)</b>			
	<b>Automobiles &amp; Parts 0.60% (0.91%)</b>				<b>Fixed Line Telecommunications 2.47% (2.22%)</b>		
383,558	Magna International	11,840	0.60	1,577,582	AT&T	48,580	2.47
	<b>Beverages 1.08% (2.63%)</b>				<b>Total Telecommunications</b>	<b>48,580</b>	<b>2.47</b>
301,346	Dr Pepper Snapple Group	21,156	1.08				
	<b>Food Producers 1.14% (0.00%)</b>			<b>UTILITIES 3.12% (0.86%)</b>			
395,989	Tyson Foods	22,506	1.14		<b>Electricity 3.12% (0.86%)</b>		
	<b>Household Goods &amp; Home Construction 0.00% (0.55%)</b>			446,434	Edison International	24,719	1.26
	<b>Leisure Goods 1.66% (1.50%)</b>			779,805	PG&E	36,681	1.86
521,543	Electronic Arts	32,678	1.66		<b>Total Utilities</b>	<b>61,400</b>	<b>3.12</b>
	<b>Personal Goods 0.52% (4.04%)</b>						
362,732	Coach	10,257	0.52	<b>FINANCIALS 16.93% (17.90%)</b>			
	<b>Tobacco 2.04% (2.14%)</b>				<b>Banks 5.15% (5.27%)</b>		
796,936	Altria Group	40,018	2.04	973,544	Citigroup	34,388	1.75
	<b>Total Consumer Goods</b>	<b>138,455</b>	<b>7.04</b>	1,346,164	Huntington Bancshares	9,908	0.50
				1,131,035	JPMorgan Chase	57,006	2.90
					<b>Nonlife Insurance 3.77% (2.74%)</b>		
				348,033	Berkshire Hathaway	39,116	1.99
				365,449	Chubb	34,968	1.78

## Threadneedle American Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Total Purchases and Sales for the accounting period 8 March 2016 to 7 September 2016	2016 £000	2015 £000
<b>FINANCIALS 16.93% (17.90%) (continued)</b>				Total purchases for the period	889,554	1,230,908
<b>Life Insurance 0.00% (0.67%)</b>				Total sales for the period	980,763	1,446,639
<b>Real Estate Investment Trusts 2.06% (1.09%)</b>						
119,255	Alexandria Real Estate Equities	10,013	0.51			
228,066	Digital Realty	17,362	0.88			
78,179	Public Storage	13,102	0.67			
<b>Financial Services 5.95% (8.13%)</b>						
421,364	CME Group	33,904	1.72			
513,081	E Trade Financial	9,949	0.50			
166,315	Goldman Sachs Group	21,032	1.07			
585,865	Synchrony Financial	12,087	0.61			
653,008	Visa 'A' Shares	40,266	2.05			
<b>Total Financials</b>		<b>333,101</b>	<b>16.93</b>			
<b>TECHNOLOGY 21.88% (18.88%)</b>						
<b>Software &amp; Computer Services 12.41% (11.91%)</b>						
155,508	Adobe Systems	12,025	0.61			
137,744	Alphabet Class A	83,148	4.23			
424,117	Facebook	41,111	2.09			
806,877	Leidos	25,040	1.27			
1,748,703	Microsoft	75,266	3.82			
134,727	Salesforce.com	7,591	0.39			
<b>Technology Hardware &amp; Equipment 9.47% (6.97%)</b>						
208,203	Analog Devices	9,758	0.50			
861,568	Apple	69,325	3.52			
284,237	Broadcom	36,334	1.85			
2,073,065	Cisco Systems	49,354	2.51			
307,054	Lam Research	21,492	1.09			
<b>Total Technology</b>		<b>430,444</b>	<b>21.88</b>			
<b>DERIVATIVES 0.00% (0.00%)</b>						
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>						
Sell USD 4,420,948						
Buy EUR 3,925,701 J.P. Morgan				(1)	—	
Sell USD 4,446						
Buy EUR 3,978 J.P. Morgan				—	—	
Sell USD 58						
Buy EUR 52 J.P. Morgan				—	—	
Sell USD 607,576						
Buy EUR 539,513 J.P. Morgan				—	—	
Sell EUR 1,569						
Buy USD 1,773 J.P. Morgan				—	—	
Sell EUR 6,442						
Buy USD 7,189 J.P. Morgan				—	—	
Sell EUR 7,771						
Buy USD 8,681 J.P. Morgan				—	—	
Sell EUR 73						
Buy USD 82 J.P. Morgan				—	—	
<b>Total Derivatives</b>		<b>(1)</b>	<b>—</b>			
<b>Total value of investments</b>		<b>1,945,819</b>	<b>98.90</b>			
<b>Net other assets (1.53%)</b>		<b>21,668</b>	<b>1.10</b>			
<b>Net assets</b>		<b>1,967,487</b>	<b>100.00</b>			

March 2016 comparatives in brackets.

## Threadneedle American Select Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.56% (4.43%)</b>				1,272,519	Pfizer	33,062	3.08
	<b>Oil &amp; Gas Producers 5.13% (2.51%)</b>			110,216	Vertex Pharmaceuticals	7,887	0.73
722,816	Devon Energy	23,873	2.22	<b>Total Health Care</b>			
183,291	EOG Resources	12,988	1.21			<b>160,692</b>	<b>14.94</b>
313,998	Occidental Petroleum	18,304	1.70	<b>CONSUMER SERVICES 13.92% (11.62%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 2.43% (1.92%)</b>			160,054	<b>Food &amp; Drug Retailers 1.83% (1.99%)</b>		
799,832	Halliburton	26,136	2.43	213,906	CVS Health	11,163	1.04
	<b>Total Oil &amp; Gas</b>	<b>81,301</b>	<b>7.56</b>		Sysco	8,543	0.79
<b>BASIC MATERIALS 4.25% (2.98%)</b>					<b>General Retailers 6.77% (4.59%)</b>		
	<b>Chemicals 4.25% (2.98%)</b>			57,173	Amazon.com	33,702	3.13
257,407	Albemarle	15,967	1.49	237,498	Dollar General	12,780	1.19
334,227	Dow Chemical	13,461	1.25	144,282	Home Depot	14,461	1.35
202,434	PPG Industries	16,279	1.51	205,471	TJX Companies	11,876	1.10
	<b>Total Basic Materials</b>	<b>45,707</b>	<b>4.25</b>		<b>Media 3.91% (3.46%)</b>		
<b>INDUSTRIALS 9.76% (11.14%)</b>				595,858	Comcast	29,534	2.75
	<b>Aerospace &amp; Defence 4.03% (4.79%)</b>			212,362	Time Warner	12,443	1.16
188,387	General Dynamics	21,767	2.02		<b>Travel &amp; Leisure 1.41% (1.58%)</b>		
119,103	Lockheed Martin	21,632	2.01	551,127	Southwest Airlines	15,209	1.41
	<b>General Industrials 1.97% (2.01%)</b>				<b>Total Consumer Services</b>	<b>149,711</b>	<b>13.92</b>
245,664	Honeywell International	21,237	1.97	<b>TELECOMMUNICATIONS 0.00% (1.28%)</b>			
	<b>Industrial Engineering 2.05% (1.89%)</b>				<b>Fixed Line Telecommunications 0.00% (1.28%)</b>		
440,799	Ingersoll-Rand	22,009	2.05		<b>Total Telecommunications</b>	<b>—</b>	<b>—</b>
	<b>Industrial Transportation 1.71% (2.45%)</b>			<b>UTILITIES 2.29% (2.61%)</b>			
224,694	United Parcel Service	18,385	1.71		<b>Electricity 2.29% (2.61%)</b>		
	<b>Total Industrials</b>	<b>105,030</b>	<b>9.76</b>	522,705	PG&E	24,588	2.29
<b>CONSUMER GOODS 4.98% (11.21%)</b>					<b>Total Utilities</b>	<b>24,588</b>	<b>2.29</b>
	<b>Automobiles &amp; Parts 1.03% (1.40%)</b>			<b>FINANCIALS 17.65% (20.09%)</b>			
359,301	Magna International	11,091	1.03		<b>Banks 5.97% (5.51%)</b>		
	<b>Beverages 0.00% (1.58%)</b>			2,095,238	Bank of America	24,706	2.30
	<b>Household Goods &amp; Home Construction 1.38% (1.53%)</b>			559,566	BankUnited	12,874	1.20
425,323	Lennar	14,817	1.38	939,844	BB&T	26,589	2.47
	<b>Leisure Goods 1.17% (0.89%)</b>				<b>Nonlife Insurance 3.92% (2.15%)</b>		
200,450	Electronic Arts	12,559	1.17	148,107	Berkshire Hathaway	16,646	1.55
	<b>Personal Goods 0.00% (4.77%)</b>			266,351	Chubb	25,486	2.37
	<b>Tobacco 1.40% (1.04%)</b>				<b>Real Estate Investment Trusts 0.00% (1.10%)</b>		
300,031	Altria Group	15,066	1.40		<b>Financial Services 7.76% (11.33%)</b>		
	<b>Total Consumer Goods</b>	<b>53,533</b>	<b>4.98</b>	201,460	CME Group	16,210	1.51
<b>HEALTH CARE 14.94% (13.95%)</b>				142,347	Goldman Sachs Group	18,001	1.67
	<b>Health Care Equipment &amp; Services 7.05% (6.39%)</b>			886,463	Synchrony Financial	18,289	1.70
215,139	Align Technology	15,313	1.42	502,353	Visa 'A' Shares	30,976	2.88
112,067	Cigna	10,685	0.99		<b>Total Financials</b>	<b>189,777</b>	<b>17.65</b>
329,482	Medtronic	21,457	2.00	<b>TECHNOLOGY 22.01% (19.42%)</b>			
251,154	Thermo Fisher Scientific	28,337	2.64		<b>Software &amp; Computer Services 13.01% (10.50%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 7.89% (7.56%)</b>			156,761	Adobe Systems	12,122	1.13
34,432	Allergan	6,156	0.57	104,986	Alphabet Class A	63,374	5.89
87,540	Biogen Idec	20,306	1.89	142,789	Facebook	13,841	1.29
144,795	Bristol-Myers Squibb	6,164	0.57	85,667	Leidos	2,658	0.25
142,052	Celgene	11,325	1.05	995,825	Microsoft	42,862	3.98
				90,053	Salesforce.com	5,074	0.47

## Threadneedle American Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 22.01% (19.42%) (continued)</b>			
	<b>Technology Hardware &amp; Equipment 9.00% (8.92%)</b>		
305,898	Analog Devices	14,337	1.33
345,882	Apple	27,831	2.59
204,289	Broadcom	26,114	2.43
798,793	Cisco Systems	19,017	1.77
135,823	Lam Research	9,507	0.88
	<b>Total Technology</b>	<b>236,737</b>	<b>22.01</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	Sell USD 16,430		
	Buy CHF 15,867 J.P. Morgan	—	—
	Sell USD 1,605,701		
	Buy EUR 1,425,826 J.P. Morgan	—	—
	Sell USD 320,629		
	Buy EUR 284,711 J.P. Morgan	—	—
	Sell USD 6,267		
	Buy EUR 5,565 J.P. Morgan	—	—
	Sell USD 41,612		
	Buy GBP 31,392 J.P. Morgan	—	—
	Sell USD 128,000		
	Buy GBP 95,859 Lloyds	—	—
	Sell EUR 4,902		
	Buy USD 5,468 J.P. Morgan	—	—
	<b>Total Derivatives</b>	<b>—</b>	<b>—</b>
<b>Total value of investments</b>		<b>1,047,076</b>	<b>97.36</b>
<b>Net other assets (1.27%)</b>		<b>28,363</b>	<b>2.64</b>
<b>Net assets</b>		<b>1,075,439</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	182,057	294,939
Total sales for the period	306,748	488,609

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 4.68% (2.16%)</b>				<b>Personal Goods 1.26% (0.00%)</b>			
	<b>Oil &amp; Gas Producers 3.09% (1.83%)</b>			374,377	Gildan Activewear	8,395	1.26
568,446	Memorial Resource Development	6,618	0.99	<b>Total Consumer Goods</b>			
243,854	Newfield Exploration	8,178	1.22			<b>65,808</b>	<b>9.84</b>
179,366	PBF Energy	2,890	0.43	<b>HEALTH CARE 10.37% (10.14%)</b>			
504,300	Whiting Petroleum	3,018	0.45		<b>Health Care Equipment &amp; Services 6.78% (6.47%)</b>		
	<b>Oil Equipment, Services &amp; Distribution 1.59% (0.33%)</b>			184,555	Align Technology	13,136	1.96
1,349,776	Nabors Industries	10,601	1.59	126,164	Centene	6,155	0.92
	<b>Total Oil &amp; Gas</b>	<b>31,305</b>	<b>4.68</b>	77,233	Cooper Cos	10,862	1.62
<b>BASIC MATERIALS 4.10% (3.31%)</b>				453,085	Endologix	4,185	0.63
	<b>Chemicals 4.10% (3.31%)</b>			129,470	IDEXX Laboratories	11,021	1.65
148,633	Albemarle	9,220	1.38		<b>Pharmaceuticals &amp; Biotechnology 3.59% (3.67%)</b>		
172,221	Avery Dennison	10,052	1.50	75,876	Acadia Pharmaceuticals	1,781	0.27
233,094	FMC	8,132	1.22	144,039	Aerie Pharmaceuticals	2,106	0.32
	<b>Total Basic Materials</b>	<b>27,404</b>	<b>4.10</b>	175,079	Alkermes	6,111	0.91
<b>INDUSTRIALS 21.23% (21.94%)</b>				303,176	Catalent	5,725	0.86
	<b>Construction &amp; Materials 8.92% (6.75%)</b>			152,124	Dynavax Technologies	1,590	0.24
180,605	Granite Construction	6,594	0.99	118,238	Mallinkrodt	6,616	0.99
614,162	Louisiana-Pacific	9,114	1.36		<b>Total Health Care</b>	<b>69,288</b>	<b>10.37</b>
355,329	Masco	9,375	1.40	<b>CONSUMER SERVICES 9.78% (11.25%)</b>			
247,627	Owens Corning	10,223	1.53		<b>General Retailers 4.68% (5.53%)</b>		
432,116	Summit Materials	6,096	0.91	112,707	Burlington Stores	7,045	1.05
209,379	Trex Company	9,672	1.45	148,736	Foot Locker	7,332	1.10
76,959	Watsco	8,531	1.28	417,868	Servicemaster Global Holdings	11,762	1.76
	<b>Aerospace &amp; Defence 0.00% (3.39%)</b>			134,596	Williams-Sonoma	5,147	0.77
	<b>General Industrials 2.45% (2.79%)</b>				<b>Travel &amp; Leisure 5.10% (5.72%)</b>		
152,501	Bemis	6,012	0.90	403,987	Aramark	11,486	1.72
133,754	Carlisle	10,386	1.55	232,450	Cinemark Holdings	6,729	1.01
	<b>Electronic &amp; Electrical Equipment 2.81% (2.75%)</b>			780,498	Extended Stay America	8,323	1.24
308,422	PerkinElmer	12,395	1.85	46,949	Panera Bread	7,585	1.13
312,741	Trimble Navigation	6,434	0.96		<b>Total Consumer Services</b>	<b>65,409</b>	<b>9.78</b>
	<b>Industrial Engineering 3.98% (2.62%)</b>			<b>UTILITIES 6.39% (6.39%)</b>			
130,523	Graco	7,257	1.09		<b>Electricity 6.39% (6.39%)</b>		
262,217	Ritchie Bros Auctioneers	6,907	1.03	354,437	ITC Holdings	12,236	1.83
326,012	Xylem	12,414	1.86	536,975	PNM Resources	13,009	1.95
	<b>Support Services 3.07% (3.64%)</b>			539,862	Portland General Electric Company	17,472	2.61
377,933	CoreLogic	11,703	1.75		<b>Total Utilities</b>	<b>42,717</b>	<b>6.39</b>
267,316	FTI Consulting	8,817	1.32	<b>FINANCIALS 17.56% (19.16%)</b>			
	<b>Total Industrials</b>	<b>141,930</b>	<b>21.23</b>		<b>Banks 5.34% (5.66%)</b>		
<b>CONSUMER GOODS 9.84% (12.06%)</b>				525,483	BankUnited	12,090	1.81
	<b>Automobiles &amp; Parts 0.00% (1.71%)</b>			369,193	Pacwest Bancorp	11,769	1.76
	<b>Food Producers 5.77% (5.94%)</b>			522,762	Zions Bancorporation	11,871	1.77
249,144	B&G Foods	8,776	1.31		<b>Nonlife Insurance 0.92% (0.99%)</b>		
489,694	Blue Buffalo Pet Products	9,499	1.42	364,669	National General Holdings	6,180	0.92
193,931	Pilgrim's Pride	3,313	0.49		<b>Life Insurance 0.67% (1.35%)</b>		
309,703	Pinnacle Foods	11,997	1.79	369,246	CNO Financial Group	4,453	0.67
121,408	Whitewave Foods	5,055	0.76		<b>Real Estate Investment Trusts 10.11% (8.40%)</b>		
	<b>Household Goods &amp; Home Construction 1.75% (3.33%)</b>			187,103	Alexandria Real Estate Equities	15,709	2.35
1,161,270	TRI Pointe Group	11,689	1.75	515,970	American Homes 4 Rent	8,741	1.31
	<b>Leisure Goods 1.06% (1.08%)</b>			356,499	CyrusOne	13,810	2.07
818,687	Callaway Golf	7,084	1.06	184,532	Mid-America Apartment Communities	13,232	1.98
				537,199	Outfront Media	8,851	1.32
				416,185	Starwood Property Trust	7,224	1.08

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>FINANCIALS 17.56% (19.16%) (continued)</b>			
	<b>Financial Services 0.52% (2.76%)</b>		
183,041	Bats Global Markets	3,465	0.52
	<b>Total Financials</b>	<b>117,395</b>	<b>17.56</b>
<b>TECHNOLOGY 14.60% (11.19%)</b>			
	<b>Software &amp; Computer Services 10.41% (7.23%)</b>		
137,535	Amdocs	6,266	0.94
109,398	ANSYS	7,790	1.16
525,105	Cadence Design Systems	10,139	1.52
183,457	Criteo ADR	5,009	0.75
259,191	CSRA	5,057	0.76
152,734	Fleetmatics Group	6,834	1.02
279,657	Fortinet	7,688	1.15
220,654	Leidos	6,848	1.02
195,080	Mobileye	7,133	1.07
210,673	PTC	6,856	1.02
	<b>Technology Hardware &amp; Equipment 4.19% (3.96%)</b>		
375,805	Cypress Semiconductor	3,384	0.51
285,636	Diebold	5,953	0.89
131,363	Harris	9,209	1.38
430,763	ON Semiconductor	3,502	0.52
142,252	Qorvo	5,955	0.89
	<b>Total Technology</b>	<b>97,623</b>	<b>14.60</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	Sell USD 142,000		
	Buy GBP 106,579 RBC	1	—
	Sell USD 269,000		
	Buy GBP 201,453 Lloyds	—	—
	<b>Total Derivatives</b>	<b>1</b>	<b>—</b>
<b>Total value of investments</b>		<b>658,880</b>	<b>98.55</b>
<b>Net other assets (2.40%)</b>		<b>9,690</b>	<b>1.45</b>
<b>Net assets</b>		<b>668,570</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	214,232	263,778
Total sales for the period	201,183	253,901



## Threadneedle Dollar Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 84.05% (85.72%)</b>									
		<b>AAA 0.35% (0.00%)</b>			USD	600,000	JP Morgan Chase 3.9% 15/07/2025	487	0.61
					USD	500,000	SABMiller Holdings 3.75% 15/01/2022	406	0.51
USD	365,000	Microsoft 3.45% 08/08/2036	280	0.35			<b>BBB+ 12.85% (13.39%)</b>		
		<b>Aaa 40.89% (33.35%)</b>			USD	425,000	AT&T 4.125% 17/02/2026	346	0.43
USD	4,021,000	United States Treasury Note/Bond 1.125% 30/06/2021	3,005	3.75	USD	980,000	AT&T 4.3% 15/12/2042	732	0.91
USD	2,984,600	United States Treasury Note/Bond 1.13% 31/05/2019	2,248	2.80	USD	150,000	BAE Systems 6.38% 01/06/2019	125	0.16
USD	2,750,000	United States Treasury Note/Bond 1.375% 31/10/2020	2,081	2.60	USD	484,000	Credit Suisse 4.55% 17/04/2026	383	0.48
USD	2,925,000	United States Treasury Note/Bond 1.625% 30/04/2019	2,231	2.78	USD	1,250,000	Deutsche Annington Finance 5% 02/10/2023	1,034	1.29
USD	10,270,000	United States Treasury Note/Bond 1.875% 31/05/2022	7,932	9.90	USD	600,000	ERAC USA Finance 2.6% 01/12/2021	457	0.57
USD	8,380,600	United States Treasury Note/Bond 2% 15/11/2021	6,517	8.13	USD	300,000	ERAC USA Finance 4.5% 15/02/2045	243	0.30
USD	2,912,000	United States Treasury Note/Bond 2.5% 15/02/2046	2,306	2.88	USD	150,000	Lockheed Martin 4.5% 15/05/2036	129	0.16
USD	1,755,000	United States Treasury Note/Bond 2.5% 15/05/2046	1,392	1.74	USD	409,000	NiSource Finance 4.8% 15/02/2044	353	0.44
USD	1,939,800	United States Treasury Note/Bond 2.875% 15/05/2043	1,652	2.06	USD	1,350,000	Petroleos Mexicanos 4.875% 18/01/2024	1,051	1.31
USD	3,256,000	United States Treasury Note/Bond 4.25% 15/05/2039	3,405	4.25	USD	435,000	PPL Capital Funding 3.95% 15/03/2024	352	0.44
		<b>AA+ 0.44% (0.50%)</b>			USD	370,000	PPL Capital Funding 4.2% 15/06/2022	303	0.38
USD	410,000	GE Capital International Funding Company 4.418% 15/11/2035	349	0.44	USD	845,000	Sempra Energy 3.55% 15/06/2024	667	0.83
		<b>AA 0.29% (0.00%)</b>			USD	200,000	SGSP Australia Assets 3.25% 29/07/2026	152	0.19
USD	300,000	Qatar Government International Bond 3.25% 02/06/2026	229	0.29	USD	1,450,000	SGSP Australia Assets 3.3% 09/04/2023	1,117	1.39
		<b>AA- 2.74% (3.81%)</b>			USD	685,000	Southern Copper 4.4% 01/07/2046	564	0.70
USD	310,000	Japan Tobacco 2% 13/04/2021	233	0.29	USD	429,000	Standard Chartered 4.05% 12/04/2026	333	0.42
USD	200,000	Massachusetts Mutual Life Insurance 4.5% 15/04/2065	152	0.19	USD	627,000	Thomson Reuters 4.3% 23/11/2023	515	0.64
USD	625,000	Metropolitan Life Global Funding I 2.3% 10/04/2019	477	0.60	USD	250,000	Verizon Communications 4.4% 01/11/2034	198	0.25
USD	1,050,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	936	1.17	USD	695,000	Verizon Communications 5.012% 21/08/2054	573	0.71
USD	463,000	Teachers Insurance & Annuity Association of America 4.9% 15/09/2044	396	0.49	USD	910,000	Woodside Finance 3.65% 05/03/2025	678	0.85
		<b>A+ 0.38% (0.00%)</b>					<b>BBB 10.00% (11.87%)</b>		
USD	385,000	Loews 3.75% 01/04/2026	306	0.38	USD	1,155,000	APT Pipelines 4.2% 23/03/2025	895	1.12
		<b>A 1.48% (5.05%)</b>			USD	850,000	Discover Bank 3.2% 09/08/2021	653	0.81
USD	1,135,000	Five Corners Funding Trust 4.419% 15/11/2023	920	1.15	USD	935,000	DTE Energy 2.4% 01/12/2019	714	0.89
USD	345,000	HSBC Holdings 3.6% 25/05/2023	268	0.33	USD	760,000	DTE Energy 3.5% 01/06/2024	609	0.76
		<b>A- 4.70% (5.38%)</b>			USD	250,000	Ekspartfinans 5.5% 26/06/2017	192	0.24
USD	360,000	Abbvie 3.2% 06/11/2022	282	0.35	USD	250,000	FedEx 3.9% 01/02/2035	195	0.24
USD	300,000	Aetna 4.375% 15/06/2046	233	0.29	USD	620,000	Grupo Bimbo 3.875% 27/06/2024	488	0.61
USD	1,005,000	Anheuser-Busch InBev 5.375% 15/01/2020	841	1.05	USD	1,140,000	Imperial Tobacco Finance 3.5% 11/02/2023	886	1.11
USD	250,000	Anheuser-Busch InBev Finance 4.7% 01/02/2036	216	0.27	USD	300,000	Indiana Michigan 6.05% 15/03/2037	286	0.36
USD	420,000	Ausnet Services 5.75% 14/09/2016	314	0.39	USD	907,000	Liberty Mutual Group 4.25% 15/06/2023	732	0.91
USD	180,000	Columbia Pipeline 5.8% 01/06/2045	162	0.20	USD	220,000	LYB International Finance 4.875% 15/03/2044	178	0.22
USD	1,100,000	Experian Finance 2.38% 15/06/2017	826	1.03	USD	1,260,000	Plains All American Pipeline 4.65% 15/10/2025	973	1.21
					USD	500,000	Regions Financial 3.2% 08/02/2021	387	0.48
					USD	1,095,000	Scripps Networks 2.8% 15/06/2020	834	1.04
							<b>BBB- 5.80% (6.45%)</b>		
USD	360,000	Abbvie 3.2% 06/11/2022	282	0.35	USD	325,000	Barrick Gold 5.25% 01/04/2042	265	0.33
USD	300,000	Aetna 4.375% 15/06/2046	233	0.29	USD	550,000	Conagra Foods 3.2% 25/01/2023	428	0.53
USD	1,005,000	Anheuser-Busch InBev 5.375% 15/01/2020	841	1.05	USD	965,000	Glencore Finance Canada 4.95% 15/11/2021	762	0.95
USD	250,000	Anheuser-Busch InBev Finance 4.7% 01/02/2036	216	0.27	USD	1,072,000	Kansas City Southern Railway 3.85% 15/11/2023	852	1.06
USD	420,000	Ausnet Services 5.75% 14/09/2016	314	0.39	USD	400,000	Kinder Morgan Energy Partners 3.05% 01/12/2019	307	0.38
USD	180,000	Columbia Pipeline 5.8% 01/06/2045	162	0.20	USD	470,000	Kinder Morgan Energy Partners 5% 01/03/2043	336	0.42

## Threadneedle Dollar Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 84.05% (85.72%) (continued)</b>					USD	(8)	UBS US Ultra Bond Future Expiring December 2016	(5)	(0.01)
USD	595,000	L-3 Communications 3.95% 28/05/2024	475	0.59			<b>Total Derivatives</b>	<b>(80)</b>	<b>(0.10)</b>
USD	375,000	Molson Coors Brewing 5% 01/05/2042	327	0.41					
USD	370,000	TransAlta 1.9% 03/06/2017	277	0.35			<b>Total value of investments</b>	<b>68,756</b>	<b>85.79</b>
USD	250,000	Transcontinental Gas Pipe Line 7.85% 01/02/2026	243	0.30			<b>Net other assets (10.93%)</b>	<b>11,390</b>	<b>14.21</b>
USD	290,000	Vale Overseas 4.375% 11/01/2022	213	0.27			<b>Net assets</b>	<b>80,146</b>	<b>100.00</b>
USD	240,000	Williams Partners 4.9% 15/01/2045	171	0.21					
<b>Baa3 0.00% (1.23%)</b>					<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
		<b>BB+ 3.43% (2.95%)</b>					<b>Value £000</b>	<b>% of Investment</b>	
USD	444,000	Barclays 4.375% 11/09/2024	337	0.42	Fixed interest		67,366	97.98	
USD	500,000	EDP Finance 6% 02/02/2018	393	0.49	Floating rate notes		1,470	2.14	
USD	300,000	Indonesia Government International Bond 3.375% 15/04/2023	230	0.29	Derivatives		(80)	(0.12)	
USD	410,000	Noble Holding International 3.95% 15/03/2022	230	0.29	<b>Total value of investments</b>		<b>68,756</b>	<b>100.00</b>	
USD	394,000	Noble Holding International 5.25% 15/03/2042	174	0.22	<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>				
USD	175,000	Noble Holding International 6.95% 01/04/2045	95	0.12			<b>Value £000</b>		
USD	200,000	Noble Holdings 2.5% 15/03/2017	148	0.18	UBS US 10 Year Note Future Expiring December 2016		(14,039)		
USD	485,000	Tesco 5.5% 15/11/2017	376	0.47	UBS US Long Bond Future Expiring December 2016		(1,406)		
USD	1,000,000	UniCredit Bank Austria 7.25% 15/02/2017	761	0.95	UBS US Ultra Bond Future Expiring December 2016		(1,124)		
		<b>Ba1 0.00% (0.54%)</b>			<b>Total net exposure</b>		<b>(16,569)</b>		
		<b>BB 0.00% (0.82%)</b>			<i>March 2016 comparatives in brackets.</i>				
		<b>B+ 0.33% (0.38%)</b>			<i>*Variable rate bonds.</i>				
USD	340,000	Numericable-SFR 6% 15/05/2022	261	0.33	<b>Total Purchases and Sales</b>				
		<b>Not Rated 0.37% (0.00%)</b>			<i>for the accounting period 8 March 2016 to 7 September 2016</i>				
USD	394,000	United States Treasury Note/Bond 2.25% 15/08/2046	296	0.37			<b>2016 £000</b>	<b>2015 £000</b>	
		<b>Total Fixed Interest</b>	<b>67,366</b>	<b>84.05</b>	Total purchases for the period		43,293	24,226	
					Total sales for the period		38,675	39,095	
<b>FLOATING RATE NOTES 1.84% (2.97%)</b>									
		<b>A- 0.00% (0.41%)</b>							
		<b>BBB+ 0.34% (0.36%)</b>							
USD	348,000	*BG Energy Capital 6.5% 30/11/2072							
		USD	272	0.34					
		<b>BBB 1.08% (1.73%)</b>							
USD	1,150,000	*Swedish Export 2.88% 14/11/2023	861	1.08					
		<b>BB 0.00% (0.23%)</b>							
		<b>B 0.42% (0.24%)</b>							
USD	442,000	*Royal Bank of Scotland 8.625% 29/12/2049	337	0.42					
		<b>Total Floating Rate Notes</b>	<b>1,470</b>	<b>1.84</b>					
<b>DERIVATIVES -0.10% (0.38%)</b>									
		<b>Futures and Options -0.10% (0.38%)</b>							
USD	(143)	UBS US 10 Year Note Future Expiring December 2016	(67)	(0.08)					
USD	(11)	UBS US Long Bond Future Expiring December 2016	(8)	(0.01)					

## Threadneedle Japan Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC MATERIALS 3.80% (4.12%)</b>				<b>HEALTH CARE 5.14% (4.82%)</b>			
	<b>Chemicals 2.77% (3.44%)</b>				<b>Pharmaceuticals &amp; Biotechnology 5.14% (4.82%)</b>		
141,900	Nitto Denko	7,209	1.72	505,900	Astellas Pharma	5,944	1.42
581,300	Taiyo Nippon Sanso	4,408	1.05	74,700	Kaken Pharmaceutical	3,258	0.78
	<b>Industrial Metals &amp; Mining 1.03% (0.68%)</b>			276,800	Kyowa Hakko Kirin	3,235	0.77
270,100	Nippon Steel & Sumitomo Metal	4,287	1.03	523,400	Sumitomo Dainippon Pharmaceutical	6,744	1.61
	<b>Total Basic Materials</b>	<b>15,904</b>	<b>3.80</b>	66,900	Takeda Pharmaceutical	2,315	0.56
					<b>Total Health Care</b>	<b>21,496</b>	<b>5.14</b>
<b>INDUSTRIALS 20.69% (22.47%)</b>				<b>CONSUMER SERVICES 11.85% (14.36%)</b>			
	<b>Construction &amp; Materials 4.88% (3.56%)</b>				<b>General Retailers 5.15% (5.15%)</b>		
1,680,000	Maeda	10,836	2.59	218,200	Don Quijote Holdings	5,769	1.38
2,368,700	Penta-Ocean Construction	9,599	2.29	143,700	Izumi	4,507	1.08
	<b>General Industrials 0.82% (1.40%)</b>			631,100	J Front Retailing	5,839	1.39
1,583,000	Mitsubishi Materials	3,411	0.82	518,800	Rakuten	5,452	1.30
	<b>Electronic &amp; Electrical Equipment 3.85% (7.68%)</b>				<b>Media 1.17% (2.27%)</b>		
626,000	Alps Electric	10,372	2.48	115,900	Dentsu	4,893	1.17
159,200	Horiba	5,737	1.37		<b>Travel &amp; Leisure 5.53% (6.94%)</b>		
	<b>Industrial Engineering 7.53% (8.32%)</b>			284,500	Resorttrust	4,658	1.11
1,909,000	Ebara	8,017	1.92	756,200	Skylark	7,436	1.78
32,200	Fanuc	4,097	0.98	1,853,000	Tokyu	11,052	2.64
639,400	Kubota	7,068	1.69		<b>Total Consumer Services</b>	<b>49,606</b>	<b>11.85</b>
170,300	OSG	2,403	0.57				
887,000	Tadano	6,465	1.54		<b>TELECOMMUNICATIONS 1.30% (0.00%)</b>		
332,800	Tsubaki Nakashima	3,493	0.83		<b>Mobile Telecommunications 1.30% (0.00%)</b>		
	<b>Support Services 3.61% (1.51%)</b>			232,100	KDDI	5,433	1.30
1,663,000	Hanwa	7,265	1.74		<b>Total Telecommunications</b>	<b>5,433</b>	<b>1.30</b>
202,600	Sohgo Security Services	7,837	1.87				
	<b>Total Industrials</b>	<b>86,600</b>	<b>20.69</b>		<b>UTILITIES 1.68% (1.18%)</b>		
					<b>Electricity 1.68% (1.18%)</b>		
				357,300	Electric Power Development	7,039	1.68
					<b>Total Utilities</b>	<b>7,039</b>	<b>1.68</b>
<b>CONSUMER GOODS 27.33% (19.59%)</b>							
	<b>Automobiles &amp; Parts 10.61% (6.55%)</b>				<b>FINANCIALS 17.00% (20.63%)</b>		
130,400	Honda	3,038	0.73		<b>Banks 7.41% (5.92%)</b>		
271,200	Koito Manufacturing	9,943	2.38	2,235,000	Chiba Bank	9,944	2.38
487,100	Mazda Motor	6,033	1.44	1,528,000	Fukuoka Financial Group	4,888	1.17
945,200	Nissan Motor	7,261	1.73	3,980,700	Mitsubishi UFJ Financial Group	16,137	3.86
222,300	Suzuki Motor	5,662	1.35		<b>Life Insurance 1.97% (3.52%)</b>		
274,300	Toyota Motor	12,473	2.98	202,500	Anicom Holdings	3,823	0.91
	<b>Beverages 1.35% (2.15%)</b>			222,600	Dai-ichi Life Insurance	2,390	0.57
177,300	Suntory Beverage & Food	5,640	1.35	200,500	Sony Financial	2,036	0.49
	<b>Food Producers 3.52% (0.00%)</b>				<b>Real Estate Investment &amp; Services 3.28% (3.01%)</b>		
306,700	Fuji Oil	4,608	1.10	496,000	Mitsubishi Estate	7,164	1.71
140,200	Meiji Holdings	10,125	2.42	379,300	Nomura Real Estate Holdings	4,848	1.16
	<b>Household Goods &amp; Home Construction 2.24% (1.84%)</b>			309,900	Tosei	1,709	0.41
847,800	Sekisui Chemical	9,390	2.24		<b>Real Estate Investment Trusts 1.83% (2.54%)</b>		
	<b>Leisure Goods 7.19% (6.30%)</b>			1,005	Industrial & Infrastructure Fund		
59,300	Nintendo	10,759	2.57		Investment REIT	4,006	0.96
714,700	Panasonic	5,516	1.32	3,025	Nomura Real Estate Master Fund	3,664	0.87
13,600	Shimano	1,580	0.38		<b>Financial Services 2.51% (5.64%)</b>		
483,400	Sony	12,219	2.92	1,109,000	Daiwa Securities Group	4,982	1.19
	<b>Personal Goods 2.42% (2.75%)</b>			451,100	Japan Exchange Group	5,530	1.32
134,700	Kose	10,124	2.42		<b>Total Financials</b>	<b>71,121</b>	<b>17.00</b>
	<b>Total Consumer Goods</b>	<b>114,371</b>	<b>27.33</b>				

## Threadneedle Japan Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 11.31% (12.72%)</b>			
<b>Software &amp; Computer Services 6.55% (6.89%)</b>			
554,900	Capcom	9,280	2.22
635,000	Itochu Techno-Solutions	12,310	2.94
199,500	SCSK	5,803	1.39
<b>Technology Hardware &amp; Equipment 4.76% (5.83%)</b>			
327,300	Hitachi High-Technologies	9,267	2.21
324,000	Lasertec	4,420	1.05
91,300	Sato	1,465	0.35
336,000	Seiko Epson	4,804	1.15
<b>Total Technology</b>		<b>47,349</b>	<b>11.31</b>
<b>DERIVATIVES –0.01% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts –0.01% (0.00%)</b>			
Sell JPY 180,490,000			
Buy GBP 1,306,595 Bank of Scotland		(21)	–
Sell JPY 277,385,000			
Buy GBP 2,011,475 Barclays		(28)	(0.01)
Sell GBP 72,590			
Buy JPY 10,000,000 RBC		1	–
<b>Total Derivatives</b>		<b>(48)</b>	<b>(0.01)</b>
<b>Total value of investments</b>		<b>418,871</b>	<b>100.09</b>
<b>Net other (liabilities)/assets (0.11%)</b>		<b>(380)</b>	<b>(0.09)</b>
<b>Net assets</b>		<b>418,491</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	205,722	247,488
Total sales for the period	256,786	203,931

## Threadneedle Asia Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 16.46% (19.04%)</b>				<b>Real Estate Investment &amp; Services 0.82% (1.28%)</b>			
	<b>Mining 2.59% (1.84%)</b>			780,873	Cheung Kong Property Holding	4,266	0.82
629,674	BHP Billiton	7,400	1.42		<b>Software &amp; Computer Services 5.83% (4.61%)</b>		
221,910	Rio Tinto	6,113	1.17	23,176	Baidu ADR	3,274	0.63
	<b>General Industrials 0.87% (0.99%)</b>			1,319,580	Tencent Holdings	27,081	5.20
497,232	Amcor	4,531	0.87		<b>Total Cayman Islands</b>	<b>65,186</b>	<b>12.51</b>
	<b>Industrial Transportation 0.93% (0.83%)</b>			<b>CHINA 7.81% (6.80%)</b>			
761,296	Transurban	4,831	0.93		<b>Oil &amp; Gas Producers 1.12% (0.92%)</b>		
	<b>Support Services 1.54% (1.23%)</b>			8,186,488	China Petroleum & Chemical	4,496	0.86
1,091,263	Link Administration Holdings	5,197	1.00	2,658,000	PetroChina	1,337	0.26
4,784,501	Spotless Group Holdings	2,828	0.54		<b>Construction &amp; Materials 0.78% (0.01%)</b>		
	<b>Health Care Equipment &amp; Services 0.99% (0.98%)</b>			1,831,000	Anhui Conch Cement	4,040	0.78
2,952,824	Healthscope	5,151	0.99		<b>Industrial Engineering 0.58% (0.61%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 1.26% (1.70%)</b>			726,439	Zhuzhou CSR Times Electric	3,031	0.58
110,936	CSL	6,538	1.26		<b>Industrial Transportation 0.00% (0.35%)</b>		
	<b>Travel &amp; Leisure 0.68% (0.14%)</b>				<b>Banks 2.89% (2.48%)</b>		
82,995	Domino's Pizza Enterprises	3,534	0.68	17,585,000	Bank of China	6,252	1.20
	<b>Fixed Line Telecommunications 0.00% (0.71%)</b>			10,065,524	China Construction Bank	5,829	1.12
	<b>Banks 3.78% (5.68%)</b>			6,107,551	Industrial & Commercial Bank of China	2,978	0.57
286,878	Australia & New Zealand Banking Group	4,463	0.86		<b>Nonlife Insurance 0.00% (0.51%)</b>		
152,082	Commonwealth Bank of Australia	6,329	1.21		<b>Life Insurance 2.13% (1.62%)</b>		
520,593	Westpac Banking	8,932	1.71	2,693,772	Ping An Insurance Group of China	11,109	2.13
	<b>Nonlife Insurance 0.68% (0.85%)</b>				<b>Financial Services 0.31% (0.30%)</b>		
634,972	QBE Insurance Group	3,560	0.68	1,196,800	Haitong Securities	1,617	0.31
	<b>Life Insurance 0.00% (0.65%)</b>				<b>Total China</b>	<b>40,689</b>	<b>7.81</b>
	<b>Real Estate Investment &amp; Services 0.85% (1.11%)</b>			<b>HONG KONG 11.76% (11.58%)</b>			
561,920	Lend Lease Group	4,433	0.85		<b>Oil &amp; Gas Producers 1.25% (0.77%)</b>		
	<b>Real Estate Investment Trusts 0.49% (0.40%)</b>			6,954,760	CNOOC	6,507	1.25
1,405,871	Vicinity Centres	2,533	0.49		<b>Industrial Metals &amp; Mining 0.00% (0.30%)</b>		
	<b>Financial Services 1.80% (1.93%)</b>				<b>Household Goods &amp; Home Construction 0.97% (0.00%)</b>		
138,526	Macquarie Group	6,526	1.25	1,743,000	Techtronic Industries	5,080	0.97
393,560	Suncorp Group	2,879	0.55		<b>Personal Goods 0.00% (0.67%)</b>		
	<b>Total Australia</b>	<b>85,778</b>	<b>16.46</b>		<b>Mobile Telecommunications 2.46% (2.76%)</b>		
<b>CAYMAN ISLANDS 12.51% (10.05%)</b>				1,407,500	China Mobile	12,802	2.46
	<b>General Industrials 2.05% (2.40%)</b>				<b>Gas, Water &amp; Multiutilities 0.71% (0.63%)</b>		
1,088,873	CK Hutchison Holdings	10,701	2.05	3,250,468	Guangdong Investment	3,702	0.71
	<b>Automobiles &amp; Parts 0.21% (0.00%)</b>				<b>Banks 1.22% (1.01%)</b>		
1,020,000	Nexteer Automotive Group	1,113	0.21	2,324,000	BOC Hong Kong Holdings	6,337	1.22
	<b>Food Producers 0.39% (0.56%)</b>				<b>Life Insurance 4.05% (3.65%)</b>		
4,848,015	Dali Foods Group	2,027	0.39	4,310,316	AIA Group	21,097	4.05
	<b>Personal Goods 0.70% (0.00%)</b>				<b>Real Estate Investment &amp; Services 1.10% (1.13%)</b>		
1,766,000	Anta Sports Products	3,633	0.70	2,196,521	China Overseas Land & Investment	5,746	1.10
	<b>General Retailers 2.51% (1.20%)</b>				<b>Financial Services 0.00% (0.66%)</b>		
168,868	Alibaba Group ADR	13,091	2.51		<b>Total Hong Kong</b>	<b>61,271</b>	<b>11.76</b>

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>INDIA 6.93% (7.87%)</b>				<b>PAKISTAN 0.42% (0.39%)</b>			
	<b>Construction &amp; Materials 2.09% (1.69%)</b>				<b>Banks 0.42% (0.39%)</b>		
292,104	Asian Paints	3,870	0.74	1,340,500	Habib Bank	2,182	0.42
215,150	Larsen & Toubro	3,673	0.71		<b>Total Pakistan</b>	<b>2,182</b>	<b>0.42</b>
73,221	Ultratech Cement	3,359	0.64				
	<b>Industrial Engineering 0.75% (0.00%)</b>			<b>PHILIPPINES 2.93% (3.13%)</b>			
15,205	Eicher Motors	3,920	0.75		<b>General Industrials 0.71% (0.66%)</b>		
	<b>Automobiles &amp; Parts 0.80% (0.66%)</b>			274,344	Ayala	3,731	0.71
69,572	Maruti Suzuki India	4,180	0.80		<b>Food Producers 0.51% (0.76%)</b>		
	<b>Personal Goods 0.26% (0.62%)</b>			910,670	Universal Robina	2,639	0.51
397,839	Dabur India	1,330	0.26		<b>Travel &amp; Leisure 0.43% (0.43%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.92%)</b>			565,780	Jollibee Foods	2,223	0.43
	<b>Banks 3.03% (2.63%)</b>				<b>Banks 0.63% (0.65%)</b>		
613,505	HDFC Bank	10,325	1.98	2,477,379	Metropolitan Bank & Trust	3,316	0.63
888,405	ICICI Bank ADR	5,464	1.05		<b>Real Estate Investment &amp; Services 0.65% (0.63%)</b>		
	<b>Software &amp; Computer Services 0.00% (1.35%)</b>			142,430	GT Capital Holdings	3,370	0.65
	<b>Total India</b>	<b>36,121</b>	<b>6.93</b>		<b>Total Philippines</b>	<b>15,279</b>	<b>2.93</b>
<b>INDONESIA 5.51% (5.50%)</b>				<b>REPUBLIC OF IRELAND 0.48% (0.98%)</b>			
	<b>Automobiles &amp; Parts 0.77% (1.17%)</b>				<b>Construction &amp; Materials 0.48% (0.98%)</b>		
8,526,600	Astra International	4,029	0.77	209,951	James Hardie Industries	2,526	0.48
	<b>Health Care Equipment &amp; Services 0.22% (0.26%)</b>				<b>Total Republic of Ireland</b>	<b>2,526</b>	<b>0.48</b>
6,879,700	Mitra Keluarga Karyasehat	1,131	0.22	<b>SINGAPORE 1.52% (1.73%)</b>			
	<b>General Retailers 0.72% (0.72%)</b>				<b>Mobile Telecommunications 0.61% (0.00%)</b>		
3,533,300	Matahari Department Store	3,783	0.72	1,430,100	Singapore Telecommunications	3,192	0.61
	<b>Media 0.38% (0.29%)</b>				<b>Banks 0.47% (1.73%)</b>		
11,601,489	Surya Citra Media	1,968	0.38	283,412	DBS Group Holdings	2,447	0.47
	<b>Fixed Line Telecommunications 1.38% (0.98%)</b>				<b>Real Estate Investment Trusts 0.44% (0.00%)</b>		
29,956,200	Telekomunikasi Indonesia	7,185	1.38	3,401,100	Keppel DC REIT IPO	2,266	0.44
	<b>Banks 2.04% (2.08%)</b>				<b>Total Singapore</b>	<b>7,905</b>	<b>1.52</b>
6,329,372	Bank Mandiri	4,066	0.78	<b>SOUTH KOREA 14.80% (11.34%)</b>			
9,596,000	Bank Rakyat Indonesia	6,548	1.26		<b>Chemicals 1.86% (2.29%)</b>		
	<b>Total Indonesia</b>	<b>28,710</b>	<b>5.51</b>	27,678	LG Chemicals	4,734	0.91
				26,466	Lotte Chemical	4,935	0.95
<b>LUXEMBOURG 0.93% (0.97%)</b>					<b>Construction &amp; Materials 0.59% (0.50%)</b>		
	<b>Household Goods &amp; Home Construction 0.93% (0.97%)</b>			94,936	Hyundai Development Co-Engineering & Construction	3,091	0.59
1,958,970	Samsonite International	4,823	0.93		<b>Automobiles &amp; Parts 0.00% (0.46%)</b>		
	<b>Total Luxembourg</b>	<b>4,823</b>	<b>0.93</b>		<b>Household Goods &amp; Home Construction 0.42% (0.00%)</b>		
<b>MALAYSIA 1.05% (1.37%)</b>				36,184	Coway	2,183	0.42
	<b>Construction &amp; Materials 0.00% (0.75%)</b>				<b>Leisure Goods 6.56% (3.42%)</b>		
	<b>Health Care Equipment &amp; Services 0.60% (0.62%)</b>			10,250	NCSOFT	1,967	0.38
2,536,000	IHH Healthcare	3,105	0.60	28,964	Samsung Electronics	32,185	6.18
	<b>Electricity 0.45% (0.00%)</b>				<b>Personal Goods 0.84% (0.80%)</b>		
885,700	Tenaga Nasional	2,368	0.45	16,362	Amorepacific	4,386	0.84
	<b>Total Malaysia</b>	<b>5,473</b>	<b>1.05</b>		<b>Tobacco 0.56% (0.00%)</b>		
				36,277	KT&G Corporation	2,934	0.56

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SOUTH KOREA 14.80% (11.34%) (continued)</b>				<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Mobile Telecommunications 0.00% (0.22%)</b>				<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	<b>Electricity 0.93% (1.30%)</b>				Sell USD 107,000		
121,527	Korea Electric Power	4,865	0.93		Buy GBP 80,132 Lloyds	—	—
	<b>Banks 1.26% (1.09%)</b>				<b>Total Derivatives</b>	—	—
165,099	Hana Financial Group	3,333	0.64		<b>Total value of investments</b>	<b>516,823</b>	<b>99.19</b>
114,570	Shinhan Financial Group	3,240	0.62		<b>Net other assets (1.12%)</b>	<b>4,203</b>	<b>0.81</b>
	<b>Life Insurance 0.69% (0.73%)</b>				<b>Net assets</b>	<b>521,026</b>	<b>100.00</b>
49,524	Samsung Life Insurance	3,599	0.69				
	<b>Software &amp; Computer Services 1.09% (0.00%)</b>				<i>March 2016 comparatives in brackets.</i>		
9,514	NAVER	5,681	1.09		<b>Total Purchases and Sales</b>		
	<b>Technology Hardware &amp; Equipment 0.00% (0.53%)</b>				<i>for the accounting period 8 March 2016 to 7 September 2016</i>		
	<b>Total South Korea</b>	<b>77,133</b>	<b>14.80</b>			<b>2016 £000</b>	<b>2015 £000</b>
					Total purchases for the period	70,298	100,450
					Total sales for the period	89,202	124,682
<b>TAIWAN 9.97% (11.15%)</b>							
	<b>Chemicals 0.73% (0.97%)</b>						
1,983,000	Formosa Plastics	3,794	0.73				
	<b>Industrial Engineering 0.79% (0.94%)</b>						
713,000	Catcher Technology	4,127	0.79				
	<b>Leisure Goods 0.92% (0.83%)</b>						
54,000	Largan Precision	4,798	0.92				
	<b>Personal Goods 0.00% (0.59%)</b>						
	<b>Food &amp; Drug Retailers 0.72% (0.60%)</b>						
608,000	President Chain Store	3,716	0.72				
	<b>Mobile Telecommunications 0.15% (0.58%)</b>						
434,000	Far EasTone Telecommunications	777	0.15				
	<b>Banks 1.00% (0.96%)</b>						
11,958,678	E.Sun Financial	5,220	1.00				
	<b>Technology Hardware &amp; Equipment 5.66% (5.68%)</b>						
5,991,408	Taiwan Semiconductor Manufacturing	26,367	5.06				
1,365,410	Wistron Neweb	3,125	0.60				
	<b>Total Taiwan</b>	<b>51,924</b>	<b>9.97</b>				
<b>THAILAND 1.90% (3.11%)</b>							
	<b>Oil &amp; Gas Producers 0.00% (1.08%)</b>						
	<b>Construction &amp; Materials 0.83% (0.60%)</b>						
381,700	Siam Cement	4,299	0.83				
	<b>Industrial Transportation 0.46% (0.70%)</b>						
276,800	Airports of Thailand	2,383	0.46				
	<b>Banks 0.61% (0.73%)</b>						
780,132	Kasikornbank	3,198	0.61				
	<b>Total Thailand</b>	<b>9,880</b>	<b>1.90</b>				
<b>UNITED KINGDOM 4.21% (3.87%)</b>							
	<b>Collective Investment Schemes 4.21% (3.87%)</b>						
7,773,810	Threadneedle China Opportunities Fund	21,943	4.21				
	<b>Total United Kingdom</b>	<b>21,943</b>	<b>4.21</b>				



## Threadneedle Latin America Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.00% (0.48%)</b>				<b>Financial Services 8.34% (8.80%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.27%)</b>			3,154,900	BM&FBovespa	13,185	2.90
	<b>Electricity 0.00% (0.21%)</b>			1,124,700	Cielo	8,675	1.91
	<b>Total Argentina</b>	—	—	7,778,243	Itausa - Investimentos Itau	16,026	3.53
<b>BERMUDA 2.05% (1.95%)</b>				<b>Software &amp; Computer Services 0.81% (0.93%)</b>			
	<b>Banks 2.05% (1.95%)</b>			508,700	Totvs	3,688	0.81
76,050	Credicorp	9,302	2.05	<b>Total Brazil</b>			
	<b>Total Bermuda</b>	<b>9,302</b>	<b>2.05</b>			<b>255,984</b>	<b>56.34</b>
<b>BRAZIL 56.34% (44.33%)</b>				<b>CHILE 2.48% (2.82%)</b>			
	<b>Oil &amp; Gas Producers 6.23% (2.17%)</b>			2,052,918	<b>General Retailers 2.48% (2.82%)</b>		
3,985,300	Petroleo Brasileiro	14,875	3.27		S.A.C.I. Falabella	11,291	2.48
2,080,937	Petroleo Brasileiro ADR	13,450	2.96		<b>Total Chile</b>	<b>11,291</b>	<b>2.48</b>
	<b>Mining 2.00% (1.44%)</b>			<b>COLOMBIA 1.32% (1.24%)</b>			
2,542,177	Vale ADR	9,080	2.00		<b>Banks 1.32% (1.24%)</b>		
	<b>General Industrials 0.89% (0.00%)</b>			192,944	Bancolombia ADR	5,986	1.32
1,036,500	Klabin	4,024	0.89		<b>Total Colombia</b>	<b>5,986</b>	<b>1.32</b>
	<b>Industrial Transportation 0.00% (0.75%)</b>			<b>LUXEMBOURG 0.50% (0.42%)</b>			
	<b>Support Services 0.88% (0.90%)</b>				<b>Food Producers 0.50% (0.42%)</b>		
538,200	Valid Solucoes	4,021	0.88	287,253	Adecoagro	2,273	0.50
	<b>Beverages 7.85% (6.98%)</b>				<b>Total Luxembourg</b>	<b>2,273</b>	<b>0.50</b>
7,645,292	Ambev ADR	35,649	7.85	<b>MEXICO 29.07% (39.38%)</b>			
	<b>Food Producers 3.92% (3.86%)</b>				<b>Chemicals 0.00% (1.36%)</b>		
761,000	BRF	9,842	2.17	6,087,421	<b>Industrial Metals &amp; Mining 2.58% (2.68%)</b>		
1,207,700	Hypermarcas	7,965	1.75		Grupo Mexico	11,729	2.58
	<b>Personal Goods 0.58% (0.47%)</b>			1,516,684	<b>Construction &amp; Materials 2.13% (2.11%)</b>		
1,093,300	Alpargatas	2,626	0.58		Cemex ADR	9,656	2.13
	<b>General Retailers 0.94% (1.19%)</b>			8,547,900	<b>General Industrials 2.34% (3.08%)</b>		
916,420	Lojas Americanas	4,269	0.94		Alfa	10,611	2.34
	<b>Fixed Line Telecommunications 2.77% (1.92%)</b>			580,000	<b>Industrial Transportation 0.61% (0.59%)</b>		
1,074,500	Telefonica Brasil	12,602	2.77		Grupo Aeroportuario Del Cent	2,786	0.61
	<b>Mobile Telecommunications 0.60% (0.44%)</b>			1,976,800	<b>Automobiles &amp; Parts 0.37% (1.02%)</b>		
685,500	Linx	2,712	0.60		Nemak	1,669	0.37
	<b>Electricity 2.45% (1.10%)</b>			337,001	<b>Beverages 5.20% (6.56%)</b>		
1,568,590	CPFL	8,804	1.94		Fomento Economico Mexicano ADR	23,644	5.20
474,400	Energisa	2,326	0.51		<b>Food Producers 0.00% (1.39%)</b>		
	<b>Banks 13.23% (9.86%)</b>			9,622,194	<b>General Retailers 3.71% (4.53%)</b>		
4,647,017	Banco Bradesco	32,548	7.16		Wal-Mart de Mexico	16,877	3.71
3,195,722	Itau Unibanco ADR	27,581	6.07	757,553	<b>Media 3.39% (4.17%)</b>		
	<b>Nonlife Insurance 2.09% (2.39%)</b>				Grupo Televisa ADR	15,409	3.39
1,305,400	BB Seguridade Participacoes	9,513	2.09	1,020,735	<b>Mobile Telecommunications 2.00% (3.41%)</b>		
	<b>Real Estate Investment &amp; Services 2.76% (1.13%)</b>				America Movil ADR	9,092	2.00
1,916,000	BR Malls Participacoes	5,892	1.30	4,428,800	<b>Banks 4.98% (5.96%)</b>		
934,300	Iguatemi Empresa de Shopping Centers	6,631	1.46	490,007	Grupo Financiero Banorte	19,150	4.21
					Grupo Financiero Santander Mexico ADR	3,508	0.77



## Threadneedle Latin America Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>MEXICO 29.07% (39.38%) (continued)</b>			
	<b>Real Estate Investment &amp; Services 0.00% (0.36%)</b>		
	<b>Real Estate Investment Trusts 0.97% (1.42%)</b>		
3,464,473	PLA Administradora Industrial	4,391	0.97
	<b>Financial Services 0.79% (0.74%)</b>		
2,514,400	Bolsa Mexicana de Valores	3,567	0.79
	<b>Total Mexico</b>	<b>132,089</b>	<b>29.07</b>
<b>UNITED KINGDOM 0.19% (0.33%)</b>			
	<b>Oil &amp; Gas Producers 0.19% (0.33%)</b>		
3,500,000	<sup>†</sup> Amerisur Resources	849	0.19
	<b>Total United Kingdom</b>	<b>849</b>	<b>0.19</b>
<b>UNITED STATES OF AMERICA 3.57% (4.05%)</b>			
	<b>Industrial Metals &amp; Mining 0.47% (0.58%)</b>		
108,220	Southern Copper	2,134	0.47
	<b>Banks 2.32% (2.37%)</b>		
648,697	BCO Santander Chile ADR	10,562	2.32
	<b>Financial Services 0.78% (1.10%)</b>		
533,801	Grupo Aval Acciones y Valores	3,526	0.78
	<b>Total United States of America</b>	<b>16,222</b>	<b>3.57</b>
<b>Total value of investments</b>		<b>433,996</b>	<b>95.52</b>
<b>Net other assets (5.00%)</b>		<b>20,348</b>	<b>4.48</b>
<b>Net assets</b>		<b>454,344</b>	<b>100.00</b>

March 2016 comparatives in brackets.

<sup>†</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	84,089	38,738
Total sales for the period	58,649	60,803

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ANGOLA 0.46% (0.49%)</b>					<b>Baa3 0.85% (0.52%)</b>				
		<b>Ba2 0.00% (0.49%)</b>			COP	8,933,000,000	Empresas Publicas de Medellin 7.625% 10/09/2024	2,095	0.85
		<b>B1 0.46% (0.00%)</b>					<b>Total Colombia</b>	<b>8,214</b>	<b>3.35</b>
USD	1,510,000	Republic of Angola 9.5% 12/11/2025	1,133	0.46					
		<b>Total Angola</b>	<b>1,133</b>	<b>0.46</b>					
<b>ARGENTINA 6.89% (2.41%)</b>					<b>COSTA RICA 1.95% (1.56%)</b>				
		<b>B- 6.89% (0.83%)</b>			USD	1,112,000	<b>BB- 1.95% (1.56%)</b> Costa Rica Government International Bond 4.25% 26/01/2023	820	0.33
USD	1,520,000	Argentina Bonar Bond 7.625% 22/04/2046	1,297	0.53	USD	2,975,000	Costa Rica Government International Bond 7.158% 12/03/2045	2,436	0.99
USD	1,903,039	Argentina Bonar Bond 8% 08/10/2020	1,651	0.67	USD	2,100,000	Republic of Costa Rica 4.375% 30/04/25	1,534	0.63
USD	3,045,575	Argentina Bonar Bond 8.75% 07/05/2024	2,721	1.11			<b>Total Costa Rica</b>	<b>4,790</b>	<b>1.95</b>
USD	1,125,000	Provincia de Buenos Aires 9.125% 16/03/2024	935	0.38					
USD	1,843,903	Provincia de Buenos Aires 9.95% 09/06/2021	1,556	0.63	USD	3,060,000	<b>BB 1.70% (1.95%)</b> Croatia Government International Bond 6% 26/01/2024	2,592	1.05
USD	300,000	Provincia de Buenos Aires 10.875% 26/01/2021	260	0.11	USD	1,925,000	Croatia Government International Bond 6.75% 05/11/2019	1,590	0.65
USD	3,385,000	Provincia De Cordoba 7.125% 10/06/2021	2,622	1.07			<b>BB- 0.23% (0.26%)</b>		
USD	1,800,000	Republic of Argentina International Bond 6.625% 06/07/2028	1,432	0.58	USD	684,000	Hrvatska Elektroprivreda 5.875% 23/10/2022	556	0.23
USD	1,410,000	Republic of Argentina International Bond 6.875% 22/04/2021	1,149	0.47			<b>Total Croatia</b>	<b>4,738</b>	<b>1.93</b>
USD	3,300,000	Republic of Argentina International Bond 7.125% 06/07/2036	2,652	1.08					
USD	760,000	Republic of Argentina International Bond 7.5% 22/04/2026	637	0.26					
		<b>Not Rated 0.00% (1.58%)</b>			<b>DOMINICAN REPUBLIC 5.61% (6.12%)</b>				
		<b>Total Argentina</b>	<b>16,912</b>	<b>6.89</b>	USD	1,992,000	<b>BB- 4.66% (4.95%)</b> Dominican Republic International Bond 5.875% 18/04/2024	1,592	0.65
<b>BRAZIL 3.48% (2.86%)</b>					USD	1,290,000	Dominican Republic International Bond 6.85% 27/01/2045	1,091	0.44
		<b>BB 3.48% (2.86%)</b>			USD	1,480,000	Dominican Republic International Bond 6.875% 29/01/2026	1,273	0.52
USD	2,307,000	Brazilian Government International Bond 4.25% 07/01/2025	1,739	0.71	USD	2,382,000	Dominican Republic International Bond 7.45% 30/04/2044	2,133	0.87
USD	2,516,000	Brazilian Government International Bond 4.875% 22/01/2021	2,011	0.82	USD	6,378,000	Dominican Republic International Bond 7.5% 06/05/2021	5,336	2.18
USD	3,252,000	Brazilian Government International Bond 5.625% 07/01/2041	2,464	1.00			<b>Not Rated 0.95% (1.17%)</b>		
USD	874,000	Brazilian Government International Bond 7.125% 20/01/2037	777	0.32	DOP	112,000,000	Dominican Republic International Bond 16.95% 04/12/2022	2,326	0.95
USD	1,580,000	Brazilian Government International Bond 8.25% 20/01/2034	1,538	0.63			<b>Total Dominican Republic</b>	<b>13,751</b>	<b>5.61</b>
		<b>Total Brazil</b>	<b>8,529</b>	<b>3.48</b>					
<b>CAYMAN ISLANDS 1.82% (1.57%)</b>					<b>ECUADOR 0.81% (0.90%)</b>				
		<b>B+ 1.82% (1.57%)</b>			USD	1,500,000	<b>B 0.81% (0.90%)</b> Republic of Ecuador 7.95% 20/06/2024	979	0.40
USD	6,100,000	Petrobras International 5.375% 27/01/21	4,450	1.82	USD	1,330,000	Republic of Ecuador 10.5% 24/03/2020	1,013	0.41
		<b>Total Cayman Islands</b>	<b>4,450</b>	<b>1.82</b>			<b>Total Ecuador</b>	<b>1,992</b>	<b>0.81</b>
<b>COLOMBIA 3.35% (3.97%)</b>					<b>EGYPT 1.05% (1.20%)</b>				
		<b>BBB 2.50% (3.45%)</b>			USD	3,650,000	<b>B- 1.05% (1.20%)</b> Republic of Egypt 5.875% 11/06/2025	2,574	1.05
COP	7,995,000,000	Colombia Government International Bond 9.85% 28/06/2027	2,515	1.03			<b>Total Egypt</b>	<b>2,574</b>	<b>1.05</b>
USD	2,360,000	Ecopetrol 5.375% 26/06/2026	1,818	0.74					
USD	2,540,000	Ecopetrol 5.875% 28/05/2045	1,786	0.73	<b>EL SALVADOR 1.16% (1.18%)</b>				
					USD	883,000	<b>B+ 1.16% (1.18%)</b> El Salvador Government International Bond 5.88% 30/01/2025	673	0.27
					USD	1,055,000	El Salvador Government International Bond 7.65% 15/06/2035	855	0.35

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>EL SALVADOR 1.16% (1.18%) (continued)</b>					<b>INDONESIA 10.17% (9.93%)</b>				
USD	1,572,000	El Salvador Government International Bond 8.25% 10/04/2032	1,327	0.54	USD	1,490,000	<b>BB+ 8.54% (9.28%)</b> Indonesia Government International Bond 3.375% 15/04/2023	1,145	0.47
		<b>Total El Salvador</b>	<b>2,855</b>	<b>1.16</b>	USD	2,538,000	Indonesia Government International Bond 3.75% 25/04/2022	1,997	0.81
<b>ETHIOPIA 0.35% (0.38%)</b>					USD	2,843,000	Indonesia Government International Bond 4.625% 15/04/2043	2,283	0.93
		<b>B 0.35% (0.38%)</b>			USD	2,701,000	Indonesia Government International Bond 5.25% 17/01/2042	2,324	0.95
USD	1,156,000	Federal Democratic Republic of Ethiopia 6.625% 11/12/2024	851	0.35	USD	2,417,000	Indonesia Government International Bond 5.875% 15/01/2024	2,133	0.87
		<b>Total Ethiopia</b>	<b>851</b>	<b>0.35</b>	USD	1,842,000	Indonesia Government International Bond 5.88% 13/03/2020	1,547	0.63
<b>GABON 0.98% (0.91%)</b>					USD	1,935,000	Indonesia Government International Bond 6.63% 17/02/2037	1,887	0.77
		<b>B1 0.29% (0.00%)</b>			USD	1,660,000	Indonesia Government International Bond 6.75% 15/01/2044	1,701	0.69
USD	1,010,000	Gabonese Republic 6.95% 16/06/2025	706	0.29	USD	1,051,000	Indonesia Government International Bond 7.75% 17/01/2038	1,133	0.46
		<b>B 0.00% (0.91%)</b>			USD	556,000	Indonesia Government International Bond 8.5% 12/10/2035	630	0.26
		<b>Not Rated 0.69% (0.00%)</b>			USD	2,891,000	Pertamina 5.25% 23/05/2021	2,353	0.96
USD	2,450,187	Gabonese Republic 6.375% 12/12/2024	1,699	0.69	USD	2,342,000	Perusahaan Penerbit SBSN Indonesia 4% 21/11/2018	1,828	0.74
		<b>Total Gabon</b>	<b>2,405</b>	<b>0.98</b>	USD	2,851,000	<b>BB 0.89% (0.65%)</b> Perusahaan Listrik Negara PT 5.25% 24/10/2042	2,188	0.89
<b>GEORGIA 1.48% (1.64%)</b>					IDR	28,600,000,000	<b>Not Rated 0.74% (0.00%)</b> Indonesia Government International Bond 8.375% 15/09/2026	1,807	0.74
		<b>BB- 1.48% (1.64%)</b>					<b>Total Indonesia</b>	<b>24,956</b>	<b>10.17</b>
USD	2,511,000	Georgia Government International Bond 6.875% 12/04/2021	2,103	0.86	<b>IVORY COAST 2.31% (2.19%)</b>				
USD	1,812,000	Georgian Railway JSC 7.75% 11/07/2022	1,522	0.62			<b>Ba3 1.20% (0.97%)</b> Ivory Coast Government International Bond 5.375% 23/07/2024	2,955	1.20
		<b>Total Georgia</b>	<b>3,625</b>	<b>1.48</b>	USD	3,932,000			
<b>GHANA 1.57% (1.50%)</b>					USD	3,667,000	<b>Not Rated 1.11% (1.22%)</b> Ivory Coast Government International Bond 2.5% 31/12/2032	2,715	1.11
		<b>B- 1.57% (1.50%)</b>					<b>Total Ivory Coast</b>	<b>5,670</b>	<b>2.31</b>
USD	1,538,873	Republic of Ghana 7.875% 07/08/2023	1,063	0.43	<b>JAMAICA 1.02% (0.85%)</b>				
USD	4,059,000	Republic of Ghana 8.125% 18/01/2026	2,793	1.14			<b>B 1.02% (0.85%)</b> Jamaica 6.75% 28/04/2028	1,962	0.80
		<b>Total Ghana</b>	<b>3,856</b>	<b>1.57</b>	USD	610,000	Jamaica 8% 15/03/2039	543	0.22
<b>GUATEMALA 2.12% (1.86%)</b>							<b>Total Jamaica</b>	<b>2,505</b>	<b>1.02</b>
		<b>BB 2.12% (1.86%)</b>			<b>KAZAKHSTAN 1.12% (1.16%)</b>				
USD	755,000	Guatemala Government Bond 4.5% 03/05/2026	595	0.24			<b>BBB- 0.50% (0.66%)</b> Development Bank of Kazakhstan 4.125% 10/12/2022	1,220	0.50
USD	3,089,000	Guatemala Government Bond 4.875% 13/02/2028	2,534	1.04	USD	1,672,000			
USD	2,432,000	Guatemala Government Bond 5.75% 06/06/2022	2,061	0.84	USD	2,110,000	<b>BB+ 0.62% (0.50%)</b> KazAgro National Management Holding JSC 4.63% 24/05/2023	1,514	0.62
		<b>Total Guatemala</b>	<b>5,190</b>	<b>2.12</b>			<b>Total Kazakhstan</b>	<b>2,734</b>	<b>1.12</b>
<b>HUNGARY 2.28% (6.44%)</b>					<b>INDIA 0.00% (0.35%)</b>				
		<b>BB+ 1.85% (5.92%)</b>					<b>BBB- 0.00% (0.35%)</b>		
USD	1,062,000	Hungary Government International Bond 5.375% 21/02/2023	903	0.37			<b>Total India</b>		
USD	2,140,000	Hungary Government International Bond 5.375% 25/03/2024	1,840	0.75					
USD	2,308,000	Magyar Export-Import Bank 4% 30/01/2020	1,781	0.73					
		<b>Ba1 0.43% (0.52%)</b>							
USD	1,270,000	MFB Magyar Fejlesztési Bank 6.25% 21/10/2020	1,062	0.43					
		<b>Total Hungary</b>	<b>5,586</b>	<b>2.28</b>					

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 1.89% (3.16%)</b>						<b>B+ 1.45% (0.88%)</b>			
		<b>BB+ 1.89% (2.06%)</b>			USD	4,900,000	Petrobras Global Finance 6.25% 17/03/2024	3,561	1.45
USD	1,629,000	Gaz Capital 6.51% 07/03/2022	1,362	0.55			<b>Total Netherlands</b>	<b>7,461</b>	<b>3.04</b>
USD	1,454,000	Gaz Capital 7.29% 16/08/2037	1,292	0.53					
USD	2,638,000	GPN Capital 4.375% 19/09/2022	1,985	0.81					
		<b>Ba2 0.00% (1.10%)</b>			<b>PAKISTAN 1.26% (1.77%)</b>				
		<b>Total Luxembourg</b>	<b>4,639</b>	<b>1.89</b>	USD	2,300,000	<b>B- 1.26% (1.77%)</b> Islamic Republic of Pakistan 8.25% 15/04/2024	1,934	0.79
<b>MEXICO 12.94% (9.96%)</b>					USD	1,454,000	Pakistan Government International Bond 6.75% 03/12/2019	1,163	0.47
		<b>A 2.62% (0.52%)</b>					<b>Total Pakistan</b>	<b>3,097</b>	<b>1.26</b>
MXN	109,500,000	Mexican Bonos 7.75% 23/11/2034	5,181	2.11					
MXN	4,989,700	United Mexican States Index-Linked 4% 15/11/2040	1,254	0.51	<b>PANAMA 1.57% (1.60%)</b>				
		<b>BBB+ 9.83% (9.44%)</b>			USD	1,670,000	<b>A- 0.57% (0.51%)</b> Autoridad del Canal de Panama 4.95% 29/07/2035	1,391	0.57
USD	1,767,000	Comision Federal de Electricidad 4.88% 26/05/2021	1,420	0.58			<b>BBB 1.00% (1.09%)</b>		
USD	3,831,000	Petroleos Mexicanos 3.5% 30/01/2023	2,780	1.13	USD	1,255,000	Panama Bonos del Tesoro 5.63% 25/07/2022	1,044	0.42
USD	2,032,000	Petroleos Mexicanos 4.875% 24/01/2022	1,585	0.65	USD	1,725,000	Panama Government International Bond 4% 22/09/2024	1,418	0.58
USD	3,926,000	Petroleos Mexicanos 4.875% 18/01/2024	3,057	1.25			<b>Total Panama</b>	<b>3,853</b>	<b>1.57</b>
USD	1,607,000	Petroleos Mexicanos 5.5% 21/01/2021	1,292	0.53	<b>PARAGUAY 0.84% (0.88%)</b>				
USD	1,512,000	Petroleos Mexicanos 5.5% 27/06/2044	1,071	0.44			<b>BB 0.84% (0.88%)</b>		
USD	2,741,000	Petroleos Mexicanos 6.375% 23/01/2045	2,149	0.87	USD	2,420,000	Republic of Paraguay 6.1% 11/08/2044	2,070	0.84
USD	2,093,000	Petroleos Mexicanos 6.5% 02/06/2041	1,656	0.67			<b>Total Paraguay</b>	<b>2,070</b>	<b>0.84</b>
USD	2,092,000	Petroleos Mexicanos 6.625% 15/06/2035	1,685	0.69	<b>PERU 1.50% (1.51%)</b>				
USD	2,104,000	United Mexican States 3.625% 15/03/2022	1,682	0.68			<b>BBB+ 1.21% (1.18%)</b>		
USD	3,601,000	United Mexican States 4.6% 23/01/2046	2,913	1.19	USD	2,849,000	Peruvian Government International Bond 7.35% 21/07/2025	2,956	1.21
USD	2,727,000	United Mexican States 6.75% 27/09/2034	2,833	1.15			<b>BBB- 0.29% (0.33%)</b>		
		<b>(P)Ba1 0.49% (0.00%)</b>			USD	900,000*	Financiera de Desarrollo 5.25% 15/07/2029	723	0.29
USD	1,590,000*	Banco Nacional De Comercio 3.8% 11/08/2026	1,195	0.49			<b>Total Peru</b>	<b>3,679</b>	<b>1.50</b>
		<b>Total Mexico</b>	<b>31,753</b>	<b>12.94</b>	<b>PHILIPPINES 1.60% (2.09%)</b>				
<b>MONGOLIA 0.18% (0.66%)</b>							<b>BBB 1.60% (2.09%)</b>		
		<b>B 0.00% (0.66%)</b>			USD	1,202,000	Philippine Government International Bond 5% 13/01/2037	1,167	0.48
		<b>B- 0.18% (0.00%)</b>			USD	1,386,000	Philippine Government International Bond 6.375% 15/01/2032	1,482	0.60
USD	629,000	Trade & Development Bank 9.375% 19/05/2020	448	0.18	USD	476,000	Philippine Government International Bond 7.75% 14/01/2031	560	0.23
		<b>Total Mongolia</b>	<b>448</b>	<b>0.18</b>	USD	814,000	Philippine Government International Bond 8.375% 17/06/2019	723	0.29
<b>NAMIBIA 0.87% (1.01%)</b>							<b>Total Philippines</b>	<b>3,932</b>	<b>1.60</b>
		<b>Baa3 0.87% (1.01%)</b>			<b>REPUBLIC OF IRELAND 2.22% (2.71%)</b>				
USD	2,648,000	Namibia International Bond 5.5% 03/11/2021	2,143	0.87			<b>BB+ 2.22% (2.71%)</b>		
		<b>Total Namibia</b>	<b>2,143</b>	<b>0.87</b>	USD	842,000	RZD Capital 5.7% 05/04/2022	682	0.28
<b>NETHERLANDS 3.04% (2.24%)</b>					USD	830,000	VEB Finance 5.94% 21/11/2023	657	0.27
		<b>BB 1.59% (1.36%)</b>			USD	2,050,000	VEB Finance 6.8% 22/11/2025	1,692	0.69
USD	4,128,000	Kazakhstan Temir Zholy Finance 6.95% 10/07/2042	3,313	1.35	USD	2,969,000	VEB Finance 6.9% 09/07/2020	2,420	0.98
USD	755,000	Majapahit Holding 7.25% 28/06/2017	587	0.24			<b>Total Republic of Ireland</b>	<b>5,451</b>	<b>2.22</b>

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ROMANIA 0.18% (0.21%)</b>					USD	2,201,000	Turkey Government International Bond 7.375% 05/02/2025	1,984	0.81
<b>BBB- 0.18% (0.21%)</b>					USD	1,309,000	Turkey Government International Bond 7.5% 07/11/2019	1,101	0.45
USD	534,000	Romanian Government International Bond 4.375% 22/08/2023	441	0.18	USD	1,239,000	Turkey Government International Bond 8% 14/02/2034	1,232	0.50
<b>Total Romania</b>			<b>441</b>	<b>0.18</b>	<b>Total Turkey</b>			<b>14,017</b>	<b>5.71</b>
<b>RUSSIA 2.30% (3.23%)</b>					<b>URUGUAY 0.63% (0.61%)</b>				
<b>BB+ 2.30% (3.23%)</b>					<b>BBB 0.63% (0.61%)</b>				
USD	1,400,000	Russian Foreign Bond – Eurobond 4.875% 16/09/2023	1,155	0.47	USD	1,055,669	Uruguay Government International Bond 4.375% 27/10/2027	854	0.35
USD	1,900,000	Russian Foreign Bond – Eurobond 5% 29/04/2020	1,535	0.63	USD	387,878	Uruguay Government International Bond 4.5% 14/08/2024	322	0.13
USD	1,982,005	*Russian Foreign Bond – Eurobond 5% 31/03/2030	1,018	0.41	USD	397,368	Uruguay Government International Bond 6.88% 28/09/2025	375	0.15
USD	2,200,000	Russian Foreign Bond – Eurobond 5.625% 04/04/2042	1,935	0.79	<b>Total Uruguay</b>			<b>1,551</b>	<b>0.63</b>
<b>Total Russia</b>			<b>5,643</b>	<b>2.30</b>	<b>VENEZUELA 3.77% (3.39%)</b>				
<b>SENEGAL 0.55% (0.60%)</b>					<b>CCC 3.49% (3.14%)</b>				
<b>B+ 0.55% (0.60%)</b>					USD	582,000	Petroleos de Venezuela 5.25% 12/04/2017	299	0.12
USD	1,750,000	Senegal Government International Bond 6.25% 30/07/2024	1,353	0.55	USD	2,799,922	Petroleos de Venezuela 6% 16/05/2024	804	0.33
<b>Total Senegal</b>			<b>1,353</b>	<b>0.55</b>	USD	2,816,470	Petroleos de Venezuela 6% 15/11/2026	796	0.33
<b>SUPRANATIONAL 0.94% (1.12%)</b>					USD	2,710,000	Petroleos de Venezuela 8.5% 02/11/2017	1,010	0.41
<b>BB- 0.94% (1.12%)</b>					USD	4,295,790	Petroleos de Venezuela 9% 17/11/2021	1,589	0.65
USD	1,165,000	Republic of Serbia 4.875% 25/02/2020	910	0.37	USD	1,285,000	Venezuela Government International Bond 7.65% 21/04/2025	427	0.17
USD	1,755,000	Republic of Serbia 5.875% 03/12/2018	1,392	0.57	USD	6,002,000	Venezuela Government International Bond 7.75% 13/10/2019	2,282	0.93
<b>Total Supranational</b>			<b>2,302</b>	<b>0.94</b>	USD	2,066,800	Venezuela Government International Bond 8.25% 13/10/2024	697	0.28
<b>TRINIDAD AND TOBAGO 0.97% (1.48%)</b>					USD	1,897,500	Venezuela Government International Bond 9% 07/05/2023	657	0.27
<b>BB 0.97% (1.48%)</b>					<b>Not Rated 0.28% (0.25%)</b>				
USD	2,895,000	Petroleum of Trinidad & Tobago 9.75% 14/08/2019	2,382	0.97	USD	1,522,700	Petroleos de Venezuela 12.75% 17/02/2022	676	0.28
<b>Total Trinidad And Tobago</b>			<b>2,382</b>	<b>0.97</b>	<b>Total Venezuela</b>			<b>9,237</b>	<b>3.77</b>
<b>TUNISIA 0.62% (0.67%)</b>					<b>ZAMBIA 0.59% (0.56%)</b>				
<b>Ba3 0.62% (0.67%)</b>					<b>B 0.59% (0.56%)</b>				
USD	2,045,000	Banque Centrale de Tunisie 5.75% 30/01/2025	1,507	0.62	USD	997,000	Zambia Government International Bond 5.375% 20/09/2022	662	0.27
<b>Total Tunisia</b>			<b>1,507</b>	<b>0.62</b>	USD	1,062,000	Zambia Government International Bond 8.5% 14/04/2024	792	0.32
<b>TURKEY 5.71% (7.08%)</b>					<b>Total Zambia</b>			<b>1,454</b>	<b>0.59</b>
<b>Baa3 5.71% (7.08%)</b>					<b>DERIVATIVES –0.05% (–0.03%)</b>				
USD	1,026,000	Hazine Mustesarligi Varlik Kiralama 4.56% 10/10/2018	791	0.32	<b>Forward Foreign Exchange Contracts –0.05% (–0.03%)</b>				
USD	1,898,000	Turkey Government International Bond 5.125% 25/03/2022	1,493	0.61	Sell USD 3,772,758				
USD	2,019,000	Turkey Government International Bond 5.625% 30/03/2021	1,625	0.66	Buy COP 11,171,136,054 Barclays				
USD	1,200,000	Turkey Government International Bond 5.75% 22/03/2024	979	0.40	Sell USD 145,816				
USD	1,760,000	Turkey Government International Bond 6.25% 26/09/2022	1,464	0.60	Buy GBP 110,000 Lloyds				
USD	432,000	Turkey Government International Bond 6.625% 17/02/2045	389	0.16	Sell USD 170,132				
USD	1,285,000	Turkey Government International Bond 6.75% 30/05/2040	1,156	0.47	Buy GBP 131,000 Bank of Scotland				
USD	2,002,000	Turkey Government International Bond 6.875% 17/03/2036	1,803	0.73	Sell USD 226,821				
					Buy GBP 172,000 Bank of Scotland				
					Sell USD 28,786				

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES –0.05% (–0.03%) (continued)</b>			
	Buy GBP 22,000 HSBC	–	–
	Sell USD 29,032		
	Buy GBP 22,000 RBC	–	–
	Sell USD 344,000		
	Buy GBP 258,192 RBC	1	–
	Sell USD 58,881		
	Buy GBP 45,000 Citigroup	1	–
	Sell USD 66,257		
	Buy GBP 50,000 Lloyds	–	–
	Sell USD 1,522,807		
	Buy MXN 28,365,682 J.P. Morgan	18	0.01
	Sell MXN 27,902,846		
	Buy USD 1,489,553 J.P. Morgan	(18)	(0.01)
	Sell MXN 28,365,682		
	Buy USD 1,521,971 RBC	(18)	(0.01)
	Sell GBP 1,348,000		
	Buy USD 1,779,035 Goldman Sachs	(19)	(0.01)
	Sell GBP 150,000		
	Buy USD 197,197 Goldman Sachs	(3)	–
	Sell COP 11,171,136,054		
	Buy USD 3,772,758 HSBC	(91)	(0.03)
	Sell COP 11,570,648,188		
	Buy USD 3,860,099 Barclays	(93)	(0.04)
	Sell GBP 230,000		
	Buy USD 303,935 HSBC	(3)	–
	Sell GBP 74,000		
	Buy USD 98,421 HSBC	–	–
	<b>Total Derivatives</b>	<b>(126)</b>	<b>(0.05)</b>
<b>Total value of investments</b>		<b>235,603</b>	<b>96.03</b>
<b>Net other assets (1.81%)</b>		<b>9,728</b>	<b>3.97</b>
<b>Net assets</b>		<b>245,331</b>	<b>100.00</b>

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	232,793	98.81
Floating rate notes	2,936	1.24
Derivatives	(126)	(0.05)
<b>Total value of investments</b>	<b>235,603</b>	<b>100.00</b>

March 2016 comparatives in brackets.

\*Variable rate bonds.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	45,104	40,225
Total sales for the period	28,507	55,350

## Threadneedle High Yield Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.40% (0.00%)</b>					<b>Not Rated 0.25% (0.08%)</b>				
		<b>BBB- 0.40% (0.00%)</b>			EUR	2,820,000	*Aquarius Plus Investments FRN 08/08/2017	2,358	0.25
EUR	2,183,000	Origin Energy Finance 2.5% 23/10/2020	1,921	0.21	<b>Total Croatia</b>				
EUR	814,000	Origin Energy Finance 3.5% 04/10/21	749	0.08				<b>3,423</b>	<b>0.37</b>
USD	1,305,000	Origin Energy Finance 5.45% 14/10/2021	1,045	0.11	<b>CZECH REPUBLIC 0.45% (0.82%)</b>				
		<b>Total Australia</b>	<b>3,715</b>	<b>0.40</b>					
<b>AUSTRIA 0.78% (0.97%)</b>					EUR	4,859,000	RPG 6.75% 01/05/2020	4,224	0.45
		<b>Ca 0.78% (0.97%)</b>			<b>Not Rated 0.00% (0.34%)</b>				
EUR	3,586,000	Heta Asset Resolution 4.25% 31/10/2016	2,688	0.29	<b>Total Czech Republic</b>				
EUR	6,250,000	Heta Asset Resolution 4.375% 24/01/2017	4,644	0.49				<b>4,224</b>	<b>0.45</b>
		<b>Total Austria</b>	<b>7,332</b>	<b>0.78</b>	<b>DENMARK 0.00% (0.17%)</b>				
<b>BELGIUM 0.50% (0.63%)</b>									
		<b>BB 0.50% (0.63%)</b>			<b>BB 0.00% (0.17%)</b>				
EUR	5,647,000	*KBC Groep 5.625% 19/12/2049	4,714	0.50	<b>Total Denmark</b>				
		<b>Total Belgium</b>	<b>4,714</b>	<b>0.50</b>				—	—
<b>BRAZIL 0.09% (0.19%)</b>					<b>FRANCE 6.47% (5.41%)</b>				
		<b>B+ 0.00% (0.19%)</b>							
		<b>D 0.09% (0.00%)</b>			EUR	5,592,000	*Total 3.875% 29/12/2049	5,037	0.54
USD	2,495,000	Telemar Norte Leste 5.5% 23/10/2020 144A (Defaulted)	488	0.05	USD	3,266,000	*Credit Agricole 8.125% 19/09/2033	2,671	0.29
USD	1,581,000	Telemar Norte Leste 5.5% 23/10/2020 Reg S (Defaulted)	310	0.04					
		<b>Total Brazil</b>	<b>798</b>	<b>0.09</b>	EUR	4,749,000	*Orange 4% 26/10/2049	4,281	0.46
<b>CANADA 1.34% (0.98%)</b>					EUR	1,921,000	*Credit Agricole 6.5% 23/12/2049	1,625	0.17
		<b>B 0.18% (0.18%)</b>			EUR	3,779,000	SPCM 2.875% 15/06/2023	3,228	0.34
USD	2,373,000	Bombardier 5.75% 15/03/22	1,671	0.18					
		<b>B- 1.16% (0.80%)</b>			EUR	5,555,000	Novalis 3% 30/04/2022	4,802	0.51
EUR	5,265,000	Cott Finance 5.5% 01/07/2024	4,757	0.51	EUR	1,791,000	*Solvay Finance 5.118% 29/06/2049	1,622	0.17
EUR	8,841,000	Valeant Pharmaceuticals International 4.5% 15/05/2023	6,132	0.65	EUR	3,881,000	*Solvay Finance 5.869% 29/06/2049	3,626	0.39
		<b>Total Canada</b>	<b>12,560</b>	<b>1.34</b>					
<b>CAYMAN ISLANDS 0.63% (0.83%)</b>					EUR	1,509,000	Rexel 3.25% 15/06/2022	1,317	0.14
		<b>BB 0.11% (0.15%)</b>			EUR	3,905,000	Rexel 3.5% 15/06/2023	3,421	0.37
USD	1,560,000	UPCB Finance VI 6.875% 15/01/2022	982	0.11					
		<b>BB- 0.00% (0.12%)</b>			EUR	3,200,000	Areva 3.125% 20/03/2023	2,586	0.28
		<b>B2 0.44% (0.46%)</b>			EUR	1,800,000	Areva 3.5% EMTN 22/03/2021	1,497	0.16
EUR	4,615,000	Viridian Group FundCo II 7.5% 01/03/2020	4,137	0.44	EUR	2,900,000	Areva 4.875% Bonds 23/09/2024	2,542	0.27
		<b>Not Rated 0.08% (0.10%)</b>			EUR	1,654,000	Cerba European Laboratory 7% 01/02/2020	1,446	0.15
USD	1,725,000	PSOS Finance 11.75% 23/04/2018	773	0.08	EUR	4,730,000	Horizon Holdings III 5.125% 01/08/2022	4,256	0.45
		<b>Total Cayman Islands</b>	<b>5,892</b>	<b>0.63</b>	EUR	5,816,000	Numericable-SFR 5.375% 15/05/2022	5,115	0.55
<b>CROATIA 0.37% (0.17%)</b>					EUR	6,654,000	Numericable-SFR 5.625% 15/05/2024	5,903	0.63
		<b>B 0.12% (0.09%)</b>			USD	1,482,000	Numericable-SFR 6% 15/05/2022	1,139	0.12
EUR	1,190,000	Agrokor DD 9.125% 01/02/2020	1,065	0.12	EUR	1,729,000	Paprec Holding 5.25% 01/04/2022	1,525	0.16
					EUR	1,409,000	Autodis 6.5% 01/02/2019	1,103	0.12
					EUR	1,437,000	Europcar Groupe 5.75% 15/06/2022	1,267	0.14
					EUR	720,000	WFS Global Holdings 9.5% 15/07/2022 (Lux)	594	0.06
							<b>Total France</b>	<b>60,603</b>	<b>6.47</b>



## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 7.11% (7.16%)</b>						<b>B- 0.15% (0.25%)</b>			
		<b>Ba1 0.37% (0.00%)</b>			EUR	1,612,000	Snai 7.625% 15/06/2018	1,401	0.15
EUR	1,965,000	Heidelbergcement 2.25% 03/06/2024	1,773	0.19					
EUR	1,910,000	HeidelbergCement Finance Luxembourg 2.25% 30/03/2023	1,723	0.18			<b>Not Rated 0.00% (0.35%)</b>		
							<b>Total Italy</b>	<b>42,228</b>	<b>4.51</b>
		<b>BB 1.31% (0.91%)</b>			<b>JAPAN 1.49% (1.74%)</b>				
EUR	2,756,000	ThyssenKrupp 2.75% 08/03/2021	2,450	0.26			<b>BB+ 1.49% (1.74%)</b>		
EUR	8,749,000	ThyssenKrupp 4% 27/08/2018	7,851	0.84	EUR	6,300,000	Softbank Group 4% 30/07/2022	5,907	0.63
EUR	2,236,000	WEPA Hygieneprodukte 3.75% 15/05/2024	1,988	0.21	EUR	6,421,000	Softbank Group 4.75% 30/07/2025	6,139	0.66
					EUR	2,000,000	Softbank Group 5.25% 30/07/2027	1,924	0.20
		<b>Ba2e 0.00% (0.15%)</b>					<b>Total Japan</b>	<b>13,970</b>	<b>1.49</b>
		<b>BB- 2.55% (2.62%)</b>			<b>JERSEY 2.16% (1.48%)</b>				
EUR	2,795,000	Techem 6.125% 01/10/2019	2,432	0.26			<b>BB+ 0.44% (0.00%)</b>		
EUR	2,000,000	Unitymedia Hessen 4% 15/01/2025	1,771	0.19	EUR	4,466,000	Lincoln Finance 6.875% 15/04/2021	4,102	0.44
EUR	3,190,000	Unitymedia Hessen 5.125% 21/01/2023	2,307	0.25			<b>(P)BB 0.34% (0.00%)</b>		
EUR	1,943,000	Unitymedia Hessen 5.625% 15/04/2023	1,405	0.15	EUR	3,690,000	Adient Global Holdings 3.5% 15/08/2024	3,220	0.34
EUR	10,558,000	Unitymedia Hessen 5.75% 15/01/2023	7,717	0.82			<b>BB- 0.24% (0.25%)</b>		
EUR	1,700,000	Unitymedia Hessen 6.25% 15/01/2029	1,638	0.18	GBP	2,174,000	AA Bond 5.5% 31/07/2022	2,239	0.24
EUR	3,135,000	Unitymedia NRW 3.5% 15/01/2027	2,724	0.29			<b>B+ 0.00% (0.43%)</b>		
USD	4,980,000	Unitymedia NRW 5% 15/01/2025	3,882	0.41			<b>B 0.76% (0.80%)</b>		
		<b>B+ 0.50% (0.52%)</b>			GBP	3,311,000	CPUK Finance 7% 28/08/2020	3,526	0.38
EUR	3,890,000	ProGroup 5.125% 01/05/2022	3,519	0.38	EUR	3,990,000	Mercury Bondco PIK 8.25% 30/05/2021	3,522	0.38
EUR	1,298,000	Trionista Holdco 5% 30/04/2020	1,120	0.12			<b>B- 0.38% (0.00%)</b>		
		<b>B 1.32% (1.65%)</b>			GBP	3,399,000	TVL Finance 8.5% 15/05/2023	3,609	0.38
EUR	1,975,000	Deutsche Raststaetten Gruppe IV 6.75% 30/12/2020	1,743	0.19			<b>Total Jersey</b>	<b>20,218</b>	<b>2.16</b>
EUR	4,839,000	Safari Holding Verwaltungs 8.25% 15/02/2021	4,325	0.46	<b>LUXEMBOURG 18.61% (18.99%)</b>				
EUR	2,920,000	Techem Energy Metering Service 7.875% 01/10/2020	2,563	0.27			<b>BB+ 4.13% (3.49%)</b>		
EUR	4,425,000	Unitymedia 3.75% 15/01/2027	3,718	0.40	EUR	3,976,000	CNH Industrial Finance 6.25% 09/03/2018	3,614	0.39
		<b>B- 0.76% (0.98%)</b>			EUR	2,959,000	Gaz Capital 3.389% 20/03/2020	2,595	0.28
EUR	5,359,000	Pfleiderer 7.875% 01/08/2019	4,686	0.50	EUR	2,703,000	Gaz Capital 4.625% 15/10/2018	2,406	0.26
EUR	2,735,000	Trionista Topco 6.875% 30/04/2021	2,425	0.26	GBP	4,258,000	Gaz Capital 5.338% 25/09/2020	4,599	0.49
		<b>CCC+ 0.30% (0.33%)</b>			USD	5,018,000	Gaz Capital 5.999% 23/01/2021	4,064	0.43
EUR	3,176,000	CeramTec Group 8.25% 15/08/2021	2,841	0.30	USD	17,187,000	Gaz Capital 6.51% 07/03/2022	14,365	1.53
		<b>Total Germany</b>	<b>66,601</b>	<b>7.11</b>	EUR	3,060,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	2,676	0.29
<b>ITALY 4.51% (4.15%)</b>					EUR	5,100,000	*Grand City Properties 3.75% 29/12/2049	4,342	0.46
		<b>BB+ 3.77% (3.22%)</b>					<b>Ba1 1.95% (2.28%)</b>		
EUR	4,169,000	*Enel 5% 15/01/2075	3,778	0.40	EUR	6,020,000	HeidelbergCement Finance Luxembourg 7.5% 03/04/2020	6,294	0.67
GBP	4,040,000	*Enel 6.625% 15/09/2076	4,419	0.47	EUR	3,540,000	HeidelbergCement Finance Luxembourg 8% 31/01/2017	3,064	0.33
EUR	10,396,000	Finmeccanica 4.5% 19/01/2021	9,953	1.06	EUR	8,461,000	HeidelbergCement Finance Luxembourg 8.5% 31/10/2019	8,890	0.95
EUR	1,185,000	Telecom Italia 3.625% 19/01/2024	1,085	0.12			<b>BB 0.20% (0.00%)</b>		
EUR	3,150,000	Telecom Italia 3.625% 25/05/2026	2,849	0.31			<b>B+ 0.39% (0.33%)</b>		
EUR	8,079,000	Telecom Italia 4.5% 25/01/2021	7,760	0.83	EUR	1,142,000	Dufry Finance 4.5% 15/07/2022	1,012	0.11
EUR	5,450,000	Telecom Italia 5.25% 10/02/2022	5,454	0.58	EUR	4,568,000	Dufry Finance 4.55% 01/08/2023	4,097	0.44
					USD	3,091,000	Dufry Finance 5.5% 15/10/2020	2,386	0.25
EUR	2,050,000	LKG Italia Bondco 3.875% 01/04/2024	1,871	0.20	EUR	5,313,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	4,938	0.53
		<b>B+ 0.39% (0.33%)</b>							
EUR	1,205,000	Schumann 7% 31/07/2023	1,041	0.11					
EUR	3,051,000	Zobe Holding 7.875% 01/02/2018	2,617	0.28					



## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 18.61% (18.99%) (continued)</b>					<b>NETHERLANDS 11.65% (12.69%)</b>				
EUR	4,882,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	4,734	0.51	EUR	2,800,000	*Vonovia Finance 4.625% 08/04/2074	2,498	0.27
EUR	2,758,000	Fiat Finance & Trade 4.75% 22/03/2021	2,577	0.28					
EUR	5,085,000	Fiat Finance & Trade 6.625% 15/03/2018	4,625	0.49					
EUR	1,500,000	Fiat Finance & Trade 7.375% 09/07/2018	1,397	0.15	EUR	3,444,000	*SNS Bank FRN 05/11/2025	2,956	0.32
EUR	5,560,000	Hanesbrands 3.5% 15/06/2024	4,999	0.53	EUR	1,900,000	*Telefonica Europe 5% 31/03/2049	1,692	0.18
EUR	6,264,000	Wind Acquisition Finance 4% 15/07/2020	5,381	0.57	EUR	8,200,000	*Telefonica Europe 6.5% 29/09/2049	7,471	0.80
USD	2,269,000	Wind Acquisition Finance 4.75% 15/07/2020	1,731	0.18	GBP	5,000,000	*Telefonica Europe 6.75% Perpetual	5,405	0.58
		<b>BB- 0.48% (3.51%)</b>					<b>Ba1 1.08% (0.78%)</b>		
EUR	1,680,000	Altice Financing 5.25% 15/02/2023	1,490	0.16	EUR	1,565,000	Saipem Finance International 3% 08/03/2021	1,344	0.14
EUR	1,140,000	Altice Financing 6.5% 15/01/2022	1,018	0.11	EUR	1,910,000	Saipem Finance International 3.75% 08/09/2023	1,655	0.18
USD	782,000	Altice Financing 6.625% 15/02/2025	606	0.06	EUR	8,200,000	*Telefonica Europe 4.2% 29/12/2049	7,154	0.76
USD	1,750,000	Altice Financing 7.5% 15/05/2026	1,371	0.15			<b>BB 2.11% (1.05%)</b>		
		<b>B+ 1.82% (1.92%)</b>			EUR	1,750,000	*Koninklijke KPN 6.125% 29/03/2049	1,587	0.17
GBP	1,775,000	Cabot Financial Luxembourg 10.375% 01/10/2019	1,881	0.20	GBP	4,414,000	*Koninklijke KPN 6.875% 14/03/2073	4,844	0.52
EUR	1,150,000	Cirsa Funding 5.875% 15/05/2023	1,017	0.11	EUR	4,312,000	OI European Group 4.875% 31/03/2021	4,201	0.45
EUR	4,011,000	Cirsa Funding Luxembourg 5.75% 15/05/2021	3,583	0.38	EUR	668,000	OI European Group 6.75% 15/09/2020	689	0.07
EUR	6,084,000	Garfunkelux 7.5% 01/08/2022	5,346	0.57	EUR	2,427,000	Schaeffler Finance 3.25% 15/05/2025	2,243	0.24
GBP	2,130,000	Garfunkelux 8.5% 01/11/2022	2,236	0.24	EUR	3,330,000	Schaeffler Finance 3.5% 15/05/2022	2,898	0.31
EUR	728,000	Telenet Finance V Luxembourg 6.25% 15/08/2022	658	0.07	EUR	3,827,000	Schaeffler Finance 2.5% 15/05/2020	3,302	0.35
EUR	2,583,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	2,326	0.25			<b>BB- 0.57% (1.71%)</b>		
		<b>B 4.03% (3.85%)</b>			EUR	5,191,000	InterXion Holding 6% 15/07/2020	4,601	0.49
EUR	4,807,000	Altice 6.25% 15/02/2025	4,067	0.43	EUR	821,000	Ziggo Secured Finance 3.75% 15/01/2025	708	0.08
EUR	10,424,000	Altice 7.25% 15/05/2022	9,298	0.99			<b>B+ 2.44% (1.90%)</b>		
USD	573,000	Altice 7.625% 15/12/2025	445	0.05	EUR	5,509,000	Carlson Wagonlit 7.5% 15/06/2019	4,817	0.51
EUR	192,000	Befesa Zinc Capital 8.875% 15/05/2018	165	0.02	EUR	3,400,000	Petrobras Global Finance 4.75% 14/01/2025	2,615	0.28
EUR	6,090,000	Bormioli Rocco Holdings 10.5% 01/08/2018	5,267	0.56	GBP	2,552,000	Petrobras Global Finance 5.375% 01/10/2029	2,149	0.23
EUR	2,365,000	Intralot Capital 6% 15/05/2021	1,971	0.21	GBP	2,875,000	Petrobras Global Finance 6.625% 16/01/2034	2,539	0.27
EUR	200,000	Intralot Finance 9.75% 15/08/2018	176	0.02	GBP	3,992,000	Petrobras International Finance 6.25% 14/12/2026	3,707	0.40
EUR	2,898,000	Lecta 6.5% 01/08/2023	2,491	0.27	EUR	620,000	Schaeffler Finance 3.25% 15/05/2019	530	0.06
EUR	2,688,000	Matterhorn Telecom 3.875% 01/05/2022	2,267	0.24	EUR	6,399,000	Schaeffler Holding Finance PIK 5.75% 15/11/2021	3,506	0.37
EUR	13,210,000	Wind Acquisition Finance 7% 23/04/2021	11,602	1.24	EUR	9,426,000	Schaeffler Holding Finance PIK 6.875% 15/08/2018	3,031	0.32
		<b>B- 1.55% (0.77%)</b>					<b>B 3.02% (4.47%)</b>		
EUR	6,233,000	Cerberus Nightingale 8.25% 01/02/2020	5,431	0.58	GBP	3,859,000	InterGen 7.5% 30/06/2021	3,184	0.34
EUR	1,820,000	JH Holding Finance PIK 8.25% 01/12/2022	1,648	0.18	EUR	7,011,000	LGE HoldCo VI 7.125% 15/05/2024	6,670	0.71
EUR	8,632,734	Play Topco 7.75% 28/02/2020	7,375	0.79	EUR	8,278,000	United Group 7.875% 15/11/2020 REGS	7,314	0.78
		<b>CCC+ 0.31% (1.10%)</b>			CHF	3,828,000	UPC Holding 6.75% 15/03/2023	3,212	0.34
EUR	1,131,380	Ardagh Finance Holdings PIK 8.375% 15/06/2019	1,005	0.11	EUR	4,573,000	UPC Holding 6.75% 15/03/2023	4,197	0.45
EUR	2,235,375	*Bilbao Luxembourg PIK 10.5% 24/10/2018	1,894	0.20	EUR	4,361,000	Ziggo Bond Finance 4.625% 15/01/2025	3,729	0.40
		<b>Not Rated 0.30% (0.00%)</b>					<b>D 0.12% (0.00%)</b>		
USD	3,647,000	Codere Finance 2 (Luxembourg) PIK 9% 30/06/2021	2,820	0.30	EUR	3,129,000	Oi Brasil Holdings Cooperatief 5.625% 22/06/2021	630	0.07
		<b>Total Luxembourg</b>	<b>174,240</b>	<b>18.61</b>	EUR	425,000	Portugal Telecom International Finance 4.5% 16/06/2025 (Defaulted)	85	0.01
					EUR	776,000	Portugal Telecom International Finance 4.63% 08/05/2020 (Defaulted)	151	0.02
					EUR	1,164,000	Portugal Telecom International Finance 5.875% 17/04/2018 (Defaulted)	229	0.02

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 11.65% (12.69%) (continued)</b>					<b>SINGAPORE 0.09% (0.11%)</b>				
		<b>Not Rated 0.16% (0.21%)</b>					<b>Not Rated 0.09% (0.11%)</b>		
EUR	1,590,000	Boats Investments Netherlands PIK 11% 31/03/2017	752	0.08	USD	2,527,720	Oro Negro Drilling 7.5% 24/01/2019 (Defaulted)	811	0.09
USD	4,726,969	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	777	0.08			<b>Total Singapore</b>	<b>811</b>	<b>0.09</b>
		<b>Total Netherlands</b>	<b>109,072</b>	<b>11.65</b>					
<b>NORWAY 0.48% (0.93%)</b>					<b>SPAIN 0.03% (0.07%)</b>				
		<b>BB- 0.48% (0.93%)</b>					<b>CCC- 0.03% (0.07%)</b>		
EUR	5,057,000	Lock 7% 15/08/2021	4,474	0.48	EUR	2,650,000	Abengoa Finance 6% 31/03/2021 (Defaulted)	112	0.01
		<b>Total Norway</b>	<b>4,474</b>	<b>0.48</b>	EUR	2,800,000	Abengoa Finance 7% 15/04/2020 (Defaulted)	118	0.02
<b>POLAND 0.34% (0.40%)</b>							<b>Total Spain</b>	<b>230</b>	<b>0.03</b>
		<b>B+ 0.19% (0.00%)</b>			<b>SWEDEN 0.68% (0.96%)</b>				
EUR	2,090,000	Play Finance 2 5.25% 01/02/2019	1,801	0.19			<b>BBB 0.28% (0.35%)</b>		
		<b>B 0.00% (0.22%)</b>			EUR	3,755,000	TVN Finance III 7.375% 15/12/2020	2,651	0.28
		<b>B- 0.15% (0.00%)</b>					<b>BB+ 0.17% (0.38%)</b>		
EUR	1,620,000	Play Finance 1 6.5% 01/08/2019	1,411	0.15	EUR	1,750,000	*Volvo Treasury 4.85% 10/03/2078	1,543	0.17
		<b>CCC+ 0.00% (0.18%)</b>					<b>B 0.23% (0.23%)</b>		
		<b>Total Poland</b>	<b>3,212</b>	<b>0.34</b>	EUR	2,535,000	Unilabs Subholding 8.5% 15/07/2018	2,193	0.23
<b>PORTUGAL 0.23% (0.32%)</b>							<b>Total Sweden</b>	<b>6,387</b>	<b>0.68</b>
		<b>Not Rated 0.23% (0.32%)</b>			<b>SWITZERLAND 2.06% (0.85%)</b>				
EUR	1,100,000	Banco Espirito Santo 2.625% 08/05/2017 (Defaulted)	213	0.02			<b>BBB+ 0.46% (0.00%)</b>		
EUR	1,600,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	309	0.03	EUR	1,885,000	*UBS 4.75% 12/02/2026	1,704	0.18
EUR	8,600,000	Novo Banco 4% 21/01/2019 (Defaulted)	1,663	0.18	USD	3,320,000	UBS 5.125% 15/05/2024	2,597	0.28
		<b>Total Portugal</b>	<b>2,185</b>	<b>0.23</b>			<b>BBB 1.09% (0.85%)</b>		
<b>REPUBLIC OF IRELAND 1.77% (1.71%)</b>					EUR	6,901,000	*Credit Suisse 5.75% 18/09/2025	6,356	0.68
		<b>BB 0.18% (0.20%)</b>			USD	4,700,000	Credit Suisse 6.5% 08/08/2023	3,857	0.41
EUR	1,530,000	Bank of Ireland 10% 19/12/2022	1,692	0.18			<b>BB+ 0.51% (0.00%)</b>		
		<b>B+ 0.77% (1.21%)</b>			EUR	5,460,000	*UBS Group 5.75% 29/12/2049	4,802	0.51
EUR	1,422,000	*Allied Irish Banks 4.125% 26/11/2025	1,149	0.12			<b>Total Switzerland</b>	<b>19,316</b>	<b>2.06</b>
EUR	6,975,000	Ardagh Packaging Finance 4.25% 15/01/2022	6,046	0.65	<b>UNITED KINGDOM 23.88% (26.98%)</b>				
		<b>B 0.18% (0.00%)</b>					<b>Baa2 0.43% (0.52%)</b>		
EUR	1,890,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	1,643	0.18	GBP	2,574,000	Santander UK 10.0625% 29/10/2049	4,015	0.43
		<b>B2e 0.17% (0.00%)</b>					<b>BB+ 4.63% (3.18%)</b>		
EUR	1,850,000	Eircom Finance 4.5% 31/05/2022	1,607	0.17	EUR	2,258,000	International Game Technology 4.125% 15/02/2020	2,042	0.22
		<b>B3u 0.00% (0.30%)</b>			EUR	2,380,000	International Game Technology 4.75% 15/02/2023	2,195	0.23
		<b>CCC+ 0.47% (0.00%)</b>			GBP	6,521,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	6,899	0.74
EUR	4,841,000	Ardagh Packaging Finance 6.75% 15/05/2024	4,404	0.47	GBP	2,848,000	*Lloyds Bank 13% 29/01/2049	4,966	0.53
		<b>Total Republic of Ireland</b>	<b>16,541</b>	<b>1.77</b>	EUR	2,368,000	*Royal Bank of Scotland 10.5% 16/03/2022	2,092	0.22
<b>RUSSIA 0.48% (0.47%)</b>					GBP	10,620,000	Tesco 6.125% 24/02/2022	12,278	1.31
		<b>BB+ 0.48% (0.47%)</b>			GBP	1,201,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,355	0.14
EUR	5,040,000	Gaz Capital 3.6% 26/02/2021	4,457	0.48	GBP	1,380,000	Tesco Property Finance 3 5.744% 13/04/2040	1,420	0.15
		<b>Total Russia</b>	<b>4,457</b>	<b>0.48</b>	GBP	916,000	Tesco Property Finance 5.5% 13/10/2041	925	0.10
					GBP	3,220,000	Travis Perkins 4.5% 07/09/2023	3,290	0.35
					GBP	5,598,000	William Hill 4.875% 07/09/2023	5,973	0.64

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>UNITED KINGDOM 23.88% (26.98%) (continued)</b>					EUR	2,330,000	Inovyn Finance 6.25% 15/05/2021	2,071	0.22
	<b>BB 4.47% (5.11%)</b>				GBP	4,694,000	New Look Secured Bond 6.5% 01/07/22	4,522	0.48
EUR	6,186,000	Anglo American 2.5% 29/04/21	5,125	0.55					
EUR	3,618,000	Anglo American 2.875% 20/11/2020	3,071	0.33	GBP	1,877,000	Pizza Express Financing 6.625% 01/08/2021	1,879	0.20
EUR	4,609,000	Anglo American Capital 1.5% 01/04/2020	3,781	0.40	USD	2,110,000	*Royal Bank of Scotland 8% 29/12/2049	1,531	0.16
EUR	2,616,000	Anglo American Capital 1.75% 03/04/2018	2,209	0.24	USD	3,550,000	*Royal Bank of Scotland 8.625% 29/12/2049	2,709	0.29
EUR	310,000	Anglo American Capital 3.25% 03/04/2023	257	0.03	EUR	4,170,000	Thomas Cook Finance 7.75% 15/06/2020	3,610	0.39
EUR	7,647,000	Anglo American Capital 3.5% 28/03/2022	6,506	0.69	EUR	1,200,000	Virgin Media Finance 4.5% 15/01/2025	1,042	0.11
GBP	3,268,000	*Barclays Bank 14% 29/11/2049	4,130	0.44	GBP	8,095,000	Virgin Media Finance 6.375% 15/10/2024	8,749	0.93
GBP	7,357,000	*Co-Operative Group FRN 6.88% 08/07/2020	8,528	0.91	GBP	475,000	Virgin Media Finance 7% 15/04/2023	518	0.06
EUR	7,840,000	Merlin Entertainments 2.75% 15/03/2022	6,743	0.72	<b>B2 0.00% (0.98%)</b>				
USD	2,000,000	Royal Bank of Scotland Group 5.125% 28/05/2024	1,521	0.16	EUR	3,040,000	Ephios Holdings II 8.25% 01/07/2023	2,796	0.30
	<b>BB- 4.69% (4.62%)</b>				GBP	1,750,000	GHD Bondco 7% 15/04/2020	1,749	0.19
GBP	1,618,000	Enterprise Inns 6.5% 06/12/2018	1,729	0.18	GBP	1,783,000	Keystone Financing 9.5% 15/10/2019	1,862	0.20
GBP	1,460,000	Enterprise Inns 6.875% 15/02/2021	1,554	0.17	GBP	2,130,000	Odeon & UCI Finco 9% 01/08/2018	2,205	0.24
EUR	5,693,000	Ineos Finance 4% 01/05/2023	4,913	0.52	<b>CCC+ 0.52% (1.69%)</b>				
GBP	4,520,000	Iron Mountain Europe 6.125% 15/09/2022	4,819	0.51	GBP	4,153,762	Annington Finance No.5 PIK 13% 15/01/2023	4,829	0.52
GBP	4,945,000	Jerrold Finco 9.75% 15/09/2018	5,188	0.55	<b>CCC 0.09% (0.00%)</b>				
GBP	2,601,000	*Lloyds Banking Group 7% 29/12/2049	2,617	0.28	GBP	825,000	Soho House Bond 9.125% 01/10/2018	825	0.09
GBP	6,452,000	Moy Park Bondco 6.25% 29/05/2021	6,781	0.72	<b>Caa2 0.44% (0.59%)</b>				
GBP	4,330,000	Southern Water Greensands Financing 8.5% 15/04/2019	4,919	0.53	GBP	4,299,000	Co-Operative Bank United Kingdom 5.125% 20/09/2017	4,072	0.44
GBP	5,565,000	Virgin Media 4.875% 15/01/2027	5,833	0.62	<b>CCC- 0.09% (0.13%)</b>				
GBP	2,420,000	Virgin Media Secured Finance 5.125% 15/01/2025	2,581	0.28	EUR	1,180,000	PPC Finance 5.5% 01/05/2019	819	0.09
GBP	2,725,000	Virgin Media Secured Finance 5.5% 15/01/2021	3,011	0.32	<b>Not Rated 1.13% (1.59%)</b>				
GBP	100,000	Virgin Media Secured Finance 5.5% 15/01/2025	96	0.01	GBP	5,020,000	First Hydro Finance 9% 31/07/2021	6,720	0.72
	<b>Ba3 0.47% (0.84%)</b>				EUR	4,996,000	International Personal Finance 5.75% 07/04/2021	3,851	0.41
GBP	1,085,000	Anglian Water 5% 30/04/2023	1,126	0.12	USD	651	**NV Profit Share Preference Share	—	—
GBP	2,996,000	Anglian Water Osprey Financing 7% 31/01/2018	3,238	0.35	<b>Total United Kingdom</b>				
	<b>B+ 1.57% (2.26%)</b>							<b>223,559</b>	<b>23.88</b>
EUR	2,326,000	Boparan Finance 4.375% 15/07/2021	1,886	0.20	<b>UNITED STATES OF AMERICA 2.54% (3.19%)</b>				
GBP	2,426,000	Boparan Finance 5.5% 15/07/2021	2,316	0.25	EUR	1,380,000	Ball Corporation 3.5% 15/12/2020	1,288	0.14
EUR	900,000	EC Finance 5.125% 15/07/2021	794	0.08	EUR	3,942,000	Ball Corporation 4.375% 15/12/2023	3,839	0.41
EUR	4,947,000	Ephios 6.25% 01/07/2022	4,512	0.48	<b>BB 0.38% (0.10%)</b>				
EUR	2,520,000	OTE 3.5% 09/07/2020	2,171	0.23	EUR	3,850,000	Sealed Air 4.5% 15/09/2023	3,610	0.38
EUR	2,770,000	OTE 4.375% 02/12/2019	2,436	0.26	<b>B+ 0.14% (0.06%)</b>				
EUR	725,000	OTE 7.875% 07/02/2018	654	0.07	EUR	1,490,000	Axalta Coating Systems 4.25% 15/08/2024	1,321	0.14
	<b>B1 0.75% (0.69%)</b>				<b>B 0.36% (0.58%)</b>				
GBP	1,835,000	Arrow Global Finance 5.125% 15/09/2024	1,842	0.20	CHF	4,164,000	Nord Anglia Education Finance 5.75% 15/07/2022	3,373	0.36
GBP	4,552,000	Thames Water Kemble Finance 7.75% 01/04/2019	5,150	0.55	<b>B- 0.53% (0.86%)</b>				
	<b>B 3.67% (3.41%)</b>				USD	5,640,000	Neptune Finco 10.875% Notes 15/10/2025	4,952	0.53
GBP	3,862,000	Cognita Finance 7.75% 15/08/2021	4,073	0.44					
GBP	3,649,000	IDH Finance 6.25% 15/08/2022	3,640	0.39					

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Value £000	% of Investment
<b>UNITED STATES OF AMERICA 2.54% (3.19%) (continued)</b>					<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
		<b>CCC+ 0.49% (0.52%)</b>			Fixed interest	717,595	84.07
EUR	5,109,000	Kloekner Penta 7.125% 01/05/2020	4,551	0.49	Floating rate notes	116,972	13.71
		<b>Caa1 0.00% (0.08%)</b>			Derivatives	18,961	2.22
		<b>CCC- 0.09% (0.00%)</b>			Total value of investments	<b>853,528</b>	<b>100.00</b>
USD	1,894,720	*DFC Finance PIK 12% 16/06/2020	871	0.09	<i>March 2016 comparatives in brackets.</i>		
		<b>Not Rated 0.00% (0.46%)</b>			<i>(P) refers to provisional rating.</i>		
		<b>Total United States of America</b>	<b>23,805</b>	<b>2.54</b>	<i>*Variable rate bonds.</i>		
					<i>**Manually priced.</i>		
<b>DERIVATIVES 2.03% (0.02%)</b>					<b>Total Purchases and Sales</b>		
		<b>Credit Default Swaps 0.37% (0.11%)</b>			<i>for the accounting period 8 March 2016 to 7 September 2016</i>		
EUR	2,000,000	BNP Paribas Virgin Media Finance				<b>2016</b>	<b>2015</b>
		Credit Default Swap Sell Protection				<b>£000</b>	<b>£000</b>
		20/12/2018 Spread 500	147	0.02	Total purchases for the period	226,162	176,788
EUR	42,500,000	Citigroup Itraxx Crossover Credit			Total sales for the period	140,139	202,596
		Default Swap Index Sell Protection					
		20/06/2021 Spread 500	2,944	0.32			
EUR	2,000,000	Goldman Sachs Fiat Chrysler Finance					
		North America Credit Default Swap					
		Sell Protection 20/12/2018 Spread 500	115	0.01			
EUR	2,000,000	Goldman Sachs Virgin Media Finance					
		Credit Default Swap Sell Protection					
		20/09/2018 Spread 500	136	0.02			
		<b>Forward Foreign Exchange Contracts 1.66% (-0.09%)</b>					
		Sell EUR 230,000,000					
		Buy GBP 198,181,340 Bank of Scotland	4,803	0.51			
		Sell EUR 230,035,000					
		Buy GBP 198,213,706 HSBC	4,806	0.51			
		Sell EUR 230,600,000					
		Buy GBP 198,729,466 UBS	4,847	0.52			
		Sell EUR 4,000,000					
		Buy GBP 3,391,900 HSBC	29	—			
		Sell CHF 50,000					
		Buy GBP 38,683 HSBC	—	—			
		Sell USD 590,000					
		Buy GBP 446,355 Bank of Scotland	6	—			
		Sell CHF 8,734,000					
		Buy GBP 6,944,616 Bank of Scotland	204	0.02			
		Sell USD 83,047,000					
		Buy GBP 63,065,225 Bank of Scotland	1,027	0.11			
		Sell GBP 10,085,832					
		Buy USD 13,369,113 J.P. Morgan	(101)	(0.01)			
		Sell GBP 212,348					
		Buy USD 281,583 J.P. Morgan	(2)	—			
		Sell GBP 32					
		Buy USD 43 J.P. Morgan	—	—			
		Sell GBP 38,956					
		Buy USD 51,948 J.P. Morgan	—	—			
		<b>Total Derivatives</b>	<b>18,961</b>	<b>2.03</b>			
<b>Total value of investments</b>			<b>853,528</b>	<b>91.17</b>			
<b>Net other assets (7.61%)</b>			<b>82,706</b>	<b>8.83</b>			
<b>Net assets</b>			<b>936,234</b>	<b>100.00</b>			

## Threadneedle Global Select Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 1.73% (1.16%)</b>				<b>INDIA 1.65% (1.59%)</b>			
	<b>Beverages 1.73% (1.16%)</b>				<b>Banks 1.65% (1.59%)</b>		
202,973	Anheuser-Busch InBev	19,423	1.73	1,101,869	HDFC Bank	18,544	1.65
	<b>Total Belgium</b>	<b>19,423</b>	<b>1.73</b>		<b>Total India</b>	<b>18,544</b>	<b>1.65</b>
<b>BERMUDA 1.78% (1.48%)</b>				<b>INDONESIA 1.79% (1.22%)</b>			
	<b>Financial Services 1.78% (1.48%)</b>				<b>Banks 1.79% (1.22%)</b>		
715,232	Ihs Markit	19,946	1.78	29,462,200	Bank Rakyat Indonesia	20,105	1.79
	<b>Total Bermuda</b>	<b>19,946</b>	<b>1.78</b>		<b>Total Indonesia</b>	<b>20,105</b>	<b>1.79</b>
<b>BRAZIL 0.57% (0.40%)</b>				<b>JAPAN 3.85% (6.34%)</b>			
	<b>General Retailers 0.57% (0.40%)</b>				<b>Construction &amp; Materials 0.00% (1.04%)</b>		
1,867,700	Kroton Educacional	6,346	0.57		<b>Industrial Engineering 1.01% (1.22%)</b>		
	<b>Total Brazil</b>	<b>6,346</b>	<b>0.57</b>	1,014,300	Yaskawa Electric	11,324	1.01
<b>CANADA 0.73% (0.00%)</b>					<b>Household Goods &amp; Home Construction 1.23% (1.25%)</b>		
	<b>Oil &amp; Gas Producers 0.73% (0.00%)</b>			1,248,500	Sekisui Chemical	13,828	1.23
400,875	Suncor Energy USD	8,244	0.73		<b>Leisure Goods 1.61% (0.86%)</b>		
	<b>Total Canada</b>	<b>8,244</b>	<b>0.73</b>	99,900	Nintendo	18,125	1.61
<b>CAYMAN ISLANDS 4.69% (3.78%)</b>					<b>Financial Services 0.00% (1.97%)</b>		
	<b>General Retailers 2.23% (1.43%)</b>				<b>Total Japan</b>	<b>43,277</b>	<b>3.85</b>
323,383	Alibaba Group ADR	25,068	2.23		<b>JERSEY 1.48% (1.47%)</b>		
	<b>Software &amp; Computer Services 2.46% (2.35%)</b>				<b>Support Services 1.48% (1.47%)</b>		
1,344,100	Tencent Holdings	27,585	2.46	375,842	Wolseley	16,624	1.48
	<b>Total Cayman Islands</b>	<b>52,653</b>	<b>4.69</b>		<b>Total Jersey</b>	<b>16,624</b>	<b>1.48</b>
<b>CHINA 2.29% (1.80%)</b>				<b>MEXICO 2.82% (2.99%)</b>			
	<b>Pharmaceuticals &amp; Biotechnology 0.65% (0.56%)</b>				<b>Beverages 1.57% (1.73%)</b>		
1,895,200	Sinopharm Group	7,313	0.65	250,365	Fomento Economico Mexicano ADR	17,565	1.57
	<b>Life Insurance 1.64% (1.24%)</b>				<b>Banks 1.25% (1.26%)</b>		
4,468,000	Ping An Insurance Group of China	18,425	1.64	3,250,500	Grupo Financiero Banorte	14,055	1.25
	<b>Total China</b>	<b>25,738</b>	<b>2.29</b>		<b>Total Mexico</b>	<b>31,620</b>	<b>2.82</b>
<b>DENMARK 1.66% (2.22%)</b>				<b>NETHERLANDS 2.82% (1.43%)</b>			
	<b>Pharmaceuticals &amp; Biotechnology 1.66% (2.22%)</b>				<b>Media 1.50% (0.00%)</b>		
544,201	Novo Nordisk	18,634	1.66	1,230,554	Relx (EUR)	16,828	1.50
	<b>Total Denmark</b>	<b>18,634</b>	<b>1.66</b>		<b>Technology Hardware &amp; Equipment 1.32% (1.43%)</b>		
<b>FRANCE 1.06% (1.06%)</b>				182,157	ASML	14,794	1.32
	<b>Oil &amp; Gas Producers 1.06% (1.06%)</b>				<b>Total Netherlands</b>	<b>31,622</b>	<b>2.82</b>
318,795	Total	11,945	1.06		<b>REPUBLIC OF IRELAND 4.53% (3.93%)</b>		
	<b>Total France</b>	<b>11,945</b>	<b>1.06</b>		<b>Construction &amp; Materials 1.13% (0.00%)</b>		
<b>GERMANY 2.38% (3.03%)</b>				495,091	CRH (Dublin Listing)	12,646	1.13
	<b>Chemicals 1.41% (1.41%)</b>				<b>Pharmaceuticals &amp; Biotechnology 0.72% (0.55%)</b>		
382,364	Brenntag	15,837	1.41	231,225	Alkermes	8,071	0.72
	<b>Automobiles &amp; Parts 0.00% (1.62%)</b>				<b>Banks 0.83% (1.53%)</b>		
	<b>Mobile Telecommunications 0.97% (0.00%)</b>			58,126,561	Bank of Ireland	9,283	0.83
857,366	Deutsche Telekom	10,881	0.97		<b>Nonlife Insurance 1.85% (1.85%)</b>		
	<b>Total Germany</b>	<b>26,718</b>	<b>2.38</b>	218,181	Willis Towers Watson	20,810	1.85
<b>HONG KONG 1.13% (1.01%)</b>					<b>Total Republic of Ireland</b>	<b>50,810</b>	<b>4.53</b>
	<b>Life Insurance 1.13% (1.01%)</b>						
2,586,600	AIA Group	12,660	1.13				
	<b>Total Hong Kong</b>	<b>12,660</b>	<b>1.13</b>				

## Threadneedle Global Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SPAIN 2.52% (2.65%)</b>				<b>Personal Goods 2.45% (2.81%)</b>			
666,632	General Retailers 1.64% (1.80%) Inditex	18,372	1.64	217,289	Estee Lauder Companies Class A	14,525	1.29
				303,336	NIKE	13,013	1.16
725,875	Mobile Telecommunications 0.88% (0.85%) Cellnex Telecom	9,945	0.88	189,570	Health Care Equipment & Services 3.78% (3.74%) Align Technology	13,493	1.20
	<b>Total Spain</b>	<b>28,317</b>	<b>2.52</b>	313,791	Dentsply Sirona	14,348	1.28
				150,237	Zimmer Holdings	14,585	1.30
<b>SWITZERLAND 3.63% (3.27%)</b>				<b>Pharmaceuticals &amp; Biotechnology 6.61% (7.21%)</b>			
219,196	Electronic & Electrical Equipment 0.91% (0.95%) TE Connectivity	10,267	0.91	359,058	Bristol-Myers Squibb	15,285	1.36
				353,826	Gilead Sciences	20,588	1.83
255,561	Pharmaceuticals & Biotechnology 1.36% (0.00%) Novartis	15,307	1.36	863,558	Pfizer	22,437	2.00
				223,147	Vertex Pharmaceuticals	15,969	1.42
1,400,460	Banks 1.36% (2.32%) UBS Group	15,210	1.36	62,479	General Retailers 4.33% (4.43%) Amazon.com	36,830	3.28
	<b>Total Switzerland</b>	<b>40,784</b>	<b>3.63</b>	203,836	TJX Companies	11,782	1.05
<b>UNITED KINGDOM 8.72% (8.80%)</b>				346,345	Media 1.53% (2.28%) Comcast	17,167	1.53
450,606	Oil & Gas Producers 0.76% (1.08%) Royal Dutch Shell A Shares (NL Listing)	8,548	0.76	11,099	Travel & Leisure 3.19% (4.33%) Priceline Group	11,917	1.06
				665,376	Sabre	14,354	1.28
740,077	Personal Goods 2.39% (2.08%) Unilever	26,802	2.39	319,746	Spirit Airlines	9,538	0.85
				572,569	Banks 2.87% (2.01%) BB&T	16,198	1.44
266,024	Tobacco 1.14% (1.19%) British American Tobacco	12,784	1.14	319,166	JPMorgan Chase	16,086	1.43
				465,224	Financial Services 5.22% (5.19%) Charles Schwab	10,679	0.95
383,790	Media 1.35% (1.08%) Nielson Holdings	15,214	1.35	305,532	MasterCard Class A	22,554	2.01
2,255,449	Fixed Line Telecommunications 0.78% (1.07%) BT Group	8,812	0.78	410,757	Visa 'A' Shares	25,328	2.26
				62,638	Software & Computer Services 6.56% (6.50%) Alphabet Class A	37,811	3.37
307,548	Nonlife Insurance 2.30% (2.30%) Aon	25,787	2.30	18,616	Alphabet Class C	10,851	0.97
	<b>Total United Kingdom</b>	<b>97,947</b>	<b>8.72</b>	257,211	Facebook	24,932	2.22
<b>UNITED STATES OF AMERICA 47.57% (49.79%)</b>				110,726	Technology Hardware & Equipment 0.79% (1.63%) Apple	8,909	0.79
214,635	Oil & Gas Producers 1.11% (1.09%) Occidental Petroleum	12,512	1.11		<b>Total United States of America</b>	<b>534,093</b>	<b>47.57</b>
591,523	Oil Equipment, Services & Distribution 1.07% (1.03%) Enterprise Products Partners	12,005	1.07	<b>Total value of investments</b>			
						<b>1,116,050</b>	<b>99.40</b>
36,961	Construction & Materials 0.70% (0.00%) Sherwin-Williams	7,874	0.70	<b>Net other assets (0.58%)</b>			
						<b>6,714</b>	<b>0.60</b>
333,445	Electronic & Electrical Equipment 1.39% (2.81%) Amphenol	15,613	1.39	<b>Net assets</b>			
						<b>1,122,764</b>	<b>100.00</b>
88,478	Industrial Engineering 0.44% (0.00%) Graco	4,920	0.44	<i>March 2016 comparatives in brackets.</i>			
206,345	Industrial Transportation 3.17% (3.34%) Union Pacific	14,801	1.32	<b>Total Purchases and Sales</b>			
253,533	United Parcel Service	20,745	1.85	<i>for the accounting period 8 March 2016 to 7 September 2016</i>			
						<b>2016</b>	<b>2015</b>
	<b>Beverages 0.00% (1.01%)</b>					<b>£000</b>	<b>£000</b>
813,545	Leisure Goods 2.36% (0.38%) Activision Blizzard	26,444	2.36	Total purchases for the period		174,300	149,700
				Total sales for the period		225,408	190,051



## Threadneedle Global Bond Fund

### Portfolio Statement

as at 7 September 2016

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.52% (8.36%)</b>					<b>HONG KONG 0.32% (0.32%)</b>				
		<b>Aaa 1.52% (8.36%)</b>					<b>A 0.32% (0.32%)</b>		
AUD	10,050,000	Australia Government Bond 4.25% 21/04/2026	6,991	1.52	USD	1,950,000	AIA Group 1.75% 13/03/2018	1,460	0.32
		<b>Total Australia</b>	<b>6,991</b>	<b>1.52</b>			<b>Total Hong Kong</b>	<b>1,460</b>	<b>0.32</b>
<b>AUSTRIA 0.46% (0.47%)</b>					<b>ITALY 3.31% (5.92%)</b>				
		<b>BB+ 0.46% (0.47%)</b>					<b>Baa2u 2.53% (4.01%)</b>		
USD	2,750,000	UniCredit Bank Austria 7.25% 15/02/2017	2,094	0.46	EUR	1,200,000	Buoni Poliennali Del Tesoro 1.6% 01/06/2026	1,057	0.23
		<b>Total Austria</b>	<b>2,094</b>	<b>0.46</b>	EUR	3,125,000	Buoni Poliennali Del Tesoro 1.65% 01/03/2032	2,700	0.59
<b>BELGIUM 2.02% (1.90%)</b>					EUR	8,300,000	Buoni Poliennali Del Tesoro 2.7% 01/03/2047	7,876	1.71
		<b>Not Rated 2.02% (1.90%)</b>					<b>Not Rated 0.78% (1.91%)</b>		
EUR	8,585,000	Belgium Government Bond 0.8% 22/06/2025	7,743	1.68	EUR	4,200,000	Banca Monte dei Paschi di Siena 3.5% 20/03/2017	3,584	0.78
EUR	1,500,000	Belgium Government Bond 1.9% 22/06/2038	1,551	0.34			<b>Total Italy</b>	<b>15,217</b>	<b>3.31</b>
		<b>Total Belgium</b>	<b>9,294</b>	<b>2.02</b>	<b>JAPAN 11.02% (9.05%)</b>				
<b>CANADA 2.67% (2.01%)</b>							<b>AA- 0.25% (0.00%)</b>		
		<b>AAA 1.03% (0.37%)</b>			USD	1,550,000	Japan Tobacco 2% 13/04/2021	1,166	0.25
CAD	4,950,000	Canadian Government 1.5% 01/06/2026	3,007	0.65			<b>A+ 0.37% (0.36%)</b>		
CAD	2,700,000	Province of British Columbia 3.25% 18/12/2021	1,731	0.38	CAD	2,850,000	Japan Bank for International Cooperation 2.3% 19/03/2018	1,678	0.37
		<b>A+ 1.56% (1.56%)</b>					<b>A1 10.40% (8.69%)</b>		
USD	2,575,000	Providence of Ontario 3.2% 16/05/2024	2,092	0.46	JPY	280,500,000	Japan Government 0.1% 15/10/2016	2,064	0.45
USD	3,130,000	Province of Ontario Canada 2% 30/01/2019	2,383	0.52	JPY	369,000,000	Japan Government 0.2% 20/06/2036	2,636	0.57
USD	3,425,000	Province of Ontario Canada 2.5% 10/09/2021	2,666	0.58	JPY	369,000,000	Japan Government 0.4% 20/06/2025	2,839	0.62
		<b>BBB+ 0.08% (0.08%)</b>			JPY	200,000,000	Japan Government 0.8% 20/12/2022	1,563	0.34
USD	500,000	Thomson Reuters 1.3% 23/02/2017	373	0.08	JPY	1,095,450,000	Japan Government 1.4% 20/12/2045	10,262	2.23
		<b>Total Canada</b>	<b>12,252</b>	<b>2.67</b>	JPY	1,530,150,000	Japan Government 1.5% 20/12/2044	14,546	3.17
<b>FRANCE 1.90% (1.65%)</b>					JPY	695,000,000	Japan Government 1.9% 20/03/2025	6,003	1.31
		<b>AAu 0.57% (0.00%)</b>			JPY	105,000,000	Japan Government 2% 20/03/2042	1,073	0.23
EUR	1,700,000	France Government Bond OAT 4.5% 25/04/2041	2,612	0.57	JPY	753,000,000	Japan Government 2.1% 20/03/2027	6,791	1.48
		<b>Aa2u 1.33% (1.65%)</b>					<b>Total Japan</b>	<b>50,621</b>	<b>11.02</b>
EUR	715,000	France Government Bond OAT 1.5% 25/05/2031	691	0.15	<b>MEXICO 1.02% (1.01%)</b>				
EUR	4,075,000	France Government Bond OAT 3.25% 25/05/2045	5,438	1.18			<b>BBB+ 1.02% (1.01%)</b>		
		<b>Total France</b>	<b>8,741</b>	<b>1.90</b>	USD	2,100,000	Petroleos Mexicanos 5.75% 01/03/2018	1,647	0.36
<b>GERMANY 2.31% (1.13%)</b>					AUD	5,200,000	Petroleos Mexicanos 6.125% 26/04/2017	3,024	0.66
		<b>Aaa 0.38% (1.13%)</b>					<b>Total Mexico</b>	<b>4,671</b>	<b>1.02</b>
EUR	1,320,000	Bundesrepublik Deutschland 2.5% 15/08/2046	1,762	0.38	<b>NETHERLANDS 2.05% (1.30%)</b>				
		<b>Not Rated 1.93% (0.00%)</b>					<b>AAA 0.65% (0.67%)</b>		
EUR	10,400,000	Bundesrepublik Deutschland 0% 15/08/2026	8,841	1.93	USD	4,000,000	Nederlandse Financierings Maatschappij voor Ontwikkelingslanden 1.5% 12/02/2018	3,005	0.65
		<b>Total Germany</b>	<b>10,603</b>	<b>2.31</b>			<b>A+ 0.42% (0.00%)</b>		
					AUD	3,400,000	BMW Finance 2.5% 24/08/2020	1,949	0.42
							<b>A1e 0.98% (0.00%)</b>		
					USD	6,000,000	Siemens Financieringsmaatschappij 1.7% 15/09/2021	4,479	0.98
							<b>Not Rated 0.00% (0.63%)</b>		
							<b>Total Netherlands</b>	<b>9,433</b>	<b>2.05</b>

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NEW ZEALAND 2.91% (0.00%)</b>									
		<b>AA+ 2.91% (0.00%)</b>							
NZD	19,825,000	New Zealand Government Bond 4.5% 15/04/2027	13,389	2.91	EUR	6,750,000	<b>Baa2e 1.27% (0.00%)</b> Spain Government Bond 1.3% 31/10/2026	5,831	1.27
		<b>Total New Zealand</b>	<b>13,389</b>	<b>2.91</b>					
<b>NORWAY 0.40% (0.41%)</b>									
		<b>BBB 0.40% (0.41%)</b>							
USD	2,400,000	Eksportfinans 5.5% 26/06/2017	1,839	0.40	EUR	2,225,000	<b>Not Rated 0.48% (0.00%)</b> Spain Government Bond 2.9% 31/10/2046	2,226	0.48
		<b>Total Norway</b>	<b>1,839</b>	<b>0.40</b>			<b>Total Spain</b>	<b>16,654</b>	<b>3.63</b>
<b>PERU 0.00% (0.13%)</b>					<b>SUPRANATIONAL 0.39% (1.63%)</b>				
		<b>BBB 0.00% (0.13%)</b>					<b>Aaa 0.00% (0.71%)</b>		
		<b>Total Peru</b>	–	–	EUR	1,700,000	<b>Aa1 0.39% (0.33%)</b> Euro Stability Mechanism 1.85% 01/12/2055	1,804	0.39
<b>REPUBLIC OF IRELAND 0.00% (1.89%)</b>							<b>Baa2 0.00% (0.59%)</b>		
		<b>A+ 0.00% (1.89%)</b>					<b>Total Supranational</b>	<b>1,804</b>	<b>0.39</b>
		<b>Total Republic of Ireland</b>	–	–	<b>SWEDEN 0.63% (0.65%)</b>				
<b>ROMANIA 0.00% (1.28%)</b>							<b>Aaa 0.63% (0.65%)</b>		
		<b>Not Rated 0.00% (1.28%)</b>			USD	3,800,000	Kommuninvest I Sverige 2.88% 31/05/2018	2,901	0.63
		<b>Total Romania</b>	–	–			<b>Total Sweden</b>	<b>2,901</b>	<b>0.63</b>
<b>SINGAPORE 0.13% (0.13%)</b>					<b>UNITED ARAB EMIRATES 1.20% (1.21%)</b>				
		<b>BBB+ 0.13% (0.13%)</b>					<b>A2 0.78% (0.80%)</b>		
USD	800,000	BOC Aviation 2.88% 10/10/2017	605	0.13	USD	4,750,000	First Gulf Bank 2.86% 09/10/2017	3,581	0.78
		<b>Total Singapore</b>	<b>605</b>	<b>0.13</b>			<b>A3 0.42% (0.00%)</b>		
<b>SLOVENIA 0.29% (0.00%)</b>					USD	2,485,000	Emirates NBD 3.25% 19/11/2019	1,908	0.42
		<b>A 0.29% (0.00%)</b>					<b>Baa1 0.00% (0.41%)</b>		
EUR	1,630,000	Slovenia Government International Bond 1.5% 25/03/2035	1,343	0.29			<b>Total United Arab Emirates</b>	<b>5,489</b>	<b>1.20</b>
		<b>Total Slovenia</b>	<b>1,343</b>	<b>0.29</b>	<b>UNITED KINGDOM 7.94% (10.70%)</b>				
<b>SOUTH KOREA 1.29% (1.51%)</b>							<b>Aa1u 7.77% (10.53%)</b>		
		<b>AA 1.01% (0.00%)</b>			GBP	3,000,000	United Kingdom Gilt 1% 07/09/2017	3,027	0.66
USD	1,500,000	Export-Import Bank of Korea 2.88% 17/09/2018	1,153	0.25	GBP	4,775,000	United Kingdom Gilt 3.25% 22/01/2044	6,894	1.50
USD	3,000,000	Korea Development 3.5% 22/08/2017	2,288	0.50	GBP	1,910,000	United Kingdom Gilt 3.5% 22/07/2068	3,620	0.79
USD	850,000	Korea Finance 2.875% 22/08/2018	653	0.14	GBP	4,360,000	United Kingdom Gilt 4.5% 07/09/2034	6,740	1.47
USD	716,000	Korea Midland Power 2.75% 11/02/2019	547	0.12	GBP	400,000	United Kingdom Gilt 4.75% 07/12/2030	603	0.13
		<b>Aa2 0.28% (0.28%)</b>			GBP	6,375,000	United Kingdom Index-Linked Gilt 0.125% 22/11/2019	7,326	1.59
USD	1,650,000	Korea Western Power 2.875% 10/10/2018	1,264	0.28	GBP	4,085,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2026	5,113	1.11
		<b>AA– 0.00% (1.23%)</b>			GBP	500,000	United Kingdom Index-Linked Gilt 2.5% 16/04/2020	1,852	0.40
		<b>Total South Korea</b>	<b>5,905</b>	<b>1.29</b>	GBP	213,000	United Kingdom Index-Linked Gilt 8% 22/11/2065	540	0.12
<b>SPAIN 3.63% (3.60%)</b>							<b>A– 0.17% (0.17%)</b>		
		<b>BBB+ 1.88% (3.60%)</b>			USD	1,000,000	BP Capital Markets 2.24% 26/09/2018	761	0.17
USD	2,100,000	Instituto de Credito Oficial 1.51% 17/02/2017	1,568	0.34			<b>Total United Kingdom</b>	<b>36,476</b>	<b>7.94</b>
USD	4,500,000	Instituto de Credito Oficial 5% 14/11/2016	3,382	0.74	<b>UNITED STATES OF AMERICA 51.24% (35.58%)</b>				
EUR	2,680,000	Spain Government Bond 1.95% 30/04/2026	2,462	0.54			<b>AAA 0.28% (31.08%)</b>		
EUR	1,268,000	Spain Government Bond 2.15% 31/10/2025	1,185	0.26	USD	1,730,000	Microsoft 1.55% 08/08/2021	1,293	0.28
							<b>Aaa 45.71% (0.00%)</b>		
					USD	18,250,000	United States Treasury Note/Bond 0.5% 31/01/2017	13,638	2.97



## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 51.24% (35.58%) (continued)</b>					<b>DERIVATIVES –0.02% (–0.39%)</b>				
		<b>Aaa 45.71% (0.00%)</b>					<b>Forward Foreign Exchange Contracts –0.02% (–0.39%)</b>		
USD	47,300,000	United States Treasury Note/Bond 0.625% 15/12/2016	35,365	7.70			Sell USD 5,225,921		
USD	23,000,000	United States Treasury Note/Bond 0.63% 15/10/2016	17,190	3.74			Buy AUD 6,837,964 UBS	17	–
USD	45,000,000	United States Treasury Note/Bond 0.875% 15/05/2017	33,692	7.34			Sell USD 6,281,042		
USD	23,000,000	United States Treasury Note/Bond 1% 31/10/2016	17,199	3.74			Buy AUD 8,164,960 UBS	(10)	–
USD	6,625,000	United States Treasury Note/Bond 1.125% 30/06/2021	4,951	1.08			Sell USD 6,127,946		
USD	11,650,000	United States Treasury Note/Bond 1.375% 30/04/2021	8,807	1.92			Buy CAD 8,041,539 UBS	100	0.02
USD	5,900,000	United States Treasury Note/Bond 1.5% 28/02/2023	4,449	0.97			Sell GBP 4,686,670		
USD	21,675,000	United States Treasury Note/Bond 1.625% 31/05/2023	16,457	3.58			Buy EUR 5,506,864 J.P. Morgan	(57)	(0.01)
USD	19,700,000	United States Treasury Note/Bond 1.625% 15/02/2026	14,822	3.23			Sell GBP 4,771,824		
USD	1,775,000	United States Treasury Note/Bond 1.875% 31/10/2022	1,370	0.30			Buy EUR 5,536,606 J.P. Morgan	(117)	(0.03)
USD	6,500,000	United States Treasury Note/Bond 2.125% 15/11/2025	5,152	1.12			Sell USD 93,258,273		
USD	11,330,000	United States Treasury Note/Bond 2.5% 15/02/2046	8,970	1.95			Buy EUR 83,304,249 Bank of Scotland	369	0.08
USD	19,400,000	United States Treasury Note/Bond 2.5% 15/05/2046	15,387	3.35			Sell JPY 137,392,844		
USD	4,455,000	United States Treasury Note/Bond 3.5% 15/02/2039	4,211	0.92			Buy GBP 1,041,485 HSBC	31	0.01
USD	4,175,000	United States Treasury Note/Bond 3.875% 15/08/2040	4,161	0.91			Sell USD 1,999,023		
USD	3,825,000	United States Treasury Note/Bond 4.5% 15/02/2036	4,099	0.89			Buy GBP 1,514,886 Goldman Sachs	22	0.01
		<b>AA+ 0.00% (0.70%)</b>					Sell USD 80,132,554		
		<b>AA– 2.64% (1.52%)</b>					Buy JPY 8,197,739,728 J.P. Morgan	445	0.10
USD	6,500,000	Federal National Mortgage Association 0% 09/10/2019	4,662	1.01			Sell USD 72,387		
CAD	5,150,000	International Business Machines 2.2% 10/02/2017	3,009	0.66			Buy NZD 100,000 UBS	2	–
USD	1,350,000	Oracle 2.375% 15/01/2019	1,037	0.23			Sell USD 9,830,153		
USD	3,825,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	3,410	0.74			Buy NZD 13,558,626 UBS	218	0.05
		<b>BBB+ 1.95% (1.61%)</b>					Sell USD 10,050,387		
USD	2,210,000	AT&T 2.38% 27/11/2018	1,686	0.37			Buy NZD 13,730,581 HSBC	150	0.03
CAD	700,000	AT&T 3.825% 25/11/2020	435	0.09			Sell EUR 1,001,216		
USD	2,000,000	Citigroup 2.5% 29/07/2019	1,525	0.33			Buy USD 1,115,841 HSBC	(8)	–
USD	2,080,000	ERAC USA Finance 2.6% 01/12/2021	1,586	0.35			Sell AUD 13,641,767		
USD	400,000	Huntington National Bank 1.3% 20/11/2016	299	0.06			Buy USD 10,524,328 Citigroup	39	0.01
USD	1,650,000	Huntington National Bank 2.2% 01/04/2019	1,246	0.27			Sell JPY 230,848,537		
USD	1,625,000	McKesson 2.284% 15/03/2019	1,239	0.27			Buy USD 2,260,920 Goldman Sachs	(9)	–
USD	1,244,000	Verizon Communication 2.625% 21/02/2020	961	0.21			Sell EUR 2,078,992		
		<b>BBB 0.66% (0.67%)</b>					Buy USD 2,356,219 HSBC	12	–
USD	903,000	DTE Energy 2.4% 01/12/2019	690	0.15			Sell AUD 3,434,612		
USD	1,450,000	FedEx 2.3% 01/02/2020	1,107	0.24			Buy USD 2,645,537 UBS	7	–
USD	1,675,000	Kellogg 1.75% 17/05/2017	1,256	0.27			Sell NZD 51,336,064		
		<b>Total United States of America</b>	<b>235,361</b>	<b>51.24</b>			Buy USD 37,043,436 UBS	(958)	(0.21)
							Sell NZD 519,557		
							Buy USD 373,753 UBS	(11)	–
							Sell CAD 7,666,335		
							Buy USD 5,882,577 HSBC	(65)	(0.01)
							Sell AUD 8,065,322		
							Buy USD 6,218,960 UBS	21	–
							Sell CAD 8,007,154		
							Buy USD 6,250,744 UBS	12	–
							Sell GBP 4,829,143		
							Buy USD 6,262,626 J.P. Morgan	(151)	(0.03)
							Sell GBP 7,128,596		
							Buy USD 9,319,026 Goldman Sachs	(167)	(0.04)
							<b>Total Derivatives</b>	<b>(108)</b>	<b>(0.02)</b>
							<b>Total value of investments</b>	<b>453,035</b>	<b>98.63</b>
							<b>Net other assets (8.55%)</b>	<b>6,290</b>	<b>1.37</b>
							<b>Net assets</b>	<b>459,325</b>	<b>100.00</b>

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Value £000	% of Investment
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
Fixed interest	453,143	100.02
Derivatives	(108)	(0.02)
<b>Total value of investments</b>	<b>453,035</b>	<b>100.00</b>

March 2016 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	518,690	197,818
Total sales for the period	499,536	173,862

## Threadneedle UK Institutional Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.98% (7.57%)</b>							
	<b>Oil &amp; Gas Producers 6.91% (6.58%)</b>						
3,059,883	BP	13,239	1.29	444,585	Lavendon Group	615	0.06
2,917,267	Royal Dutch Shell B Shares	57,397	5.62	400,822	Mears Group	1,824	0.18
	<b>Oil Equipment, Services &amp; Distribution 1.07% (0.99%)</b>			312,380	Northgate	1,330	0.13
404,036	Hunting	1,826	0.18	225,490	PayPoint	2,254	0.22
1,295,675	John Wood Group	9,057	0.89	401,908	Paysafe Group	1,766	0.17
	<b>Total Oil &amp; Gas</b>	<b>81,519</b>	<b>7.98</b>	7,372,093	Rentokil Initial	15,997	1.57
				135,809	Ricardo	1,085	0.11
				701,181	RPS Group	1,267	0.12
				217,674	Wolseley	9,628	0.94
					<b>Total Industrials</b>	<b>143,246</b>	<b>14.02</b>
<b>BASIC MATERIALS 2.82% (2.76%)</b>				<b>CONSUMER GOODS 17.84% (19.13%)</b>			
	<b>Chemicals 2.57% (2.17%)</b>				<b>Automobiles &amp; Parts 1.39% (1.42%)</b>		
1,279,447	Elementis	2,756	0.27	4,342,780	GKN	14,153	1.39
534,629	Johnson Matthey	17,611	1.72		<b>Beverages 3.18% (2.99%)</b>		
179,151	'Scapa Group	454	0.05	1,462,813	Diageo	30,895	3.02
348,247	Victrex	5,419	0.53	992,286	Stock Spirits Group	1,682	0.16
	<b>Mining 0.25% (0.59%)</b>				<b>Food Producers 0.03% (0.00%)</b>		
1,167,087	Centamin	1,862	0.18	147,578	Hotel Chocolat Group	305	0.03
561,434	Petra Diamonds	660	0.07		<b>Household Goods &amp; Home Construction 1.62% (2.83%)</b>		
	<b>Total Basic Materials</b>	<b>28,762</b>	<b>2.82</b>	411,557	Crest Nicholson Holdings	2,000	0.20
				114,450	Galliford Try	1,320	0.13
<b>INDUSTRIALS 14.02% (11.94%)</b>				177,944	Reckitt Benckiser Group	13,166	1.29
	<b>Construction &amp; Materials 2.72% (1.23%)</b>				<b>Leisure Goods 0.15% (0.12%)</b>		
6,541,308	'Breedon Aggregates	4,775	0.47	919,219	Photo-Me International	1,514	0.15
410,095	Costain Group	1,394	0.14		<b>Personal Goods 4.64% (4.60%)</b>		
215,902	CRH	5,514	0.54	960,455	Burberry Group	12,649	1.24
469,974	Marshalls	1,418	0.14	109,409	Ted Baker	3,019	0.29
6,880,497	Melrose Industries	11,318	1.11	876,824	Unilever	31,754	3.11
387,651	Polypipe Group	1,116	0.11		<b>Tobacco 6.83% (7.17%)</b>		
754,206	Tyman	2,148	0.21	863,143	British American Tobacco	41,478	4.06
	<b>Aerospace &amp; Defence 3.67% (3.71%)</b>			705,616	Imperial Brands	28,278	2.77
144,846	Avon Rubber	1,207	0.12		<b>Total Consumer Goods</b>	<b>182,213</b>	<b>17.84</b>
3,024,264	BAE Systems	16,588	1.62				
4,376,312	Cobham	7,304	0.71	<b>HEALTH CARE 11.87% (11.70%)</b>			
1,321,731	Rolls-Royce Holdings	9,979	0.98		<b>Health Care Equipment &amp; Services 1.97% (2.15%)</b>		
1,013,990	Senior	2,436	0.24	138,730	Consort Medical	1,450	0.14
	<b>General Industrials 1.54% (1.24%)</b>			1,528,209	Smith & Nephew	18,705	1.83
1,137,201	Smiths Group	15,773	1.54		<b>Pharmaceuticals &amp; Biotechnology 9.90% (9.55%)</b>		
	<b>Electronic &amp; Electrical Equipment 0.39% (0.35%)</b>			739,260	AstraZeneca	36,065	3.53
966,837	E2V Technologies	2,347	0.23	161,566	'Clinigen Group	1,055	0.10
206,492	Oxford Instruments	1,593	0.16	275,177	Dechra Pharmaceuticals	3,833	0.38
	<b>Industrial Engineering 0.37% (1.01%)</b>			149,297	Genus	2,834	0.28
96,547	Bodycote	588	0.06	3,390,396	GlaxoSmithKline	54,941	5.38
637,956	Fenner	1,108	0.11	1,691,752	Vectura Group	2,346	0.23
450,879	Rotork	928	0.09		<b>Total Health Care</b>	<b>121,229</b>	<b>11.87</b>
1,127,764	Severfield	643	0.06				
382,063	Trifast	564	0.05	<b>CONSUMER SERVICES 16.72% (16.42%)</b>			
	<b>Industrial Transportation 1.21% (0.25%)</b>				<b>Food &amp; Drug Retailers 2.47% (2.63%)</b>		
38,253	Clarkson	826	0.08	5,489,971	Booker Group	10,069	0.99
115,304	James Fisher & Sons	1,834	0.18	7,578,905	WM Morrison Supermarkets	15,074	1.48
1,874,665	Royal Mail	9,730	0.95		<b>General Retailers 1.49% (0.78%)</b>		
	<b>Support Services 4.12% (4.15%)</b>			44,656	Dignity	1,220	0.12
602,247	Brammer	760	0.07	293,083	Joules Group	548	0.05
277,243	Diploma	2,448	0.24	1,078,202	Lookers	1,450	0.14
2,312,716	Hays	3,141	0.31				

## Threadneedle UK Institutional Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>CONSUMER SERVICES 16.72% (16.42%) (continued)</b>				<b>Real Estate Investment Trusts 1.45% (1.78%)</b>			
2,763,604	Marks & Spencer Group	9,576	0.94	268,893	Derwent London	7,411	0.73
925,909	N Brown Group	1,967	0.19	1,648,398	Hansteen Holdings	1,915	0.19
188,406	Pets at Home Group	462	0.05	1,100,480	Londonmetric Property REIT	1,796	0.18
	<b>Media 6.09% (5.65%)</b>			203,143	Newriver REIT	650	0.06
235,550	Euromoney Institutional Investor	2,480	0.24	307,767	Shaftesbury REIT	3,015	0.29
937,328	ITE Group	1,537	0.15		<b>Financial Services 2.05% (2.41%)</b>		
8,016,392	ITV	16,442	1.61	386,279	International Personal Finance	1,069	0.10
1,776,759	Pearson	15,458	1.51	1,073,553	IP Group	2,043	0.20
1,635,879	Relx	23,949	2.34	576,941	London Stock Exchange Group	15,849	1.55
497,586	STV Group	1,827	0.18	111,187	Rathbone Brothers	2,081	0.20
278,532	Wilmington Group	664	0.06		<b>Equity Investment Instruments 0.00% (0.00%)</b>		
	<b>Travel &amp; Leisure 6.67% (7.36%)</b>			3,346,750	Govett Strategic Investment Trust (Liquidated)	—	—
1,229,919	Compass Group	17,945	1.76		<b>Total Financials</b>	<b>172,158</b>	<b>16.85</b>
5,691,287	Firstgroup	6,363	0.62				
972,954	Flybe Group	508	0.05		<b>TECHNOLOGY 1.87% (2.79%)</b>		
130,222	Fuller Smith & Turner	1,328	0.13		<b>Software &amp; Computer Services 1.61% (1.48%)</b>		
80,946	Go-Ahead Group	1,714	0.17	362,620	AVEVA Group	7,060	0.69
590,131	Gym Group	1,317	0.13	416,566	FDM Group Holdings IPO	2,606	0.25
356,873	InterContinental Hotels	11,638	1.14	127,015	Fidessa Group	3,168	0.31
811,407	J D Wetherspoon	7,230	0.71	328,068	Kainos Group	561	0.05
826,598	Ladbroskes	1,257	0.12	578,914	NCC Group	1,925	0.19
1,909,294	Merlin Entertainments	9,279	0.91	269,218	Softcat	875	0.09
895,421	Rank Group	1,942	0.19	928,612	<sup>1</sup> Ubisense Group	306	0.03
3,370,385	Stagecoach Group	7,513	0.74		<b>Technology Hardware &amp; Equipment 0.26% (1.31%)</b>		
	<b>Total Consumer Services</b>	<b>170,757</b>	<b>16.72</b>	1,466,837	Sepura	726	0.07
				2,363,909	Spirent Communications	1,921	0.19
					<b>Total Technology</b>	<b>19,148</b>	<b>1.87</b>
<b>TELECOMMUNICATIONS 3.06% (3.73%)</b>					<b>COLLECTIVE INVESTMENT SCHEMES 2.15% (2.45%)</b>		
	<b>Fixed Line Telecommunications 3.06% (3.73%)</b>				<b>UK Equity 2.15% (2.45%)</b>		
7,893,219	BT Group	30,839	3.02	9,000,000	Threadneedle UK Mid 250 Fund	21,925	2.15
678,766	<sup>1</sup> CityFibre Infrastructure Holdings	421	0.04		<b>Total Collective Investment Schemes</b>	<b>21,925</b>	<b>2.15</b>
	<b>Total Telecommunications</b>	<b>31,260</b>	<b>3.06</b>				
					<b>Total value of investments</b>	<b>997,544</b>	<b>97.66</b>
<b>UTILITIES 2.48% (2.41%)</b>					<b>Net other assets (2.05%)</b>	<b>23,918</b>	<b>2.34</b>
	<b>Gas, Water &amp; Multiutilities 2.48% (2.41%)</b>				<b>Net assets</b>	<b>1,021,462</b>	<b>100.00</b>
7,155,816	Centrica	16,673	1.63				
968,024	Pennon Group	8,654	0.85				
	<b>Total Utilities</b>	<b>25,327</b>	<b>2.48</b>				
<b>FINANCIALS 16.85% (17.05%)</b>							
	<b>Banks 5.07% (4.49%)</b>						
4,862,882	Barclays	8,172	0.80				
4,101,795	HSBC Holdings	23,294	2.28				
2,343,163	Royal Bank of Scotland Group	4,534	0.44				
61,801	<sup>1</sup> Secure Trust Bank	1,366	0.13				
2,275,466	Standard Chartered	14,470	1.42				
	<b>Nonlife Insurance 1.54% (1.52%)</b>						
208,893	esure Group	602	0.06				
3,014,570	RSA Insurance Group	15,148	1.48				
	<b>Life Insurance 6.27% (6.46%)</b>						
11,656,624	Legal & General Group	24,922	2.44				
1,688,349	Prudential	23,696	2.32				
1,593,845	St James's Place	15,436	1.51				
	<b>Real Estate Investment &amp; Services 0.47% (0.39%)</b>						
787,484	Grainger	1,801	0.18				
198,438	Savills	1,495	0.15				
768,647	U and I Group	1,393	0.14				

March 2016 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

#### Total Purchases and Sales

for the accounting period 8 March 2016 to 7 September 2016

	2016 £000	2015 £000
Total purchases for the period	111,279	94,653
Total sales for the period	74,013	164,349

## Threadneedle UK Overseas Earnings Fund

### Portfolio Statement

as at 7 September 2016

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.59% (6.78%)</b>				<b>General Retailers 2.41% (3.27%)</b>			
	<b>Oil &amp; Gas Producers 7.59% (6.78%)</b>			777,038	Marks & Spencer Group	2,692	2.41
430,423	Royal Dutch Shell B Shares	8,468	7.59		<b>Media 8.10% (8.01%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>8,468</b>	<b>7.59</b>	1,273,810	ITV	2,613	2.34
<b>BASIC MATERIALS 2.83% (1.96%)</b>				362,030	Pearson	3,150	2.82
	<b>Chemicals 2.83% (1.96%)</b>			224,357	Relx	3,285	2.94
70,700	Johnson Matthey	2,329	2.09		<b>Travel &amp; Leisure 8.97% (9.90%)</b>		
53,554	Victrex	833	0.74	154,116	Compass Group	2,248	2.02
	<b>Total Basic Materials</b>	<b>3,162</b>	<b>2.83</b>	1,656,512	Firstgroup	1,852	1.66
<b>INDUSTRIALS 15.13% (11.76%)</b>				228,918	J D Wetherspoon	2,040	1.83
	<b>Construction &amp; Materials 2.18% (0.68%)</b>			857,166	Ladbroke	1,304	1.17
1,024,286	Breedon Aggregates	748	0.67	576,718	Rank Group	1,251	1.12
1,023,243	Melrose Industries	1,683	1.51	583,154	Stagecoach Group	1,300	1.17
	<b>Aerospace &amp; Defence 4.27% (3.84%)</b>				<b>Total Consumer Services</b>	<b>26,729</b>	<b>23.95</b>
322,047	BAE Systems	1,766	1.58	<b>TELECOMMUNICATIONS 3.61% (4.58%)</b>			
831,591	Cobham	1,388	1.24		<b>Fixed Line Telecommunications 3.61% (4.58%)</b>		
213,917	Rolls-Royce Holdings	1,615	1.45	1,031,642	BT Group	4,031	3.61
	<b>General Industrials 2.35% (1.65%)</b>				<b>Total Telecommunications</b>	<b>4,031</b>	<b>3.61</b>
189,029	Smiths Group	2,622	2.35	<b>UTILITIES 4.07% (3.60%)</b>			
	<b>Industrial Engineering 0.14% (1.07%)</b>				<b>Gas, Water &amp; Multiutilities 4.07% (3.60%)</b>		
75,783	Rotork	156	0.14	1,386,849	Centrica	3,231	2.90
	<b>Industrial Transportation 1.28% (0.00%)</b>			146,213	Pennon Group	1,307	1.17
275,704	Royal Mail	1,431	1.28		<b>Total Utilities</b>	<b>4,538</b>	<b>4.07</b>
	<b>Support Services 4.91% (4.52%)</b>			<b>FINANCIALS 15.05% (13.78%)</b>			
703,981	Electrocomponents	2,175	1.95		<b>Banks 1.77% (1.60%)</b>		
1,524,018	Rentokil Initial	3,307	2.96	311,396	Standard Chartered	1,980	1.77
	<b>Total Industrials</b>	<b>16,891</b>	<b>15.13</b>		<b>Nonlife Insurance 3.12% (2.95%)</b>		
<b>CONSUMER GOODS 17.80% (20.43%)</b>				692,328	RSA Insurance Group	3,479	3.12
	<b>Automobiles &amp; Parts 1.66% (1.78%)</b>				<b>Life Insurance 5.73% (5.38%)</b>		
567,293	GKN	1,849	1.66	1,631,782	Legal & General Group	3,489	3.13
	<b>Beverages 3.37% (2.84%)</b>			206,702	Prudential	2,901	2.60
178,158	Diageo	3,763	3.37		<b>Financial Services 4.43% (3.85%)</b>		
	<b>Household Goods &amp; Home Construction 0.00% (2.47%)</b>			493,875	3i Group	3,136	2.81
	<b>Personal Goods 5.60% (5.40%)</b>			1,549,692	Sherborne Investors Guernsey B	1,813	1.62
134,070	Burberry Group	1,766	1.58		<b>Total Financials</b>	<b>16,798</b>	<b>15.05</b>
123,898	Unilever	4,487	4.02		<b>Total value of investments</b>	<b>112,835</b>	<b>101.10</b>
	<b>Tobacco 7.17% (7.94%)</b>				<b>Net other (liabilities)/assets (0.77%)</b>	<b>(1,224)</b>	<b>(1.10)</b>
70,416	British American Tobacco	3,384	3.03		<b>Net assets</b>	<b>111,611</b>	<b>100.00</b>
115,158	Imperial Brands	4,615	4.14				
	<b>Total Consumer Goods</b>	<b>19,864</b>	<b>17.80</b>				
<b>HEALTH CARE 11.07% (10.05%)</b>				<b>Total Purchases and Sales</b>			
	<b>Pharmaceuticals &amp; Biotechnology 11.07% (10.05%)</b>			<i>for the accounting period 8 March 2016 to 7 September 2016</i>			
125,209	AstraZeneca	6,108	5.47		<b>2016</b>	<b>2015</b>	
385,462	GlaxoSmithKline	6,246	5.60		<b>£000</b>	<b>£000</b>	
	<b>Total Health Care</b>	<b>12,354</b>	<b>11.07</b>		Total purchases for the period	10,501	9,615
<b>CONSUMER SERVICES 23.95% (26.29%)</b>					Total sales for the period	11,771	13,118
	<b>Food &amp; Drug Retailers 4.47% (5.11%)</b>						
913,165	Booker Group	1,675	1.50				
1,668,774	WM Morrison Supermarkets	3,319	2.97				

March 2016 comparatives in brackets.

\*Alternative Investment Market.

## Performance Summary for the six months ended 31 August 2016

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>UNITED KINGDOM</b>							
UK Fund	(IA) UK All Companies	FTSE All-Share Total Return	+11.76	+12.09	+11.08	+12.03	+13.11
UK Select Fund	(IA) UK All Companies	FTSE All-Share Total Return	+6.10	+6.43	+11.08	+6.49	+13.11
UK Smaller Companies Fund	(IA) UK Smaller Companies	Numis Smaller Companies (ex Investment Trusts)	+5.64	+5.97	+8.64	+5.90	+10.00
UK Growth & Income Fund	(IA) UK All Companies	FTSE All-Share Total Return	+10.88	+11.19	+11.08	+11.10	+13.11
UK Equity Income Fund	(IA) UK Equity Income	FTSE All-Share Total Return	+10.62	+10.95	+9.48	+10.97	+13.11
UK Monthly Income Fund	(IA) UK Equity Income	FTSE All-Share Total Return	+7.73	–	+9.48	+8.14	+13.11
Monthly Extra Income Fund	(IA) UK Equity & Bond Income	–	+11.23	–	+11.26	+11.49	–
UK Corporate Bond Fund	(IA) £ Corporate Bond	iBoxx £ Non-Gilts	+13.14	+13.30	+13.33	+13.52	+13.93
Sterling Bond Fund	(IA) UK Gilt	FTSE All Stocks Gilts	+11.27	–	+11.69	+11.36	+11.06
UK Institutional Fund	(IA) UK All Companies	FTSE All-Share Total Return	+11.93	+12.41	+11.08	+12.23	+13.11
UK Overseas Earnings Fund	(IA) UK All Companies	FTSE All-Share Total Return	–	+12.31	+11.08	+12.60	+13.11
<b>EUROPE</b>							
European Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	+11.75	+12.10	+15.03	+12.53	+16.28
European Select Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	+13.54	+13.87	+15.03	+14.33	+16.28
European Smaller Companies Fund	(IA) European Smaller Companies	Euromoney European Small Cos. Ex UK	+15.82	+16.18	+15.88	+16.71	+19.59
Pan European Smaller Companies Fund	(IA) European Smaller Companies	Euromoney Smaller Europe Inc UK	+12.90	+13.25	+15.88	+13.70	+16.94
Pan European Fund	(IA) Europe Including UK	MSCI World Europe	+12.64	+12.98	+13.43	+13.29	+15.57
European Bond Fund†	(IA) Global Bond	ML Pan Europe Large Cap	+12.33	–	+11.99	+14.00	+12.62
European Corporate Bond Fund†	(IA) Global Bond	iBoxx European All Corporate Bond	+14.35	+14.77	+11.99	+16.12	+14.65
European High Yield Bond Fund†	(IA) Global Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% € Hedged)	+18.04	+18.30	+11.99	+19.38	+20.34
European High Yield Bond Fund (€)†	(IA) Global Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% € Hedged)	+8.23	+8.47	+2.68	+9.45	+10.33
Strategic Bond Fund	(IA) £ Strategic Bond	60% iBoxx Sterling Non Gilts & 40% ML European Currency High Yield 3% constrained B-BB(100% £ Hedged).	+9.56	+9.88	+9.17	+10.46	+8.28
<b>US</b>							
American Fund	(IA) North America	S&P 500 Composite	+15.83	+16.17	+18.82	+18.77	+20.88
American Select Fund	(IA) North America	S&P 500 Composite	+19.04	+19.38	+18.82	+21.98	+20.88
American Smaller Companies Fund (US)	(IA) North American Smaller Companies	S&P 400 Mid Cap	+24.56	+24.95	+23.39	+27.15	+25.86
Dollar Bond Fund†	(IA) Global Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+10.92	–	+11.99	+12.25	+11.07
<b>JAPAN</b>							
Japan Fund	(IA) Japan	TOPIX	+17.57	+17.95	+19.37	+19.18	+20.35
<b>PACIFIC BASIN &amp; EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN</b>							
Asia Fund	(IA) Asia Pacific Excluding Japan	MSCI AC Asia Pacific Ex Japan	+27.39	+27.79	+27.23	+29.29	+28.74
Latin America Fund†	UK Registered – Equity Latin America	MSCI 10/40 Latin America	+40.96	+41.38	+18.82	+39.92	+43.52
Emerging Market Bond Fund†	UK IA – Global Emerging Markets Bond	JPM Emerging Market Bonds Global	+19.57	+20.00	+11.99	+22.13	+19.81

## Performance Summary for the six months ended 31 August 2016 (continued)

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>GLOBAL</b>							
<b>High Yield Bond Fund</b>	(IA) £ High Yield	ML European High Yield 3% constrained ex sub-financials (100% £ Hedged)	+9.00	+9.32	+10.50	+9.79	+10.94
<b>Global Select Fund</b>	(IA) Global Growth	MSCI AC World Free	+18.33	+18.70	+18.14	+20.26	+21.21
<b>Global Bond Fund</b>	(IA) Global Bond	JPM GBI Global (Traded)	+11.01	+11.32	+11.99	+13.04	+12.28
<b>CASH</b>							
<b>Sterling Fund</b>	—	—	−0.01	—	—	—	—

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

<sup>†</sup>The Sector Median for these funds (as defined by the Investment 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.

## Threadneedle OEIC Returns against the Offshore Universe

### Performance Summary for the six months ended 31 August 2016

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
<b>UNITED KINGDOM</b>								
<b>UK Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+11.76	+12.09	+12.50	+12.03	+13.11	GBP
<b>UK Select Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+6.10	+6.43	+12.50	+6.49	+13.11	GBP
<b>UK Smaller Companies Fund</b>	UK Small Cap Equity	Numis Smaller Companies (ex Investment Trusts)	+5.64	+5.97	+8.61	+5.90	+10.00	GBP
<b>UK Growth &amp; Income Fund</b>	UK Large Cap Value	FTSE All-Share Total Return	+10.88	+11.19	+10.10	+11.10	+13.11	GBP
<b>UK Equity Income Fund</b>	UK Large Cap Value	FTSE All-Share Total Return	+10.62	+10.95	+10.10	+10.97	+13.11	GBP
<b>UK Monthly Income Fund</b>	UK Large Cap Value	FTSE All-Share Total Return	+7.73	–	+10.10	+8.14	+13.11	GBP
<b>Monthly Extra Income Fund</b>	GBP Aggressive Allocation	–	+11.23	–	–	+11.49	–	GBP
<b>UK Corporate Bond Fund</b>	GBP Corporate Bond	iBoxx £ Non-Gilts	+13.14	+13.30	+14.08	+13.52	+13.93	GBP
<b>Sterling Bond Fund*</b>	GBP Government Bond	FTSE All Stocks Gilts	+11.28	–	+11.32	+11.36	+11.06	GBP
<b>UK Institutional Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+11.93	+12.41	+12.50	+12.23	+13.11	GBP
<b>UK Overseas Earnings Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+12.31	–	+12.50	+12.60	+13.11	GBP
<b>EUROPE</b>								
<b>European Fund</b>	Europe ex UK Large Cap	FTSE World Europe ex UK	+3.53	+3.85	+5.29	+3.17	+6.61	EUR
<b>European Select Fund</b>	Europe ex UK Large Cap	FTSE World Europe ex UK	+5.19	+5.50	+5.29	+4.82	+6.61	EUR
<b>European Smaller Companies Fund</b>	Europe Small-Mid Cap Combined	HSBC European Smaller Companies. Ex UK	+7.30	+7.63	+5.57	+7.01	+9.71	EUR
<b>Pan European Smaller Companies Fund</b>	Europe Small-Mid Cap Combined	EuroMoney Smaller Europe Inc UK	+4.60	+4.92	+5.57	+4.24	+7.28	EUR
<b>Pan European Fund</b>	Europe Large Cap Blend	MSCI World Europe	+4.35	+4.68	+4.94	+3.87	+5.96	EUR
<b>European Bond Fund*</b>	Europe Bond	ML Pan Europe Large Cap	+4.04	+4.36	+2.49	+4.52	+3.25	EUR
<b>European Corporate Bond Fund*</b>	Fixed Income Europe/Corporate	iBoxx European All Corporate Bond	+5.91	+6.20	+5.24	+6.46	+5.11	EUR
<b>European High Yield Bond Fund*</b>	Europe High Yield	ML European Currency High Yield 3% constrained ex sub-financials (100% £ Hedged)	+7.76	+8.07	+9.03	+9.45	+10.33	EUR
<b>Strategic Bond Fund</b>	GBP Flexible Bond	60% iBoxx Sterling Non Gilts & 40% ML European Currency High Yield 3% constrained B-BB(100% £ Hedged).	+9.56	+9.88	+11.08	+10.46	+8.28	GBP
<b>US</b>								
<b>American Fund</b>	US Large Cap Growth	S&P 500 Composite	+9.84	+10.16	+11.39	+11.62	+13.60	USD
<b>American Select Fund</b>	US Large Cap Growth	S&P 500 Composite	+12.88	+13.21	+11.39	+14.63	+13.60	USD
<b>American Smaller Companies Fund (US)</b>	US Mid Cap Equity	S&P 400 Mid Cap	+17.06	+17.43	+14.80	+19.49	+18.28	USD
<b>Dollar Bond Fund*</b>	USD Diversified Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+4.44	–	+3.89	+5.49	+4.38	USD
<b>JAPAN</b>								
<b>Japan Fund</b>	Japan Large Cap	TOPIX	+1.89	+2.21	+3.36	+2.63	+3.64	JPY
<b>FAR EAST &amp; PACIFIC</b>								
<b>Asia Fund</b>	Asia-Pacific ex-Japan	MSCI AC Asia Pacific Ex Japan	+20.81	+21.18	+18.72	+21.51	+20.99	USD
<b>Latin America Fund</b>	Latin America Equity	MSCI 10/40 Latin America	+33.67	+34.08	+30.41	+31.49	+34.88	USD
<b>Emerging Market Bond Fund*</b>	Global Emerging Markets	JPM Emerging Market Bonds Global	+13.31	+13.65	+12.31	+14.78	+12.60	USD



## Threadneedle OEIC Returns against the Offshore Universe

### Performance Summary for the six months ended 31 August 2016 (continued)

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
<b>INTERNATIONAL</b>								
<b>High Yield Bond Fund</b>	High Yield Bond	ML European High Yield 3% constrained ex sub-financials (100% £ Hedged)	+9.00	+9.32	+11.12	+9.79	+10.94	GBP
<b>Global Select Fund</b>	Global Large Cap Growth	MSCI AC World Free	+12.22	+12.56	+11.38	+13.02	+13.91	USD
<b>Global Bond Fund*</b>	Global Bond	JPM GBI Global (Traded)	+1.77	+2.10	+2.88	+3.64	+2.94	EUR

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.*

## Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Fund	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net income shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net income shares	5
	<sup>1</sup> Class X – Net accumulation shares	5
	Class Z – Net income shares	5
	Class Z – Net accumulation shares	6
	Class Z CHF Hedged – Net accumulation shares	6
	Class Z EUR Hedged – Net accumulation shares	6
	Class Z USD Hedged – Net accumulation shares	6
UK Select Fund	Class 1 – Net income shares	5
	Class 2 – Net income shares	5
	<sup>2</sup> Class X – Net accumulation shares	5
	Class Z – Net income shares	5
UK Smaller Companies Fund	Class 1 – Net income shares	5
	Class 2 – Net income shares	5
	Class X – Net income shares	5
	Class Z – Net income shares	5
	Class Z – Net accumulation shares	5
UK Growth & Income Fund	Class 1 – Net income shares	5
	Class 2 – Net income shares	5
	Class Z – Net income shares	5
UK Equity Income Fund	Class 1 – Net income shares	5
	Class 1 – Net accumulation shares	5
	Class 1 CHF Hedged – Net accumulation shares	5
	Class 1 EUR Hedged – Net accumulation shares	5
	Class 1 USD Hedged – Net accumulation shares	5
	Class 2 – Net income shares	5
	<sup>3</sup> Class 2 – Net accumulation shares	5
	Class X – Net income shares	5
	Class Z – Net income shares	5
	Class Z – Net accumulation shares	5
	Class Z CHF Hedged – Net accumulation shares	5
	Class Z EUR Hedged – Net accumulation shares	5
	Class Z USD Hedged – Net accumulation shares	5
UK Monthly Income Fund	Class 1 – Net income shares	5
	Class 2 – Net income shares	5
	Class Z – Net income shares	5
Monthly Extra Income Fund	Class 1 – Net income shares	5
	Class 1 EUR Hedged – Net income shares	5
	Class Z – Net income shares	5
	Class Z – Net accumulation shares	5
UK Corporate Bond Fund	Class 1 – Net income shares	3
	Class 1 – Gross income shares	3
	Class 2 – Net income shares	3
	Class 2 – Gross accumulation shares	3
	Class 3 – Gross accumulation shares	3
	Class X – Gross income shares	3
	<sup>4</sup> Class X – Gross accumulation shares	3
Sterling Bond Fund	Class 1 – Net income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross income shares	4
	<sup>5</sup> Class X – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Gross accumulation shares	4

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Sterling Fund	Class 1 – Net income shares	1
	<sup>6</sup> Class X – Gross accumulation shares	1
	Class 3 – Gross accumulation shares	1
European Fund	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
European Select Fund	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 1 SGD Hedged – Net accumulation shares	6
	Class 1 USD Hedged – Net accumulation shares	6
	Class 2 – Net income shares	6
	Class 2 – Net accumulation shares	6
	Class 2 USD Hedged – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
European Smaller Companies Fund	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 1 CHF Hedged – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
Pan European Smaller Companies Fund	Class Z CHF Hedged – Net accumulation shares	6
	<sup>7</sup> Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 1 CHF Hedged – Net accumulation shares	6
	Class 1 USD Hedged – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
	Class Z CHF Hedged – Net accumulation shares	6
Pan European Fund	Class Z USD Hedged – Net accumulation shares	6
	<sup>8</sup> Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class 2i – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
European Bond Fund	Class 1 – Net income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Net income shares	4
European Corporate Bond Fund	Class 1 – Net accumulation shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Net accumulation shares	4
European High Yield Bond Fund	Class 1 – Net accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 USD Hedged – Monthly gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross income shares	4
	Class 2 – Gross accumulation shares	4
	Class 2 CHF Hedged – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Net accumulation shares	4

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>European High Yield Bond Fund</b> (continued)	Class Z – Gross income shares	4
	Class Z CHF Hedged – Gross income shares	5
	Class Z – Gross accumulation shares	4
	Class Z CHF Hedged – Gross accumulation shares	4
	<sup>9</sup> Class Z USD Hedged – Gross accumulation shares	4
<b>Strategic Bond Fund</b>	Class 1 – Net income shares	3
	Class 1 – Gross income shares	3
	Class 2 – Net income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class Z – Net income shares	3
	Class Z – Gross income shares	3
<b>American Fund</b>	Class Z – Gross accumulation shares	3
	Class 1 – Net income shares	5
	Class 1 – Net accumulation shares	5
	Class 1 EUR Hedged – Net accumulation shares	5
	Class 2 – Net accumulation shares	5
	Class X – Net accumulation shares	5
	Class Z – Net income shares	5
	Class Z – Net accumulation shares	5
<b>American Select Fund</b>	Class Z EUR Hedged – Net accumulation shares	5
	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 1 EUR Hedged – Net accumulation shares	6
	<sup>10</sup> Class X – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class 2 EUR Hedged – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
	Class Z CHF Hedged – Net accumulation shares	5
	Class Z EUR Hedged – Net accumulation shares	6
<b>American Smaller Companies Fund (US)</b>	Class Z GBP Hedged – Net accumulation shares	5
	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net income shares	6
<b>Dollar Bond Fund</b>	Class Z – Net accumulation shares	6
	Class 1 – Net income shares	4
	Class 1 – Gross accumulation shares	4
	Class Z – Net income shares	4
<b>Japan Fund</b>	Class Z – Gross accumulation shares	4
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net income shares	6
	Class X – Net accumulation shares	6
<b>Asia Fund</b>	Class Z – Net accumulation shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net income shares	6
	Class X – Net accumulation shares	6
<b>Latin America Fund</b>	Class Z – Net accumulation shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
<b>Emerging Market Bond Fund</b>	Class Z – Net accumulation shares	6
	Class 1 – Net income shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Net income shares	4
	Class 2 – Gross accumulation shares	4

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>Emerging Market Bond Fund</b> (continued)	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
<b>High Yield Bond Fund</b>	Class 1 – Net income shares	4
	Class 1 – Gross income shares	4
	Class 1 USD Hedged – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Net income shares	4
	Class 2 – Gross income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross income shares	4
	<sup>11</sup> Class X – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Net accumulation shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
<b>Global Select Fund</b>	Class 1 – Net accumulation shares	5
	Class 2 – Net accumulation shares	5
	Class X – Net accumulation shares	5
	Class Z – Net income shares	5
	Class Z – Net accumulation shares	5
<b>Global Bond Fund</b>	Class 1 – Net income shares	4
	Class 1 – Net accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Net income shares	4
	Class 2 – Gross accumulation shares	4
	<sup>12</sup> Class X – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
<b>UK Institutional Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
<b>UK Overseas Earnings Fund</b>	Class 2 – Net income shares	5
	Class Z – Net income shares	5

<sup>1</sup>Class X – Net accumulation shares commenced 16 March 2016

<sup>2</sup>Class X – Net accumulation shares commenced 16 March 2016

<sup>3</sup>Class 2 – Net accumulation shares commenced 28 April 2016

<sup>4</sup>Class X – Gross accumulation shares commenced 16 March 2016

<sup>5</sup>Class X – Gross accumulation shares commenced 16 March 2016

<sup>6</sup>Class X – Gross accumulation shares commenced 16 March 2016

<sup>7</sup>Class 1 – Net income shares commenced 10 March 2016

<sup>8</sup>Class 1 – Net income shares commenced 09 March 2016

<sup>9</sup>Class Z USD Hedged – Gross accumulation shares commenced 04 May 2016

<sup>10</sup>Class X – Net accumulation shares commenced 16 March 2016

<sup>11</sup>Class X – Gross accumulation shares commenced 16 March 2016

<sup>12</sup>Class X – Gross accumulation shares commenced 16 March 2016

\* As at 7 September 2016 the synthetic risk and reward indicator (SRRI) is explained in the table below:

## Risk and Reward Profiles

(continued)

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](http://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 UK Fund Class 1 – Net income shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the UK Fund Class 1 – Net accumulation shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the UK Fund Class 2 – Net income shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the UK Fund Class 2 – Net accumulation shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the UK Fund Class Z – Net accumulation shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the American Select Fund Class 1 – Net accumulation shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the American Select Fund Class Z – Net income shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the American Select Fund Class Z – Net accumulation shares changed from 5 to 6 on 8 June 2016.

The risk and reward profile of the High Yield Bond Fund changed from 3 to 4 for all share classes on 29 April 2016.

## Further 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.

### 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](http://columbiathreadneedle.com).

### Changes to the management of the ACD

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

- Appointment of Ms. Kath Cates (non-executive director) on 29 March 2016
- Resignation of Mr. Campbell Fleming on 29 April 2016
- Appointment of Ms. Laura Weatherup on 11 July 2016
- Appointment of Mr. Dominik Kremer on 22 July 2016

### Changes to the Prospectus

The main changes to the prospectus of the Company during the period from 8 March 2016 to 7 September 2016 were as follows:

- Change to the investment policy for the UK Growth & Income Fund
- Increase to the depositary's fee effective from 1 October 2016 (from 0.008% per annum to 0.01% per annum)
- Updates to risk factors and clarification of investment restrictions
- Updated disclosures required in relation to the depositary and remuneration following implementation of the UCITS V Directive
- Update to list of directors and funds managed by the ACD
- Updates to taxation section, address of the auditor, and the list of directors and funds managed by the ACD

### Changes to the Instrument of Incorporation

The Instrument of Incorporation of the Company was amended on 8 March 2016, when income equalisation was introduced for certain funds. For more information, please refer to <http://www.columbiathreadneedle.co.uk/income-equalisation>.

### Introduction of income equalisation for certain funds of the Company

The ACD has introduced income equalisation for certain funds of the Company with effect from 8 March 2016. Further information on income equalisation can be found at [columbiathreadneedle.co.uk/income-equalisation](http://columbiathreadneedle.co.uk/income-equalisation).

### 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 Class 1 EUR (including Class 1 Hedged Shares) Class 1 USD (including Class 1 Hedged Shares) Class 1 JPY Class 1 CHF (including Class 1 Hedged Shares) Class 1 SGD (Hedged Shares)	GBP 2,000 EUR 2,500 USD 3,000 JPY 280,000 CHF 3,000 SGD 4,000	Retail and non-retail investors
Class L	Class L GBP	GBP 0.5 million	Intended to be available to non-retail investors (not currently available)
Class M	Class M AUD (Hedged Share Class) Class M USD (Hedged Share Class)	AUD 750 USD 3,000	Retail and non-retail investors
Class 2	Class 2 GBP Class 2 EUR (including Class 2 Hedged Shares) Class 2 USD (including Class 2 Hedged Shares) Class 2 JPY Class 2 CHF (Hedged Share Class)	GBP 0.5 million EUR 0.75 million USD 0.8 million JPY 70 million CHF 1.2 million	Non-retail investors
Class 2i	Class 2i USD Class 2i GBP Class 2i EUR Class 2i JPY	USD 0.8 million GBP 0.5 million EUR 0.75 million JPY 70 million	Available to non-retail investors in the Pan European Fund
Class 3	Class 3 GBP	GBP 0.5 million	Non-retail investors
Class X	Class X GBP Class X EUR Class X USD Class X JPY Class X AUD (Hedged Share Class) Class X AUD (Hedged Share Class)	GBP 3 million EUR 5 million USD 5 million JPY 420 million AUD 5 million AUD 5 million	Available only to Eligible Shareholders
Class Z	Class Z GBP* Class Z EUR (including Class Z Hedged Shares)* Class Z USD (including Class Z Hedged Shares)* Class Z JPY* Class Z CHF (including Class Z Hedged Shares)*	GBP 1 million EUR 1.5 million USD 1.5 million JPY 140 million CHF 1.5 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients

\*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

## Further Information

(continued)

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.

### Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- “Reference Currency” or “Reference Currencies” means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- “Portfolio Currency” or “Portfolio Currencies” means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- “Hedged Currency” is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

### Income Equalisation

The first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

### Report and Financial Statements

Investors will receive a report twice a year in relation to any funds of Threadneedle Investment Funds ICVC in which they invest. The reports received will be short form versions and reports containing the full financial statements will be available from Threadneedle Investment Services Limited, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the funds are registered. The report will provide information on the performance of the funds, the market background, and details of each of the portfolios. The annual accounting period for the funds 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 precedent.

### 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.

### 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.



## 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:  
International Financial Data Services (UK) 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 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

### 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

J.P. Morgan Chase Bank Brussels  
1, Boulevard du Roi Albert II  
1210 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  
Junghofstr. 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 Santa Margherita, 7  
20121 Milan  
Italy

BNP Paribas Securities Services  
Via Ansperto 5  
20123 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

### Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.  
49 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

*\*Calls will be recorded.*

## Directory

*(continued)*

### **Information Agent in Spain**

Threadneedle 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](http://www.cnmv.es)).

### **Paying and Information Agent in Sweden**

Skandinaviska Enskilda Banken AB  
Kungsträdgårdsgatan SE – 10640  
Stockholm  
Sweden

### **Representative and Paying Agent in Switzerland**

BNP Paribas Securities Services, Paris, succursale de Zurich  
Selnaustrasse 16  
8002 Zurich  
Switzerland

## Important Information

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.

### 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 & 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			
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	
Pan European Smaller Companies Fund	X	X					X								X		X	
Pan European Fund	X	X													X		X	
European Bond Fund	X	X			X		X		X	X					X			
European Corporate Bond Fund	X	X			X		X		X	X					X			
European 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				
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			

## Important Information

(continued)

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
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		
High Yield Bond Fund	X	X			X		X		X	X	X				X	X		
Global Select Fund	X	X						X							X	X		
Global Bond Fund	X	X			X		X		X	X					X			
UK Institutional Fund	X	X													X		X	
UK 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.

**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.

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



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