

THREADNEEDLE INVESTMENT FUNDS II ICVC

Contents

Company Information	2
Director's Report.....	3
Aggregated Financial Statements for Threadneedle Investment Funds II ICVC	4
Notes to the Aggregated Financial Statements for Threadneedle Investment Funds II ICVC	5
Threadneedle UK Equity Income Fund	6 – 7
Threadneedle UK Growth Fund	8 – 9
Threadneedle European ex-UK Growth Fund	10 – 11
Threadneedle Japan Growth Fund	12 – 13
Threadneedle Pacific ex-Japan Growth Fund	14 – 15
Threadneedle US Equity Income Fund	16 – 17
Portfolio Statements:	
Threadneedle UK Equity Income Fund	18 – 19
Threadneedle UK Growth Fund	20
Threadneedle European ex-UK Growth Fund	21
Threadneedle Japan Growth Fund	22 – 23
Threadneedle Pacific ex-Japan Growth Fund	24 – 25
Threadneedle US Equity Income Fund	26 – 27
Comparative Tables.....	28 – 30
Performance Summary	31
Ongoing Charges Figure Summary	32
Risk and Reward Profiles.....	33
Further Information.....	34 – 35
Directory.....	36
Important Information	37

Company Information

Company

Threadneedle Investment Funds II ICVC (the “Company”)
Registered Number IC24

Registered Office

60 St Mary Axe, London EC3A 8JQ

Director

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

Board of Directors of the ACD

Chairman and Chief Executive

C D Fleming (Appointed 1 March 2013)
C J Henderson (Resigned from the Board and as
Chief Executive 1 March 2013)

Other Directors

T N Gillbanks
P J W Reed
N J Ring

Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Accounts for Threadneedle Investment Funds II ICVC for the six months to 30 June 2013.

The financial statements have been presented on an aggregated basis. However, separate financial information is also provided on a sub-fund basis to enable investors to review the status and performance of those funds for the period under review.

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

Thank you for your continued support.



Campbell Fleming

Director

Aggregated Financial Statements for Threadneedle Investment Funds II ICVC

AGGREGATED STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	92,941	19,010
Revenue	13,054	12,286
Expenses	(489)	(390)
Finance costs: interest	(3)	(43)
Net revenue before taxation	12,562	11,853
Taxation	(521)	(680)
Net revenue after taxation	12,041	11,173
Total return before distributions/accumulations	104,982	30,183
Finance costs: distributions/accumulations	(12,126)	(11,249)
Change in net assets attributable to shareholders from investment activities	92,856	18,934

AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	659,381	612,808
Amounts receivable on the issue of shares	28,699	16,673
Amounts paid on the cancellation of shares	(120,335)	(67,310)
	(91,636)	(50,637)
Stamp duty reserve tax	(25)	(22)
Dilution levy	155	71
Change in net assets attributable to shareholders from investment activities (see aggregated statement of total return above)	92,856	18,934
Retained distribution on accumulation units	9,016	9,009
Closing net assets attributable to shareholders	669,747	590,163

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

AGGREGATED BALANCE SHEET

as at 30 June 2013

	2013 £000	December 2012 £000
Assets		
Investment assets	657,579	639,736
Other assets		
Debtors	57,727	1,654
Short term deposits	5,101	11,508
Cash and bank balances	6,504	8,630
Total other assets	69,332	21,792
Total assets	726,911	661,528
Liabilities		
Investment liabilities	(170)	(106)
Other liabilities		
Creditors	(55,729)	(1,086)
Distribution payable on income shares	(1,265)	(955)
Total other liabilities	(56,994)	(2,041)
Total liabilities	(57,164)	(2,147)
Net assets attributable to shareholders	669,747	659,381

The aggregated financial statements represent the sum of the individual funds within the company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual funds.

We hereby certify the Interim Report and Accounts on behalf of the Directors of Threadneedle Investment Services Limited.

T N Gillbanks
Director

14 August 2013

P J W Reed
Director

Notes to the Aggregated Financial Statements for Threadneedle Investment Funds II ICVC

for the accounting period 1 January 2013 to 30 June 2013

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice (UK GAAP), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012 and are described in those financial statements.

(2) Aggregation

The aggregated financial statements represent the sum of the individual funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual funds.

(3) 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.

Threadneedle UK Equity Income Fund

Investment Report

Investment Objectives and Policies

The objective of the Fund is to achieve a high level of income combined with long-term capital growth from investments principally in UK equities. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of blue chip, medium and smaller companies in order to generate yield and maximise return whilst moderating the risk of equity investment at any particular point in the economic and business cycle. The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Performance of Retail Income Shares*

Over the six months to 30 June 2013, the published share price of Threadneedle UK Equity Income Fund has risen from 134.60p to 150.23p. Looking at performance within its peer group, the total return on the fund for the six months ending 30 June 2013, including net reinvested income, is +13.24% as compared to a median return of +11.05% over the same period. (For comparison the FTSE All-Share Total Return Index returned +8.50% over the same period).

Market Overview

The UK stock market delivered very robust gains over the first half of 2013, posting month-on-month rises for all but the final month of the review period. The market's strength was largely driven by optimism that central bank support was continuing to

underpin the world economy, thereby improving the outlook for corporate earnings growth. Although the UK economy showed more convincing signs of recovery following its emergence from recession, the UK market nevertheless suffered a setback in June, falling alongside other leading global markets as the US Federal Reserve announced plans to phase out its quantitative easing stimulus programme.

The fund performed strongly during the six-month review period, rising ahead of the index. Our sector allocation decisions added value, notably our favouring of industrials and relatively light holdings in the underperforming energy sector, though our cash holding detracted in a rising market. However, stock selection was the main driver of performance over the review period, particularly in the materials sector where our lack of exposure to a range of large-cap mining stocks boosted returns as concerns over the global demand outlook weighed on valuations. Stock-level highlights included our favouring of BT as the fixed-line telecoms company delivered strong results, underpinned by robust cash generation and cost reductions. Our favouring of Legal & General also generated good returns as the insurer lifted its dividend after reporting record sales, driven by the strong performances of its UK and US businesses. Meanwhile, our stake in 3i generated good returns as the private investment company's underlying assets performed well and the company became the subject of takeover speculation.

During the first quarter we added to a number of our favoured holdings, including supermarket group Wm Morrison (which remained very cheaply valued), Legal & General, BT and speciality chemicals supplier Johnson Matthey (where we took advantage of share price weakness). Meanwhile, among media stocks, we added to the portfolio's existing overweight in ITV, taking the

view that the TV broadcaster would continue to benefit from the improving outlook for advertising spending and ongoing growth in the Studios business. There was no sales activity over the first quarter.

During the second quarter we took advantage of weakness in utility companies, adding exposure to Centrica and National Grid as bond yields rose. We also increased our holding in insurance companies Aviva and RSA Insurance. Sales activity was limited; we disposed of property company Derwent London and film theatre provider Cineworld following good returns.

Following strong performance for much of the six-month period, we believe that the recent setback in equities reflects the extent to which investor sentiment has been driven by a reliance on central bank support, rather than any significant improvement in the world economy. However, at the UK company level, trading updates remain broadly supportive, with valuations not particularly stretched and still attractive compared to corporate bonds, despite the recent rise in yields. Our focus remains on well-managed, fundamentally-strong businesses that we believe can deliver positive earnings surprises and, in many cases, the ability to support total returns to shareholders through attractive and sustainable levels of dividend payouts. Additionally, given the ongoing availability of relatively cheap funding, we believe that merger and acquisition activity could start to pick up this year, underpinning the prospects for UK equities.

STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	18,998	4,592
Revenue	3,803	3,239
Expenses	(112)	(79)
Net revenue before taxation	3,691	3,160
Taxation	—	—
Net revenue after taxation	3,691	3,160
Total return before distributions/accumulations	22,689	7,752
Finance costs: distributions/accumulations	(3,735)	(3,196)
Change in net assets attributable to shareholders from investment activities	18,954	4,556

BALANCE SHEET

as at 30 June 2013

	2013 £000	December 2012 £000
Assets		
Investment assets	176,907	153,593
Other assets		
Debtors	2,925	777
Short term deposits	5,101	5,003
Cash and bank balances	1,190	1,781
Total other assets	9,216	7,561
Total assets	186,123	161,154
Liabilities		
Other liabilities		
Creditors	(72)	(57)
Distribution payable on income shares	(134)	(69)
Total liabilities	(206)	(126)
Net assets attributable to shareholders	185,917	161,028

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	161,028	128,854
Amounts receivable on the issue of shares	12,271	5,777
Amounts payable on the cancellation of shares	(9,909)	(4,506)
	2,362	1,271
Stamp duty reserve tax	(23)	(19)
Dilution levy	26	4
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,954	4,556
Retained distribution on accumulation shares	3,570	3,020
Closing net assets attributable to shareholders	185,917	137,686

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

*In pound Sterling and against UK peer group.
Please refer to pages 28 to 30 for comparative tables.

DISTRIBUTION TABLES

for the accounting period 1 January 2013 to 30 June 2013

Retail Income Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 31/03/13	0.9994	—	0.9994	1.3815
01/04/13 to 30/06/13	2.0597	—	2.0597	1.5842
Group 2				
01/01/13 to 31/03/13	0.1889	0.8105	0.9994	1.3815
01/04/13 to 30/06/13	0.9519	1.1078	2.0597	1.5842
Total distributions in the period			3.0591	2.9657

Institutional Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Paid/Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 31/03/13	1.2216	—	1.2216	1.6104
01/04/13 to 30/06/13	2.5373	—	2.5373	1.8682
Group 2				
01/01/13 to 31/03/13	0.3692	0.8524	1.2216	1.6104
01/04/13 to 30/06/13	0.7383	1.7990	2.5373	1.8682
Total distributions in the period			3.7589	3.4786

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Income Fund

DISTRIBUTION TABLES

(continued)

Institutional Income Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 31/03/13	0.9307	—	0.9307	1.2808
01/04/13 to 30/06/13	1.9200	—	1.9200	1.4698
Group 2				
01/01/13 to 31/03/13	0.4026	0.5281	0.9307	1.2808
01/04/13 to 30/06/13	0.8153	1.1047	1.9200	1.4698
Total distributions in the period			2.8507	2.7506

Second Retail Income Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 31/03/13	0.9808	—	0.9808	1.3624
01/04/13 to 30/06/13	2.0191	—	2.0191	1.5610
Group 2				
01/01/13 to 31/03/13	0.3576	0.6232	0.9808	1.3624
01/04/13 to 30/06/13	0.7709	1.2482	2.0191	1.5610
Total distributions in the period			2.9999	2.9234

Group Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Paid/Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 31/03/13	1.2456	—	1.2456	1.6331
01/04/13 to 30/06/13	2.5903	—	2.5903	1.8968
Group 2				
01/01/13 to 31/03/13	0.4724	0.7732	1.2456	1.6331
01/04/13 to 30/06/13	0.7054	1.8849	2.5903	1.8968
Total distributions in the period			3.8359	3.5299

Group 2: shares purchased during a distribution period.

Notes to the financial statements

for the accounting period 1 January 2013 to 30 June 2013

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 5.

Threadneedle UK Growth Fund

Investment Report

Investment Objectives and Policies

The objective of the Fund is to achieve long-term capital growth from investments principally in UK equities.

The Fund will normally be invested in a range of blue chip, medium and smaller companies in order to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, and cash and near cash when deemed appropriate.

Derivatives and forward transactions shall be used only for the purposes of efficient portfolio management and hedging.

Performance of Retail Accumulation Shares*

Over the six months to 30 June 2013, the published share price of Threadneedle UK Growth Fund has risen from 134.30p to 151.26p.

Looking at performance within its peer group, the total return on the fund for the six months ending 30 June 2013, including net reinvested income, is +12.66% as

compared to a median return of +10.16% over the same period. (For comparison the FTSE All-Share Total Return Index returned +8.50% over the same period).

Market Overview

We continue to believe that economic growth in the UK is likely to remain lacklustre as both the government and consumers continue to rein in their spending and reduce their level of indebtedness. It is for this reason that we continue to focus predominantly on companies and geographies that can still deliver good growth despite this tough economic backdrop. Therefore we are targeting firms which generate a high proportion of their sales and profits from overseas markets and companies which sell products and services to other businesses rather than to the government or the UK consumer.

Over recent months we have bought several companies which are accelerating cash returns to investors to drive shareholder value. Examples include Cambridge Silicon Radio (CSR), InterContinental Hotels and BAE Systems. We have also added wealth manager St James' Place Capital to the portfolio as we feel the company is extremely well placed to continue to grow assets in the UK and we expect significant dividend growth from the

company in the years to come. These purchases have been funded by selling out of our holdings in the UK food retail sector where we feel the competitive environment is likely to remain extremely tough.

The corporate sector remains in good financial health and this is likely to lead to a continued pick up in merger and acquisition activity. As sales growth is likely to remain difficult in a low growth world, many multinational firms may find it easier to buy growth via the UK stock market and so the UK Growth Fund has several mid-sized global businesses with good niche technologies which we believe are ripe for takeover by larger multinationals. Examples are Premier Oil, pharmaceutical firm Shire and several firms in the industrial sector.

Equity valuations continue to look good value versus both history and compared with other asset classes such as cash or bonds and so we are finding plenty of attractive companies to invest in.

STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	19,800	4,215
Revenue	3,585	2,919
Expenses	(105)	(87)
Net revenue before taxation	3,480	2,832
Taxation	—	—
Net revenue after taxation	3,480	2,832
Total return before accumulations	23,280	7,047
Finance costs: accumulations	(3,480)	(2,832)
Change in net assets attributable to shareholders from investment activities	19,800	4,215

BALANCE SHEET

as at 30 June 2013

	2013 £000	2012 £000
Assets		
Investment assets	177,769	164,992
Other assets		
Debtors	932	513
Short term deposits	—	6,505
Cash and bank balances	1,748	1,618
Total other assets	2,680	8,636
Total assets	180,449	173,628
Liabilities		
Other liabilities		
Creditors	(54)	(58)
Total liabilities	(54)	(58)
Net assets attributable to shareholders	180,395	173,570

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	173,570	153,449
Amounts receivable on the issue of shares	1,401	2,458
Amounts payable on the cancellation of shares	(17,588)	(874)
	(16,187)	1,584
Stamp duty reserve tax	(2)	(3)
Dilution levy	25	—
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	19,800	4,215
Retained distribution on accumulation shares	3,189	2,854
Closing net assets attributable to shareholders	180,395	162,099

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

*In pound Sterling and against UK peer group.
Please refer to pages 28 to 30 for comparative tables.

DISTRIBUTION TABLES

for the accounting period 1 January 2013 to 30 June 2013

Retail Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	1.9782	—	1.9782	1.6224
Group 2				
01/01/13 to 30/06/13	1.2070	0.7712	1.9782	1.6224
Total distributions in the period			1.9782	1.6224

Group Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	4.5521	—	4.5521	3.7388
Group 2				
01/01/13 to 30/06/13	1.9253	2.6268	4.5521	3.7388
Total distributions in the period			4.5521	3.7388

Institutional Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	2.7709	—	2.7709	2.2760
Group 2				
01/01/13 to 30/06/13	1.5870	1.1839	2.7709	2.2760
Total distributions in the period			2.7709	2.2760

Group 2: shares purchased during a distribution period.

Threadneedle UK Growth Fund

DISTRIBUTION TABLES

(continued)

Second Retail Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	1.5267	—	1.5267	1.2437
Group 2				
01/01/13 to 30/06/13	1.1841	0.3426	1.5267	1.2437
Total distributions in the period			1.5267	1.2437

Group 2: shares purchased during a distribution period.

Notes to the financial statements

for the accounting period 1 January 2013 to 30 June 2013

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 5.

Threadneedle European ex-UK Growth Fund

Investment Report

Investment Objectives and Policies

To achieve long-term capital growth from investments principally in European equities, excluding the UK. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of European markets to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle. The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Performance of Retail Accumulation Shares*

Over the six months to 30 June 2013, the published share price of Threadneedle European ex-UK Growth Fund has risen from 253.30p to 283.50p.

Looking at performance within its peer group, the total return on the fund for the six months ending 30 June 2013, including net reinvested income, is +11.92% as compared to a median return of +11.99% over the same period. (For

comparison the FTSE World Europe ex UK Total Return Index returned +10.93% over the same period).

Market Overview

European equities continued their rally at the start of the year, taking heart from stronger bond markets (including a recovery in peripheral eurozone bond markets); the positive comments from Mario Draghi the previous summer caused a rebound in confidence. Coupled with this, positive indicators from the US – improving employment and a rejuvenated housing market – along with continuing growth in emerging markets, reaffirmed global growth. However, during the second quarter, the rally accelerated and then reversed, as investors became concerned over a poor short-term operating environment for companies in Europe and fears of a tapering of quantitative easing in the US and tightening monetary policy in China.

We have continued to focus on exporting stocks and companies with strong balance sheets and visible and clear growth, even though they often trade at a premium to the market. Purchases included Bayer, which we believe is attractively valued and has a good drugs pipeline with little exposure to the risk of regulatory decisions. The company also has diversified divisions covering areas such as seeds/agrochemicals and animal healthcare. We also bought a new stake in ophthalmic lenses maker

Essilor where the growth record is impressive and likely to continue – market penetration in emerging markets is still low. We sold Air Liquide, the French-based global industrial gases business which has achieved strong long-term performance for the fund. We also sold Safran, the French aerospace business, and Munich Reinsurance, both of which had performed strongly.

Europe should see a recovery in the second half of 2013, but a weak start will mean a negative outcome for the full year. However, much of the focus in the recent past has been on the future of quantitative easing in the US and the Chinese economy rather than direct events in Europe. The recent falls in bond markets and commodities have impacted on European equities, and the declines have been fairly indiscriminate (although banks and Italian equities have been worse affected than most). Valuations are more attractive after the falls, but there is still scope for a further re-rating. Income returns are difficult to find in other asset classes, and the market may be encouraged by an earnings upturn in the second half. We continue to find good long-term opportunities in selected European equities, particularly those with robust earnings prospects and pricing power.

STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	13,603	6,743
Revenue	2,684	3,181
Expenses	(157)	(125)
Finance costs: interest	–	(38)
Net revenue before taxation	2,527	3,018
Taxation	(184)	(363)
Net revenue after taxation	2,343	2,655
Total return before distributions/accumulations	15,946	9,398
Finance costs: distributions/accumulations	(2,337)	(2,655)
Change in net assets attributable to shareholders from investment activities	13,609	6,743

BALANCE SHEET

as at 30 June 2013

	2013 £000	2012 £000
Assets		
Investment assets	109,853	134,959
Other assets		
Debtors	22,234	190
Cash and bank balances	1,008	2,953
Total other assets	23,242	3,143
Total assets	133,095	138,102
Liabilities		
Investment liabilities	(170)	(106)
Other liabilities		
Creditors	(22,381)	(745)
Distribution payable on income shares	(337)	–
Total other liabilities	(22,718)	(745)
Total liabilities	(22,888)	(851)
Net assets attributable to shareholders	110,207	137,251

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	137,251	129,860
Amounts receivable on the issue of shares	1,565	1,649
Amounts payable on the cancellation of shares	(43,821)	(27,850)
	(42,256)	(26,201)
Dilution levy	54	41
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	13,609	6,743
Retained distribution on accumulation shares	1,549	2,218
Closing net assets attributable to shareholders	110,207	112,661

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

*In pound Sterling and against UK peer group.

Please refer to pages 28 to 30 for comparative tables.

DISTRIBUTION TABLES

for the accounting period 1 January 2013 to 30 June 2013

Retail Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	3.6359	–	3.6359	3.9086
Group 2				
01/01/13 to 30/06/13	2.2500	1.3859	3.6359	3.9086
Total distributions in the period			3.6359	3.9086

Group Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	5.7175	–	5.7175	5.6374
Group 2				
01/01/13 to 30/06/13	5.7175	0.0000	5.7175	5.6374
Total distributions in the period			5.7175	5.6374

Group 2: shares purchased during a distribution period.

Threadneedle European ex-UK Growth Fund

DISTRIBUTION TABLES

(continued)

Institutional Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	2.5413	—	2.5413	2.6146
Group 2				
01/01/13 to 30/06/13	2.3140	0.2273	2.5413	2.6146
Total distributions in the period			2.5413	2.6146

Second Retail Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	1.5900	—	1.5900	1.8085
Group 2				
01/01/13 to 30/06/13	0.7234	0.8666	1.5900	1.8085
Total distributions in the period			1.5900	1.8085

Institutional Income Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 30/06/13	1.9840	—	1.9840	2.0830
Group 2				
01/01/13 to 30/06/13	1.0099	0.9741	1.9840	2.0830
Total distributions in the period			1.9840	2.0830

Institutional Income GBP Hedged Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 30/06/13	1.8092	—	1.8092	1.9614
Group 2				
01/01/13 to 30/06/13	0.8687	0.9405	1.8092	1.9614
Total distributions in the period			1.8092	1.9614

Group 2: shares purchased during a distribution period.

Notes to the financial statements

for the accounting period 1 January 2013 to 30 June 2013

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 5.

Threadneedle Japan Growth Fund

Investment Report

Investment Objectives and Policies

To achieve long-term capital growth from investments principally in Japanese equities. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of Japanese companies to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle. The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Performance of Group Accumulation Shares*

Over the six months to 30 June 2013, the published share price of Threadneedle Japan Growth Fund has risen from 121.90p to 155.04p.

Looking at performance within its peer group, the total return on the fund for the six months ending 30 June 2013, including net reinvested income, is +27.15% as compared to a median return of +23.88% over the same period. (For comparison the FTSE Japan Total Return Index returned +24.37% over the same period).

Market Overview

At the end of last year we commented that a backdrop of concern about Japan's growth prospects in a weak global economic environment, made even worse in terms of its corporate profit outlook by a persistently strong yen for its exporters, continued to dominate the market all the way up until the middle of November 2012. However, in mid November the opposition Liberal Democratic Party chose its new leader, Mr Abe, and something quite dramatic happened. Mr Abe started to talk very determinedly about a policy platform focused on returning Japan to a growth path with an end to deflation, and for his desire that the Bank of Japan make more aggressive moves to help bring this about, and for policies to weaken the yen and help drive export competitiveness and growth.

In 2013 to date the Japanese market has really started to show its faith in Mr Abe and his policy agenda. He can be straightforwardly credited with success in weakening the currency to a level which is extremely positive for export competitiveness and export profitability. He can be credited with the appointment of a reforming Bank of Japan Governor, Mr Kuroda, who managed to exceed even raised expectations for policy action to counter Japan's endemic deflation. We are sure that his party, the LDP, will win Upper House elections this July and be given a strong mandate to continue their economic growth agenda. There remains scepticism that he will succeed in creating a path for sustainable economic growth but we think that it is the

direction of policy that matters rather than whether or not he achieves each and every single goal.

Market weakness in 2012 had taken Japan's market back down to a significant discount to book value, at which time the valuation support was compelling. It was at this low valuation point that Mr Abe energised the market with his policy statements. The very significant move in the currency since then will have a very real and measurable impact on corporate profits and the direction of earnings revisions is extremely positive. Companies and analysts may have gone so far as to assume Y\$90-95 in their forecasts but at the time of writing the rate is closer to Y\$100, which provides further upside. This means that even though the market has been so strong it is not becoming any more expensive as earnings are keeping pace.

Within the portfolio we had always retained our quality export companies such as Toyota, which have learned to live successfully with any exchange rate level. For us the changes brought about by "Abenomics" can have even more influence on domestic companies and we have added to names such as cement company Taiheiyō, department store retailer Isetan Mitsukoshi, and TV company Fuji Media.

STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	15,124	900
Revenue	708	761
Expenses	(32)	(31)
Net revenue before taxation	676	730
Taxation	(51)	(53)
Net revenue after taxation	625	677
Total return before accumulations	15,749	1,577
Finance costs: accumulations	(625)	(677)
Change in net assets attributable to shareholders from investment activities	15,124	900

BALANCE SHEET

as at 30 June 2013

	2013 £000	December 2012 £000
Assets		
Investment assets	46,124	60,505
Other assets		
Debtors	30,492	84
Cash and bank balances	1,086	1,218
Total other assets	31,578	1,302
Total assets	77,702	61,807
Liabilities		
Other Liabilities		
Creditors	(30,058)	(57)
Total liabilities	(30,058)	(57)
Net assets attributable to shareholders	47,644	61,750

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	61,750	59,294
Amounts receivable on the creation of shares	8,599	20
Amounts payable on the cancellation of shares	(38,295)	(4,488)
	(29,696)	(4,468)
Dilution levy	43	—
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	15,124	900
Retained distribution on accumulation shares	423	656
Closing net assets attributable to shareholders	47,644	56,382

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

DISTRIBUTION TABLES

for the accounting period 1 January 2013 to 30 June 2013

Group Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	1.3788	—	1.3788	1.4288
Group 2				
01/01/13 to 30/06/13	0.0975	1.2813	1.3788	1.4288
Total distributions in the period			1.3788	1.4288

Institutional Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	0.9927	—	0.9927	1.1057
Group 2				
01/01/13 to 30/06/13	0.9927	0.0000	0.9927	1.1057
Total distributions in the period			0.9927	1.1057

Group 2: shares purchased during a distribution period.

*In pound Sterling and against UK peer group.
Please refer to pages 28 to 30 for comparative tables.

Threadneedle Japan Growth Fund

Notes to the financial statements

for the accounting period 1 January 2013 to 30 June 2013

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 5.

Threadneedle Pacific ex-Japan Growth Fund

Investment Report

Investment Objectives and Policies

To achieve long-term capital growth from investments principally in Far East equities, excluding Japan. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of Far East markets to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle. The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Performance of Group Accumulation Shares*

Over the six months to 30 June 2013, the published share price of Threadneedle Pacific ex-Japan Growth Fund has risen from 348.60p to 360.31p.

Looking at performance within its peer group, the total return on the fund for the six months ending 30 June 2013, including net reinvested income, is +3.36% as compared to a median return of +1.44% over the same period. (For comparison the MSCI AC Asia Pacific ex Japan Total Return Index returned +1.08% over the same period).

Market Overview

During the earlier part of the period, Asia Pacific ex Japan markets continued their strong performance, extending their rally from the second half of 2012, as improving macroeconomic data from the US, a stabilisation of the euro crisis issues and reduced concerns of a hard landing in China encouraged investors' risk appetite towards global equity markets. However, almost all of the gains were wiped out in May and June as China hard landing fears resurfaced as macro data out of the region deteriorated, while rising US yields and a stronger dollar on the back of expectations of the tapering of US quantitative easing caused a flight of capital out of the region back into developed markets.

At a country level, the top performing markets during the period were the Philippines, which benefited from continued robust underlying economic performance, and Indonesia, which rebounded after a relatively weak performance in 2012, as economic data remained resilient. The worst performing markets were South Korea, as flows out of the market continued on the back of concerns over the weaker Japanese yen impacting Korea's competitiveness, while China lagged as underlying economic data continued to slow and fears of a hard landing resurfaced.

At a sector level, healthcare was again the best performing sector on the back of the outperformance of defensive healthcare stocks in Australia and India, which continued to deliver robust earnings growth, while the telecoms sector also performed relatively well as investors were drawn to the attractive dividend yields. The worst performing areas were the cyclical materials and energy sectors, which continued their very weak performance as continued uncertainty over the Chinese economic situation saw investors remain wary of these sectors.

The fund continued to adopt a more defensive positioning by adding to stocks with less volatile earnings growth and reducing exposure to higher volatility cyclical areas, notably in the materials and energy sectors, while still keeping exposure to some better quality cyclical names. The overall beta of the portfolio was further reduced during the period, as exposure to the staples, healthcare and telecoms sectors was raised, while the underweight positions in the energy and materials sectors were further increased. Finally, the fund also added to stocks set to benefit from the continued US economic recovery, with the fund adding a number of stocks in Australia.

At a sector level, the fund increased the overweight position in the defensive healthcare sector by adding new positions in Indian hospital group Apollo Hospitals, where the long-term prospects look promising, and in Australian healthcare company Resmed. The fund also increased the overweight exposure to the staples sector by adding a position in the Australian retailer Woolworths, which benefits from stable earnings growth and an attractive yield, and by adding a new overweight position in the Chinese hypermarket group Sun-Art, which continues to deliver decent growth in China despite the tough macroeconomic situation.

To fund these changes, the fund further lowered its exposure to the materials and energy sectors where the outlook remains uncertain given the Chinese macro situation, and sold out of positions in the Australian miners Rio Tinto and Iluka, as well as reducing exposure to the Chinese oil producer CNOOC, where production growth continues to disappoint. The fund also reduced its overweight exposure to IT by selling out of Catcher after disappointing numbers, while also cutting positions in Hon Hai and Samsung Electronics. The fund is overweight in the consumer discretionary, consumer staples, healthcare and utilities sectors, and underweight in materials, energy and industrials.

At a country level the fund further reduced the underweight in Australia by adding to names across sectors which are exposed to the ongoing US recovery (Amcor, Westfield, Resmed) as well as to defensive companies (Woolworth, Telstra). The fund also added to its Hong Kong exposure by increasing the weighting in conglomerates (Hutchison Whampoa, First Pacific, CKI) where valuations are attractive and earnings resilient. To fund the changes, the fund reduced the exposure to China by further reducing positions in financials given the uncertain outlook and cutting its exposure to the energy sector. The fund also reduced its exposure to South Korea as ongoing headwinds from a weaker Japanese yen are likely to impact Korean companies' competitiveness. The fund is overweight in the markets of the Philippines, Hong Kong, India, Indonesia and Thailand, and underweight in Australia, Korea, Taiwan, China and Malaysia.

After a sharp underperformance against developed markets year-to-date, Asia Pacific equities are trading at inexpensive price-to-earnings and price-to-book valuations relative to their recent history, and relative to developed markets. The region remains relatively well positioned to benefit from a pick-up in investor risk appetite given sustainably stronger economic growth, robust banking systems, and healthy government and consumer balance sheets. However, continued uncertainty over the Chinese economy and the prospects of QE tapering and any further dollar strengthening may present further challenges for Asian markets.

STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	430	679
Revenue	348	322
Expenses	(36)	(28)
Net revenue before taxation	312	294
Taxation	(21)	(17)
Net revenue after taxation	291	277
Total return before accumulations	721	956
Finance costs: accumulations	(291)	(277)
Change in net assets attributable to shareholders from investment activities	430	679

BALANCE SHEET

as at 30 June 2013

	2013 £000	2012 £000
Assets		
Investment assets	21,280	21,473
Other assets		
Debtors	312	15
Cash and bank balances	516	366
Total other assets	828	381
Total assets	22,108	21,854
Liabilities		
Other liabilities		
Creditors	(342)	(121)
Total liabilities	(342)	(121)
Net assets attributable to shareholders	21,766	21,733

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	21,733	24,192
Amounts receivable on the issue of shares	3	676
Amounts payable on the cancellation of shares	(685)	(4,196)
	(682)	(3,520)
Dilution levy	—	13
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	430	679
Retained distribution on accumulation shares	285	261
Closing net assets attributable to shareholders	21,766	21,625

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

DISTRIBUTION TABLES

for the accounting period 1 January 2013 to 30 June 2013

Group Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	4.7447	—	4.7447	3.7763
Group 2				
01/01/13 to 30/06/13	4.7447	0.0000	4.7447	3.7763
Total distributions in the period	4.7447		4.7447	3.7763

Institutional Accumulation Share Class

Distribution Period	Net Revenue	Equalisation	Accumulation Payable 2013	Accumulation Paid 2012
Group 1				
01/01/13 to 30/06/13	2.0701	—	2.0701	1.6155
Group 2				
01/01/13 to 30/06/13	1.3783	0.6918	2.0701	1.6155
Total distributions in the period	2.0701		2.0701	1.6155

Group 2: shares purchased during a distribution period.

*In pound Sterling and against UK peer group.
Please refer to pages 28 to 30 for comparative tables.

Threadneedle Pacific ex-Japan Growth Fund

Notes to the financial statements

for the accounting period 1 January 2013 to 30 June 2013

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 5.

Threadneedle US Equity Income Fund

Investment Report

Investment Objectives and Policies

The objective of the Fund is to achieve a high level of income combined with the potential for long-term capital growth. The Fund will invest principally in a portfolio of US equities, unconstrained by company size or sector classification. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, and cash and near cash when deemed appropriate. The Fund may from time to time use derivatives for the purpose of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days notice to investors.

Performance of Group Income Shares*

Over the six months to 30 June 2013, the published share price of Threadneedle US Equity Income Fund has risen from 109.3p to 136.88p. Looking at performance within its peer group, the total return on the fund for the six months ending 30 June 2013, including net reinvested income, is +25.86% as compared to a median return of +21.70% over the same period. (For comparison the S&P 500 Total Return Index returned +21.99% over the same period).

Market Overview

US equities performed strongly over the period under review, leading global equity markets higher. A benign resolution to the fiscal cliff, better earnings and evidence that the US economy was re-accelerating at a time when the Federal Reserve pledged to extend its quantitative easing programme until it witnessed a meaningful reduction in the unemployment rate all provided a supportive background for stocks.

The fund outperformed during the review period. The outperformance came almost exclusively from stock selection decisions in the financial, industrial, IT and energy sectors, where portfolio positions performed well. At the stock level, positions in derivatives exchange CME, insurer Prudential Financial, regional bank PNC Financial, private equity and hedge fund firm Blackstone, civil and defence aerospace group Boeing, methanol producer Methanex and natural gas transportation and storage firm Spectra Energy led to the largest positive contributions.

Over the period, our strategy has been to continue to favour companies which stand to benefit from the improving trends in the domestic economy and are set to increase distributions thanks to strong cash flows.

At the sector level, this meant that we have been taking some profits on positions in the materials and industrials sectors, as we took profits on positions in specialty chemical firm LyondellBasell and exited positions in engineering firm Illinois Tool Works and in defence and business jet firm General Dynamics. With the proceeds, we have selectively reinforced positions primarily in the financial and, to a lesser extent, in the energy sectors, where we started new positions in insurer Prudential, Ohio-based regional lender FirstMerit and added to an existing position in natural gas transportation and storage firm Spectra Energy.

We believe that the US economic backdrop provides a more supportive corporate trading environment than that of its counterparts elsewhere around the world. While the view that the US housing market is improving is now widely accepted, we believe that the recovery has important ramifications for employment and consumer spending growth at a time when the US is enjoying an industrial renaissance and increased energy self-reliance.

STATEMENT OF TOTAL RETURN

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Income		
Net capital gains	24,986	1,881
Revenue	1,926	1,864
Expenses	(47)	(40)
Finance costs: interest	(3)	(5)
Net revenue before taxation	1,876	1,819
Taxation	(265)	(247)
Net revenue after taxation	1,611	1,572
Total return before distributions	26,597	3,453
Finance costs: distributions	(1,658)	(1,612)
Change in net assets attributable to shareholders from investment activities	24,939	1,841

BALANCE SHEET

as at 30 June 2013

	2013 £000	December 2012 £000
Assets		
Investment assets	125,646	104,214
Other assets		
Debtors	832	75
Cash and bank balances	956	694
Total other assets	1,788	769
Total assets	127,434	104,983
Liabilities		
Other liabilities		
Creditors	(2,822)	(48)
Distribution payable on income shares	(794)	(886)
Total liabilities	(3,616)	(934)
Net assets attributable to shareholders	123,818	104,049

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 January 2013 to 30 June 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	104,049	117,159
Amounts receivable on the issue of shares	4,860	6,093
Amounts payable on the cancellation of shares	(10,037)	(25,396)
	(5,177)	(19,303)
Dilution levy	7	13
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	24,939	1,841
Closing net assets attributable to shareholders	123,818	99,710

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 period are at 31 December 2012 whilst the figure disclosed in the comparatives' closing net assets attributable to the shareholders is at 30 June 2012.

DISTRIBUTION TABLE

for the accounting period 1 January 2013 to 30 June 2013

Group Income Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 31/03/13	0.9083	—	0.9083	0.7099
01/04/13 to 30/06/13	0.8722	—	0.8722	0.7894
Group 2				
01/01/13 to 31/03/13	0.5918	0.3165	0.9083	0.7099
01/04/13 to 30/06/13	0.2000	0.6722	0.8722	0.7894
Total distributions in the period			1.7805	1.4993

Institutional Income Share Class

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
Group 1				
01/01/13 to 31/03/13	0.8987	—	0.8987	0.7069
01/04/13 to 30/06/13	0.8617	—	0.8617	0.7850
Group 2				
01/01/13 to 31/03/13	0.5945	0.3042	0.8987	0.7069
01/04/13 to 30/06/13	0.4764	0.3853	0.8617	0.7850
Total distributions in the period			1.7604	1.4919

Group 2: shares purchased during a distribution period.

*In pound Sterling and against UK peer group.
Please refer to pages 28 to 30 for comparative tables.

Threadneedle US Equity Income Fund

Notes to the financial statements

for the accounting period 1 January 2013 to 30 June 2013

1. ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 5.

Threadneedle UK Equity Income Fund

Portfolio Statement

as at 30 June 2013

Holding	Investment	Value £000	% of Net Asset Value
Aerospace & Defence 5.67% (5.40%)			
172,444	Aero Inventory*	—	—
1,155,741	BAE Systems	4,444	2.39
1,084,187	Cobham	2,871	1.54
280,265	Rolls-Royce	3,234	1.74
33,418,413	Rolls-Royce Holdings 'C'	—	—
		10,549	5.67
Automobiles & Parts 1.81% (1.58%)			
1,112,676	GKN	3,365	1.81
Chemicals 2.70% (2.34%)			
557,185	Elementis	1,225	0.66
144,660	Johnson Matthey	3,799	2.04
		5,024	2.70
Construction & Materials 0.90% (1.12%)			
101,651	Kier Group	1,158	0.62
86,810	Morgan Sindall	515	0.28
		1,673	0.90
Electronic & Electrical Equipment 1.53% (1.80%)			
676,401	Morgan Crucible	1,752	0.94
89,309	Oxford Instruments	1,095	0.59
		2,847	1.53
Equity Investment Instruments 2.03% (1.50%)			
1,114,891	3i Group	3,778	2.03
Financial Services 1.11% (1.24%)			
875,436	Sherborne Investors	963	0.52
1,105,894	Sherborne Investors Guernsey 'B'	1,106	0.59
		2,069	1.11
Fixed Line Telecommunications 5.62% (4.85%)			
3,374,531	BT Group	10,454	5.62
Food & Drug Retailers 3.74% (3.54%)			
2,393,235	Booker Group	2,898	1.56
1,555,428	Morrison (Wm) Supermarkets	4,052	2.18
		6,950	3.74
Food Producers 4.52% (4.52%)			
315,659	Unilever	8,409	4.52
Gas, Water & Multiutilities 5.52% (5.43%)			
666,614	Centrica	2,405	1.29
603,233	National Grid	4,467	2.40
288,582	Pennon Group	1,847	0.99
228,563	United Utilities	1,568	0.84
		10,287	5.52
General Industrials 3.74% (3.74%)			
1,455,911	Smith (David S)	3,608	1.94
255,673	Smiths Group	3,339	1.80
		6,947	3.74

Holding	Investment	Value £000	% of Net Asset Value
General Retailers 2.18% (1.90%)			
939,693	Marks & Spencer	4,042	2.18
Industrial Engineering 3.52% (3.59%)			
273,511	IMI	3,402	1.83
1,248,778	Melrose	3,149	1.69
		6,551	3.52
Industrial Transportation 0.19% (0.24%)			
544,681	Wincanton	351	0.19
Life Insurance 5.89% (5.93%)			
875,491	Aviva	2,972	1.60
376,041	Chesnara	933	0.50
4,119,269	Legal & General	7,052	3.79
		10,957	5.89
Media & Entertainment 6.39% (6.03%)			
3,029,284	ITV	4,271	2.30
258,658	Pearson	3,031	1.63
608,632	Reed Elsevier	4,568	2.46
		11,870	6.39
Non-Life Insurance 2.72% (3.17%)			
4,265,371	RSA Insurance	5,059	2.72
Oil & Gas Producers 5.52% (6.21%)			
226,018	BG	2,545	1.37
354,205	Royal Dutch Shell 'B'	7,720	4.15
		10,265	5.52
Pharmaceuticals & Biotechnology 10.17% (9.94%)			
269,659	AstraZeneca	8,388	4.51
641,328	GlaxoSmithKline	10,515	5.66
		18,903	10.17
Real Estate Investment Trusts 0.00% (0.43%)			
Support Services 7.10% (7.30%)			
325,837	Atkins (WS)	3,257	1.75
848,002	Electrocomponents	2,052	1.11
193,409	Essentra	1,332	0.72
1,677,433	Hays	1,504	0.81
2,184,159	Rentokil Initial	1,956	1.05
101,452	Wolseley	3,080	1.66
		13,181	7.10
Tobacco 5.35% (5.87%)			
129,394	British American Tobacco	4,429	2.38
241,362	Imperial Tobacco Group	5,527	2.97
		9,956	5.35

Threadneedle UK Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Travel & Leisure 7.23% (7.71%)		
653,307	Compass	5,501	2.96
87,915	Go-Ahead	1,301	0.70
860,835	Rank	1,328	0.72
954,496	Stagecoach	2,986	1.61
346,187	Wetherspoon (JD)	2,304	1.24
		13,420	7.23
Total value of investments 95.15% (95.38%)		176,907	95.15
Net other assets 4.85% (4.62%)		9,010	4.85
Net assets		185,917	100.00

The calculation of the % net asset value may not sum to 100% due to rounding. Comparative figures shown in brackets relate to 31 December 2012.

Note: All assets are securities and admitted to official exchanges unless otherwise stated.

* Suspended

Threadneedle UK Growth Fund

Portfolio Statement

as at 30 June 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Aerospace & Defence 4.83% (4.47%)				Mobile Telecommunications 4.13% (2.56%)		
924,934	Aero Inventory*	—	—	3,999,162	Vodafone	7,448	4.13
874,774	BAE Systems	3,364	1.87		Non-Life Insurance 2.10% (1.63%)		
374,696	Meggitt	1,950	1.08	965,829	Amlin	3,788	2.10
294,088	Rolls-Royce	3,394	1.88		Oil & Gas Producers 12.14% (11.43%)		
54,134,885	Rolls-Royce Holdings 'C'	—	—	542,560	BG	6,109	3.39
		8,708	4.83	1,710,847	BP	7,755	4.30
	Automobiles & Parts 2.64% (2.93%)			520,273	Premier Oil	1,742	0.96
1,576,190	GKN	4,766	2.64	289,120	Royal Dutch Shell 'B'	6,301	3.49
	Banks 9.88% (6.27%)					21,907	12.14
1,583,916	Barclays	4,474	2.48		Oil Equipment & Services 4.52% (4.20%)		
1,957,521	HSBC Holdings (London listed)	13,352	7.40	253,278	AMEC	2,546	1.41
		17,826	9.88	174,770	Hunting	1,284	0.71
	Chemicals 3.59% (4.64%)			535,766	John Wood	4,334	2.40
764,264	AZ Electronic Materials	2,329	1.29			8,164	4.52
158,141	Johnson Matthey	4,153	2.30		Pharmaceuticals & Biotechnology 5.49% (3.70%)		
		6,482	3.59	481,230	GlaxoSmithKline	7,890	4.37
	Electronic & Electrical Equipment 1.02% (2.06%)			96,912	Shire	2,022	1.12
297,795	Domino Printing	1,836	1.02			9,912	5.49
	Financial Services 0.91% (0.93%)				Real Estate 2.16% (2.98%)		
1,639,948	Sherborne Investors (Guernsey)	1,640	0.91	169,599	Derwent London	3,891	2.16
	Fixed Line Telecommunications 4.03% (4.13%)				Support Services 2.25% (2.55%)		
2,343,774	BT Group	7,261	4.03	229,984	Atkins (WS)	2,299	1.27
	Food Producers & Processors 2.80% (2.03%)			58,375	Wolseley	1,772	0.98
189,729	Unilever	5,054	2.80			4,071	2.25
	Gas, Water & Multiutilities 1.05% (2.00%)				Tobacco 4.68% (4.14%)		
523,027	Centrica	1,887	1.05	105,012	British American Tobacco	3,594	1.99
	Healthcare Equipment & Services 2.36% (1.20%)			211,757	Imperial Tobacco	4,849	2.69
580,489	Smith & Nephew	4,255	2.36			8,443	4.68
	Household Goods 4.59% (2.04%)				Travel & Leisure 7.74% (5.40%)		
294,263	Persimmon	3,446	1.91	366,551	Compass	3,086	1.71
102,922	Reckitt Benckiser	4,826	2.68	208,944	InterContinental Hotels	3,782	2.10
		8,272	4.59	200,979	National Express	450	0.25
	Industrial Engineering 0.60% (5.48%)			1,045,727	Stagecoach	3,271	1.81
352,175	Fenner	1,078	0.60	2,654,573	Thomas Cook	3,379	1.87
		1,078	0.60			13,968	7.74
	Life Assurance 6.15% (7.40%)				Technology Hardware & Equipment 0.87% (3.37%)		
4,515,623	Legal & General	7,731	4.29	293,479	CSR	1,573	0.87
629,989	St. James's Place Capital	3,364	1.86		Total value of investments 98.54% (95.06%)	177,769	98.54
		11,095	6.15		Net other assets 1.46% (4.94%)	2,626	1.46
	Media & Entertainment 5.33% (4.25%)				Net assets	180,395	100.00
3,511,073	ITV	4,951	2.74				
415,622	WPP	4,663	2.59				
		9,614	5.33				
	Mining 2.68% (3.27%)						
178,903	Rio Tinto	4,830	2.68				

The calculation of the % net asset value may not sum to 100% due to rounding. Comparative figures shown in brackets relate to 31 December 2012.

*Suspended

Note: All assets are securities and admitted to official exchanges unless otherwise stated.

Threadneedle European ex-UK Growth Fund

Portfolio Statement

as at 30 June 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
41,901	Belgium 4.25% (3.42%) AB InBev	2,472	2.24	343,275	Norway 2.99% (2.86%) Den Norske Bank	3,290	2.99
80,695	Umicore	2,212	2.01				
		4,684	4.25		Portugal 2.47% (1.96%) Galp Energia SGPS	2,721	2.47
24,801	Denmark 3.43% (3.60%) Novo Nordisk 'B'	2,538	2.30				
23,158	William Demant Holding	1,243	1.13	77,466	Spain 3.65% (3.15%) Amadeus IT Holdings	1,627	1.48
		3,781	3.43	434,691	BBV Argentaria	2,397	2.17
						4,024	3.65
58,824	Finland 1.37% (1.23%) Sampo Oyj	1,513	1.37				
					Sweden 10.00% (9.42%) Assa Abloy 'B'	3,297	2.99
38,945	France 15.22% (18.36%) BNP Paribas	1,394	1.27	70,499	Atlas Copco 'A'	1,120	1.02
70,194	Edenred	1,402	1.27	327,508	Elekta AB-B	3,292	2.99
22,821	Essilor International	1,599	1.45	72,615	SHB 'A'	1,918	1.74
18,157	Iliad	2,582	2.34	59,508	Swedish Match	1,391	1.26
42,083	Legrand Promesses	1,282	1.16			11,018	10.00
15,115	L'Oreal	1,632	1.48				
25,937	Pernod-Ricard	1,897	1.72		Switzerland 15.60% (17.07%) Kuehne & Nagel	857	0.78
55,979	Publicis Groupe	2,645	2.40	125,009	Nestlé (registered)	5,371	4.87
75,526	Rexel SA	1,110	1.01	34,168	Novartis	1,581	1.44
25,714	Schneider Electric	1,229	1.12	1,011	SGS Surveillance	1,436	1.30
		16,772	15.22	10,289	Syngenta	2,626	2.38
				5,639	The Swatch Group 'B'	2,019	1.83
				295,319	UBS	3,308	3.00
						17,198	15.60
31,420	Germany 27.07% (25.90%) Allianz (registered)	3,026	2.75				
27,343	BASF	1,602	1.45		Forward FX Contracts (0.15%) (0.08%) Bought Sterling 2,825,684:		
37,336	Bayer	2,618	2.38		Sold Swiss Franc 4,063,476	(3)	—
32,328	Bilfinger	1,943	1.76		Bought Sterling 633,149:		
31,979	Brenntag	3,190	2.89		Sold Danish Krone 5,550,329	(6)	(0.01)
27,152	Continental	2,379	2.16		Bought Sterling 12,529,743:		
52,175	Fresenius Medical Care	2,444	2.22		Sold Euro 14,724,736	(109)	(0.10)
34,111	Kabel Deutschland Holdings	2,461	2.23		Bought Sterling 555,557:		
59,417	Lanxess	2,345	2.13		Sold Norwegian Kroner 5,274,880	(17)	(0.01)
25,257	Merck KGaA	2,532	2.30		Bought Sterling 1,742,332:		
7,036	Muenchener Ruecker	854	0.77		Sold Swedish Krona 18,201,285	(35)	(0.03)
59,049	SAP	2,851	2.59			(170)	(0.15)
11,936	Volkswagen Preference	1,588	1.44				
		29,833	27.07				
					Total value of investments* 99.52% (98.25%)	109,683	99.52
45,033	Ireland 4.26% (3.46%) Kerry Group 'A' (London listed)	1,641	1.49			524	0.48
504,874	Ryanair	3,058	2.77		Net other assets 0.48% (1.75%)		
		4,699	4.26		Net assets	110,207	100.00
183,879	Italy 2.69% (2.81%) Davide Campari	880	0.80				
283,773	Fiat Industrial	2,084	1.89				
		2,964	2.69				
	Luxembourg 0.00% (1.05%)						
305,533	Netherlands 6.67% (4.04%) Aegon	1,348	1.22				
26,420	ASML Holdings	1,376	1.25				
75,506	Unilever	1,964	1.78				
100,593	Ziggo	2,668	2.42				
		7,356	6.67				

The calculation of the % net asset value may not sum to 100% due to rounding. Comparative figures shown in brackets relate to 31 December 2012.

*This figure includes derivative liabilities.

Note: All assets are securities and admitted to official exchanges unless otherwise stated.

Threadneedle Japan Growth Fund

Portfolio Statement

as at 30 June 2013

Holding	Investment	Value £000	% of Net Asset Value
Automobiles & Parts 13.37% (13.28%)			
66,800	Akebono Brake Industries	207	0.43
18,000	Honda Motor	439	0.92
399,000	Mazda Motor	1,033	2.17
123,000	Nissan Motor	818	1.72
219,000	Sanden	567	1.19
83,400	Toyota Motor	3,308	6.94
		6,372	13.37
Banks 12.53% (11.81%)			
68,000	Bank of Yokohama	231	0.48
96,000	Gunma Bank	348	0.73
561,700	Mitsubishi UFJ Financial	2,276	4.78
359,500	Mizuho Financial Group	490	1.03
51,900	Sumitomo Mitsui Financial Group	1,564	3.28
347,000	Sumitomo Mitsui Trust Holdings	1,064	2.23
		5,973	12.53
Beverages 2.73% (2.17%)			
16,700	Asahi Breweries	272	0.57
100,000	Kirin Holdings	1,029	2.16
		1,301	2.73
Building Material & Construction 2.45% (2.68%)			
19,500	SHO-BOND Holdings	504	1.06
316,000	Taiheiyō Cement	663	1.39
		1,167	2.45
Chemicals 2.98% (5.45%)			
66,100	JSR	878	1.84
627,000	Showa Denko KK	544	1.14
		1,422	2.98
Electricity 1.96% (1.00%)			
45,400	Electric Power Development	932	1.96
Electronic Appliances & Components 3.65% (6.50%)			
22,500	Horiba	540	1.13
11,600	Omron	227	0.48
38,300	Azbil Corporation	540	1.13
54,800	Yokogawa Electric	431	0.91
		1,738	3.65
Foods 2.83% (1.60%)			
66,000	Ajinomoto	636	1.34
10,000	Ain Pharmaciez	283	0.59
8,600	Lawson	431	0.90
		1,350	2.83
Gas, Water & Multiutilities 0.00% (1.23%)			
General Industrials 2.27% (0.62%)			
12,700	FP Corporation	578	1.21
218,000	Mitsubishi Materials	504	1.06
		1,082	2.27

Holding	Investment	Value £000	% of Net Asset Value
General Retailers 9.09% (2.58%)			
147,300	Aeon	1,270	2.66
48,500	Isetan Mitsukoshi Holdings	423	0.89
96,600	Itochu	732	1.54
93,000	J Front Retailing	487	1.02
7,100	K's Holdings	148	0.31
59,000	Nishimatsuya Chain	374	0.78
37,500	Seven and I Holdings	900	1.89
		4,334	9.09
Healthcare Equipment & Services 0.56% (0.00%)			
8,200	Terumo	268	0.56
Household Goods & Textiles 5.37% (6.10%)			
10,000	Makita Corporation	355	0.74
172,000	Sekisui Chemical	1,199	2.52
106,000	Sekisui House	1,006	2.11
		2,560	5.37
Industrial Engineering 4.10% (9.13%)			
24,300	Century Leasing System	415	0.87
24,500	Daikin Industries	651	1.37
90,300	OSG	888	1.86
		1,954	4.10
Industrial Metals 1.95% (0.77%)			
31,800	Maruichi Steel Tube	533	1.12
222,000	Nippon Steel	394	0.83
		927	1.95
Leisure & Hotels 5.61% (4.48%)			
61,000	Konami	850	1.78
108,200	Sony	1,489	3.13
24,200	Tamron	333	0.70
		2,672	5.61
Life Insurance 1.11% (0.46%)			
50,800	Sony Financial Holdings	527	1.11
Media 2.04% (0.00%)			
733	Fuji Media	970	2.04
Mobile Telecommunications 0.88% (1.56%)			
10,900	Softbank	418	0.88
Non-Life Insurance 0.00% (1.28%)			
Oil & Gas Producers 0.00% (1.01%)			
Pharmaceuticals & Biotechnology 2.58% (4.39%)			
14,500	Otsuka Holdings	314	0.66
32,300	Santen Pharmaceuticals	913	1.92
		1,227	2.58

Threadneedle Japan Growth Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
Real Estate 6.26% (5.19%)			
43	Daiwa House Investment	203	0.43
13,700	Japan Exchange Group	909	1.91
225	Japan Prime Realty Investment Corporation	452	0.95
30,000	Mitsubishi Estate	525	1.10
22,000	Mitsui Fudosan	425	0.89
146	Nomura Real Estate Residential	467	0.98
		2,981	6.26
Software & Computer Services 2.43% (3.31%)			
142	NTT Data	331	0.69
65,400	SCSK Corporation	827	1.74
		1,158	2.43
Speciality & Other Finance 4.12% (3.91%)			
151,000	Daiwa Securities Group	833	1.75
233,600	Nomura Holdings	1,131	2.37
		1,964	4.12
Support Services 0.00% (2.16%)			
Technology Hardware & Equipment 3.23% (2.59%)			
23,700	Fuji Photo Film	343	0.72
17,100	Sato	210	0.44
136,300	Wacom	986	2.07
		1,539	3.23
Telecommunications 0.00% (0.89%)			
Transport 2.71% (1.83%)			
158,000	Keihan Electric Railway	437	0.92
198,000	Tokyu	851	1.79
		1,288	2.71
Total value of investments 96.81% (97.98%)		46,124	96.81
Net other assets 3.19% (2.02%)		1,520	3.19
Net assets		47,644	100.00

The calculation of the % net asset value may not sum to 100% due to rounding. Comparative figures shown in brackets relate to 31 December 2012.

Note: All assets are securities and admitted to official exchanges unless otherwise stated.

Threadneedle Pacific ex-Japan Growth Fund

Portfolio Statement

as at 30 June 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
Australia 21.83% (20.10%)				India 5.73% (7.05%)			
44,536	Amcor	273	1.26	9,050	Bajaj Auto Limited P Note	183	0.84
20,233	Ansell	215	0.99	11,845	ICICI Bank ADR	290	1.33
28,710	Australia and New Zealand Banking	496	2.28	8,131	Infosys Technologies ADR	221	1.02
18,851	BHP Billiton	357	1.64	83,193	ITC P Note	296	1.36
16,456	CocaCola Amatil	126	0.58	8,312	Larsen & Toubro P Note	124	0.57
16,101	Commonwealth Bank of Australia	673	3.09	16,785	Shriram Transport Finance P Note 16/02/2017	133	0.61
136,840	Mirvac Group	133	0.61			1,247	5.73
23,773	National Australia Bank	426	1.96	Indonesia 4.26% (4.45%)			
15,841	Newcrest Mining	94	0.43	1,496,000	Bajaj Auto Limited P Note	255	1.17
15,564	QBE Insurance Group	142	0.65	295,538	Bank Mandiri	174	0.80
45,145	ResMed	136	0.62	345,500	Bank Rakyat Indonesia	176	0.81
135,366	Telstra Corporation	390	1.79	48,000	Gudang Garam	159	0.73
10,783	Wesfarmers	258	1.19	146,500	Semen Gresik (Persero)	163	0.75
40,310	Westfield Group	279	1.28			927	4.26
83,889	Westfield Retail Trust	157	0.72	Korea 11.33% (14.85%)			
20,687	Westpac Banking	361	1.66	7,750	Hana Financial Holdings	148	0.68
11,836	Woolworths	235	1.08	1,367	Hyundai Department Store	118	0.54
		4,751	21.83	1,291	Hyundai Mobis	202	0.93
Bermuda 3.51% (2.42%)				3,032	Hyundai Motor	392	1.80
44,100	Dairy Farm International	347	1.59	780	LG Chemicals	113	0.52
34,250	First Pacific Company Limited	—	—	508	LG Household & Healthcare	163	0.75
17,500	Jardine Strategic	417	1.92	248	Orion Corporation	136	0.62
		764	3.51	1,377	Samsung Electronics	1,060	4.87
Cayman Islands 4.29% (4.25%)				1,114	SK Telecommunications	134	0.62
3,310	Baidu.com ADR	204	0.94			2,466	11.33
144,000	China Medical System Holdings Limited	84	0.39	Luxembourg 0.50% (0.75%)			
84,800	Sands China	262	1.20	69,000	Samsonite International	109	0.50
14,900	Tencent Holdings	383	1.76	Malaysia 2.04% (0.92%)			
		933	4.29	152,500	Axiata Group Berhad	210	0.96
China 5.24% (6.46%)				109,300	Malayan Banking	235	1.08
86,500	Anhui Conch Cement	153	0.70			445	2.04
376,000	China Construction Bank	174	0.80	Philippines 3.48% (3.41%)			
379,600	China Petroleum & Chemical 'H'	175	0.80	701,000	Alliance Global	249	1.14
75,500	Great Wall Automobiles	212	0.97	170,764	BDO Unibank	221	1.02
400,000	Industrial & Commercial Bank of China	165	0.76	67,620	Metropolitan Bank & Trust	114	0.52
31,000	Ping An Insurance	137	0.63	92,780	Universal Robina	174	0.80
76,000	Zhuzhou CSR Times Electric 'H'	125	0.58			758	3.48
		1,141	5.24	Singapore 3.97% (3.81%)			
Hong Kong 17.16% (16.74%)				489,000	Asian Pay Television Trust	214	0.98
204,800	AIA Group	567	2.61	34,000	DBS Group	273	1.26
117,000	Belle International	105	0.48	30,300	Keppel Corporation	163	0.75
74,000	BOC Hong Kong Holdings	149	0.69	41,394	Overseas-Chinese Banking Corporation	214	0.98
24,000	Cheung Kong Holdings	213	0.98			864	3.97
38,000	Cheung Kong Infrastructure	166	0.76	Taiwan 8.63% (8.01%)			
122,000	China Overseas Land & Investments	208	0.96	459,000	Chinatrust Financial Holding	185	0.85
262,000	CNOOC	291	1.34	72,000	Delta Electronic Industrial Company	214	0.98
74,000	ENN Energy Holdings	257	1.18	674,000	E.Sun Financial Holdings	268	1.23
274,000	First Pacific	192	0.88	172,000	Far Eastone Telecomm	298	1.37
608,000	Guangdong Investment	346	1.59	56,011	Hon Hai Precision Industry	90	0.41
47,000	Hutchison Whampoa	323	1.48	307,181	Taiwan Semiconductor Manufacturing	736	3.38
163,000	Sun Art Retail	153	0.70	7,513	Taiwan Semiconductor Manufacturing ADR	88	0.41
15,000	Sun Hung Kai Properties	126	0.58			1,879	8.63
615,000	Towngas China	401	1.84				
43,000	Wharf Holdings	237	1.09				
		3,734	17.16				

Threadneedle Pacific ex-Japan Growth Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
Thailand 3.51% (4.55%)			
25,000	Kasikornbank	101	0.47
48,100	Kasikornbank FB	196	0.90
73,600	Siam Commercial Bank (foreign)	266	1.22
82,600	Total Access Communications	201	0.92
		764	3.51
Warrants 2.29% (1.03%)			
16,098	Apollo Hospitals Enterprise Warrants 07/11/2017	187	0.86
39,150	Kotak Mahindra Bank Warrants 16/05/2017	311	1.43
		498	2.29
Total value of investments 97.77% (98.80%)		21,280	97.77
Net other assets 2.23% (1.20%)		486	2.23
Net assets		21,766	100.00

The calculation of the % net asset value may not sum to 100% due to rounding. Comparative figures shown in brackets relate to 31 December 2012.

Note: All assets are securities and admitted to official exchanges unless otherwise stated.

Threadneedle US Equity Income Fund

Portfolio Statement

as at 30 June 2013

Holding	Investment	Value £000	% of Net Asset Value
	Bermuda 0.00% (0.90%)		
	Non-Life Insurance 0.00 (0.90%)		
	Canada 1.15% (0.00%)		
	Chemicals 1.15% (0.00%)		
50,861	Methanex	1,421	1.15
	Ireland 1.06% (4.08%)		
	Support Services 1.06% (1.90%)		
24,883	Accenture	1,309	1.06
	Technology Hardware & Equipment 0.00% (2.18%)		
	Netherlands 0.56% (2.24%)		
	Chemicals 0.56% (2.24%)		
15,768	LyondellBasell Industries	698	0.56
	Switzerland 2.20% (1.08%)		
	Industrial Engineering 1.11% (0.00%)		
35,813	Pentair	1,372	1.11
	Non-Life Insurance 1.09% (1.08%)		
22,983	ACE	1,349	1.09
		2,721	2.20
	United Kingdom 0.49% (0.95%)		
	Oil Equipment & Services 0.49% (0.95%)		
16,012	Ensco	612	0.49
	United States 96.02% (90.91%)		
	Aerospace & Defence 3.60% (4.54%)		
33,388	Boeing	2,258	1.82
36,023	United Technologies	2,209	1.78
		4,467	3.60
	Banks 9.99% (7.76%)		
59,167	BB & T Financial	1,323	1.07
157,095	FirstMerit	2,095	1.69
100,315	JP Morgan Chase & Co	3,496	2.82
73,002	PNC Financial Services Group	3,525	2.85
71,083	Wells Fargo & Co	1,937	1.56
		12,376	9.99
	Chemicals 1.33% (1.67%)		
34,879	Eastman Chemicals	1,647	1.33
	Electricity 3.28% (3.09%)		
36,846	American Electric Power	1,074	0.87
23,357	Dominion Resources	865	0.70
24,146	NextEra Energy	1,273	1.03
43,540	PPL	847	0.68
		4,059	3.28

Holding	Investment	Value £000	% of Net Asset Value
	Financial Services 4.01% (4.48%)		
97,794	Blackstone Group	1,335	1.08
46,438	Chicago Mercantile Exchange	2,330	1.88
83,435	Fidelity National Title Group	1,298	1.05
		4,963	4.01
	Fixed Line Telecommunications 3.52% (3.48%)		
84,906	AT & T	1,984	1.60
70,725	Verizon Communications	2,365	1.92
		4,349	3.52
	Food Producers 2.18% (1.91%)		
47,377	Kraft Foods	1,718	1.39
61,073	Pinnacle Foods	976	0.79
		2,694	2.18
	Forestry & Paper 3.50% (4.72%)		
50,719	International Paper	1,460	1.18
32,301	Rayonier	1,174	0.95
92,047	Weyerhaeuser	1,701	1.37
		4,335	3.50
	Gas, Water & Multiutilities 5.16% (2.27%)		
119,832	Questar	1,884	1.52
143,619	Spectra Energy Corporation	3,225	2.60
50,123	UGI Corporation	1,287	1.04
		6,396	5.16
	General Industrials 2.30% (1.79%)		
186,036	General Electric	2,843	2.30
	General Retailers 4.09% (4.74%)		
77,097	Limited Brands	2,487	2.01
47,700	Lowe's Companies	1,286	1.04
26,149	Wal-Mart Stores	1,290	1.04
		5,063	4.09
	Industrial Engineering 0.78% (2.91%)		
24,949	Crane	961	0.78
	Industrial Metals 1.11% (1.05%)		
47,702	Nucor	1,379	1.11
	Industrial Transportation 4.04% (3.93%)		
95,950	CSX	1,476	1.19
32,004	Ryder System	1,290	1.04
39,286	United Parcel Services	2,243	1.81
		5,009	4.04
	Leisure Goods 1.63% (1.94%)		
68,328	Mattel	2,015	1.63
	Life Insurance 2.57% (0.00%)		
67,054	Prudential Financial	3,184	2.57
	Mining 1.26% (1.54%)		
69,226	MeadWestvaco	1,558	1.26

Threadneedle US Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Non-Life Insurance 0.00% (1.43%)				Tobacco 4.14% (3.61%)		
	Oil & Gas Producers 7.31% (7.25%)			90,977	Lorillard	2,599	2.10
45,084	Chevron	3,509	2.83	43,859	Philip Morris International	2,524	2.04
58,038	Conoco Phillips	2,296	1.86			5,123	4.14
32,016	Occidental Petroleum	1,896	1.53		Travel & Leisure 4.25% (1.92%)		
34,678	Phillips 66	1,347	1.09	61,129	Cinemark Holdings	1,125	0.91
	9,048	7.31		57,031	Darden Restaurants	1,848	1.49
	Oil Equipment & Services 1.49% (1.89%)			31,138	Las Vegas Sands	1,064	0.86
73,692	Kinder Morgan	1,849	1.49	29,241	Starwood Hotels & Resorts	1,223	0.99
	Pharmaceuticals & Biotechnology 11.61% (11.41%)					5,260	4.25
87,093	Abbvie	2,463	1.99			118,885	96.02
90,390	Bristol Myers Squibb	2,745	2.22	Total value of investments 101.48% (100.16%)		125,646	101.48
34,547	Eli Lilly	1,126	0.91	Net other liabilities (1.48%) (0.16%)		(1,828)	(1.48)
55,789	Johnson & Johnson	3,172	2.56	Net assets		123,818	100.00
82,327	Merck & Co	2,552	2.06				
125,564	Pfizer	2,320	1.87				
	14,378	11.61					
	Software & Computer Services 3.07% (2.66%)						
42,918	CyrusOne	554	0.45				
15,448	IBM	1,983	1.60				
55,401	Microsoft	1,257	1.02				
	3,794	3.07					
	Support Services 1.39% (2.47%)						
75,952	Deluxe	1,723	1.39				
	Technology Hardware & Equipment 8.41% (6.45%)						
30,492	Analog Devices	907	0.73				
12,629	Apple	3,260	2.63				
99,339	Applied Materials	970	0.78				
90,462	Cisco Systems	1,461	1.18				
194,861	Cypress Semiconductor	1,350	1.10				
79,061	EMC	1,222	0.99				
34,100	KLA Tencor	1,242	1.00				
	10,412	8.41					

The calculation of the % net asset value may not sum to 100% due to rounding. Comparative figures shown in brackets relate to 31st December 2012.

Note: All assets are securities and admitted to official exchanges unless otherwise stated.

Comparative Tables

	Net asset value of share class £	Net asset value pence per share p	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
Threadneedle UK Equity Income Fund				2009			
for the year ended 31 December 2010				Retail income shares ¹	5.7592	117.30	86.24
Retail income shares	1,015,596	130.99	775,320	Group accumulation shares ¹	5.8511	122.60	86.32
Group accumulation shares	119,280,528	146.59	81,368,097	Second retail income shares ¹	5.7475	116.84	86.29
Second retail income shares	383,670	129.77	295,657	Institutional accumulation shares ¹	5.8470	122.07	86.28
Institutional income shares ²	9,308,894	120.77	7,707,809	2010			
Institutional accumulation shares	1,166,788	145.25	803,278	Retail income shares	4.8292	133.10	109.80
for the year ended 31 December 2011				Group accumulation shares	5.1999	148.20	117.70
Retail income shares	415,132	121.03	342,997	Second retail income shares	4.8030	131.83	109.01
Group accumulation shares	117,428,540	142.89	82,183,674	Institutional income shares ²	1.7483	122.70	100.00
Second retail income shares	682,299	119.44	571,246	Institutional accumulation shares	5.1711	146.80	117.20
Institutional income shares	8,770,298	112.14	7,820,766	2011			
Institutional accumulation shares	1,557,998	141.00	1,104,974	Retail income shares	5.6178	137.00	109.10
for the year ended 31 December 2012				Group accumulation shares	6.4084	158.20	127.80
Retail income shares	907,569	133.33	680,709	Second retail income shares	5.5546	135.40	107.70
Group accumulation shares	150,580,637	165.97	90,726,409	Institutional income shares	5.1883	126.60	100.90
Second retail income shares	1,792,978	130.93	1,369,440	Institutional accumulation shares	6.3381	156.40	126.20
Institutional income shares	5,723,359	124.09	4,612,106	2012			
Institutional accumulation shares	2,023,105	162.88	1,242,080	Retail income shares	5.5750	136.30	118.80
for the period ended 30 June 2013				Group accumulation shares	6.7214	168.30	142.30
Retail income shares	1,069,295	148.05	722,271	Second retail income shares	5.4893	133.90	117.00
Group accumulation shares	173,405,235	189.07	91,716,803	Institutional income shares	5.1763	126.90	110.20
Second retail income shares	2,455,357	145.02	1,693,138	Institutional accumulation shares	6.6156	165.20	140.10
Institutional income shares	6,109,461	138.10	4,423,828	2013			
Institutional accumulation shares	2,877,783	185.04	1,555,184	Retail income shares ³	3.0591	158.90	135.80
				Group accumulation shares ³	3.8359	200.00	169.20
				Second retail income shares ³	2.9999	155.80	133.40
				Institutional income shares ³	2.8507	195.80	166.00
				Institutional accumulation shares ³	3.7589	148.20	126.50

¹The fund and the Retail income, Group accumulation, Institutional accumulation and Second retail income share classes were launched on 28 January 2009.

²The Institutional income share class was launched on 25 May 2010.

³to 30 June 2013.

Threadneedle UK Growth Fund

for the year ended 31 December 2010

Retail accumulation shares	8,716,923	126.92	6,867,792
Group accumulation shares	174,705,768	207.96	84,009,959
Second retail accumulation shares	69,712	121.63	57,315
Institutional accumulation shares	1,755,232	150.67	1,164,947

for the year ended 31 December 2011

Retail accumulation shares	7,107,233	120.97	5,875,313
Group accumulation shares	144,565,456	200.19	72,213,412
Second retail accumulation shares	47,216	115.31	40,946
Institutional accumulation shares	1,728,835	144.25	1,198,516

for the year ended 31 December 2012

Retail accumulation shares	7,316,414	134.13	5,454,866
Group accumulation shares	164,274,052	224.20	73,271,016
Second retail accumulation shares	72,283	127.20	56,824
Institutional accumulation shares	1,907,348	160.66	1,187,181

for the period ended 30 June 2013

Retail accumulation shares	7,914,552	151.15	5,236,143
Group accumulation shares	170,225,443	253.91	67,041,584
Second retail accumulation shares	93,154	142.97	65,155
Institutional accumulation shares	2,161,976	181.46	1,191,432

2008

Retail accumulation shares	3.8006	181.20	72.77
Group accumulation shares ¹	7.9301	209.80	116.60
Institutional accumulation shares ²	0.8048	106.00	89.11

2009

Retail accumulation shares	2.6484	108.30	72.69
Group accumulation shares	5.7703	175.70	116.90
Second retail accumulation shares ³	—	104.30	99.94
Institutional accumulation shares	3.6128	128.00	85.57

2010

Retail accumulation shares	1.8909	128.30	101.90
Group accumulation shares	5.0864	210.20	165.50
Second retail accumulation shares	1.4063	122.96	98.06
Institutional accumulation shares	2.9524	152.30	120.50

2011

Retail accumulation shares	2.8881	134.70	109.00
Group accumulation shares	6.7991	221.90	179.90
Second retail accumulation shares	2.1692	128.75	104.02
Institutional accumulation shares	4.1020	160.30	129.80

2012

Retail accumulation shares	2.7480	136.30	118.50
Group accumulation shares	6.7186	227.10	196.90
Second retail accumulation shares	2.0036	129.46	112.69
Institutional accumulation shares	3.9789	163.00	141.50

2013

Retail accumulation shares ⁴	1.9782	161.30	137.30
Group accumulation shares ⁴	4.5521	270.60	229.60
Second retail accumulation shares ⁴	1.5267	152.60	130.20
Institutional accumulation shares ⁴	2.7709	193.50	164.50

¹The Group accumulation share class was launched on 5 September 2002 and was known as the Institutional accumulation share class until 3 November 2008.

²The Institutional accumulation share class was launched on 3 November 2008.

³The Second retail accumulation share class was launched on 27 November 2009.

⁴to 30 June 2013.

Comparative Tables

(continued)

	Net asset value of share class £	Net asset value pence per share p	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
Threadneedle European ex-UK Growth Fund				2008			
for the year ended 31 December 2010				Retail accumulation shares	5.7397	252.60	90.63
Retail accumulation shares	11,758,506	248.16	4,738,343	Group accumulation shares ¹	7.7038	273.50	90.84
Group accumulation shares	160,595,360	275.20	58,355,383	Institutional accumulation shares ²	0.2173	113.42	89.43
Second retail accumulation shares	313,917	134.51	233,384	2009			
Institutional income shares ⁴	28,154	119.43	23,574	Retail accumulation shares	3.6957	237.10	145.50
Institutional income GBP hedged shares ⁵	36,520,005	107.57	33,950,713	Group accumulation shares	5.7633	260.00	158.80
Institutional accumulation shares	1,552,199	146.25	1,061,350	Second retail accumulation shares ³	1.6807	129.30	79.54
for the year ended 31 December 2011				Institutional accumulation shares	2.5824	138.80	84.99
Retail accumulation shares	2,061,272	206.02	1,000,522	2010			
Group accumulation shares	111,778,210	230.82	48,426,539	Retail accumulation shares	1.4900	251.60	207.10
Second retail accumulation shares	173,005	111.12	155,699	Group accumulation shares	4.1152	278.70	228.60
Institutional income shares	173,374	97.18	178,409	Second retail accumulation shares	0.5101	136.50	112.50
Institutional income GBP hedged shares	14,404,028	89.73	16,052,704	Institutional income shares ⁴	0.3255	121.30	99.68
Institutional accumulation shares	1,269,690	121.98	1,040,861	Institutional income GBP hedged shares ⁵	0.2154	109.20	100.00
for the year ended 31 December 2012				Institutional accumulation shares	1.3169	148.20	121.80
Retail accumulation shares	1,798,058	253.21	710,101	2011			
Group accumulation shares	113,239,904	286.57	39,516,293	Retail accumulation shares	4.7230	267.50	189.70
Second retail accumulation shares	214,734	135.90	158,014	Group accumulation shares	8.2799	297.60	211.90
Institutional income shares	167,341	117.56	142,342	Second retail accumulation shares	2.1464	144.70	102.40
Institutional income GBP hedged shares	20,500,877	110.49	18,554,235	Institutional income shares	2.9664	128.90	89.80
Institutional accumulation shares	1,330,428	150.61	883,332	Institutional income GBP hedged shares	2.6260	112.30	79.89
for the period ended 30 June 2013				Institutional accumulation shares	3.6279	157.90	112.20
Retail accumulation shares	1,916,556	283.48	676,081	2012			
Group accumulation shares	84,547,870	322.42	26,223,191	Retail accumulation shares	3.9086	256.80	204.40
Second retail accumulation shares	333,446	151.77	219,708	Group accumulation shares	6.1044	290.60	230.00
Institutional income shares	197,466	129.92	151,987	Second retail accumulation shares	1.8085	137.80	110.00
Institutional income GBP hedged shares	21,770,690	118.05	18,441,824	Institutional income shares	2.0830	119.20	96.62
Institutional accumulation shares	1,441,336	168.99	852,895	Institutional income GBP hedged shares	1.9614	111.70	91.32
				Institutional accumulation shares	2.6146	152.70	121.30
				2013			
				Retail accumulation shares ⁶	3.6359	301.30	256.40
				Group accumulation shares ⁶	5.7175	342.30	290.20
				Second retail accumulation shares ⁶	1.5900	161.40	137.60
				Institutional income shares ⁶	1.9840	140.10	119.10
				Institutional income GBP hedged shares ⁶	1.8092	127.20	112.20
				Institutional accumulation shares ⁶	2.5413	179.50	152.50

¹The Group accumulation share class was launched on 5 September 2002 and was known as the Institutional accumulation share class until 3 November 2008.

²The Institutional accumulation share class was launched on 3 November 2008.

³The Second retail accumulation share class was launched on 28 January 2009.

⁴The Institutional income share class was launched on 25 May 2010.

⁵The Institutional income GBP hedged share class was launched on 1 September 2010.

⁶to 30 June 2013.

Threadneedle Japan Growth Fund

for the year ended 31 December 2010				2008			
Group accumulation shares	46,577,397	139.44	33,404,163	Group accumulation shares ¹	1.9578	135.22	88.15
Institutional accumulation shares	77,462	142.76	54,259	Institutional accumulation shares ²	0.1651	118.72	100.60
for the year ended 31 December 2011				2009			
Group accumulation shares	59,218,847	119.70	49,472,089	Group accumulation shares	1.3335	120.70	89.75
Institutional accumulation shares	74,990	121.87	61,531	Institutional accumulation shares	0.8803	124.50	92.73
for the year ended 31 December 2012				2010			
Group accumulation shares	61,695,653	121.90	50,610,898	Group accumulation shares	1.9009	140.80	114.40
Institutional accumulation shares	54,789	123.42	44,393	Institutional accumulation shares	1.1989	144.20	117.80
for the period ended 30 June 2013				2011			
Group accumulation shares	47,577,225	155.14	30,666,573	Group accumulation shares	2.5115	143.90	115.30
Institutional accumulation shares	67,082	156.61	42,833	Institutional accumulation shares	1.8318	147.20	117.60
				2012			
				Group accumulation shares	2.7182	131.20	113.60
				Institutional accumulation shares	2.0803	133.40	115.10
				2013			
				Group accumulation shares ³	1.3788	168.80	123.60
				Institutional accumulation shares ³	0.9927	170.50	125.10

¹The Group accumulation share class was launched on 5 September 2002 and was known as the Institutional accumulation share class until 3 November 2008.

²The Institutional accumulation share class was launched on 3 November 2008.

³to 30 June 2013.

Comparative Tables

(continued)

	Net asset value of share class £	Net asset value pence per share p	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
Threadneedle Pacific ex-Japan Growth Fund				2008			
for the year ended 31 December 2010				Group accumulation shares ¹	5.2068	286.10	129.10
Group accumulation shares	34,042,657	371.62	9,160,615	Institutional accumulation shares ²	0.3212	110.00	87.30
Institutional accumulation shares	961,697	209.60	458,820	2009			
for the year ended 31 December 2011				Group accumulation shares	4.7996	301.70	168.20
Group accumulation shares	23,353,261	301.02	7,757,992	Institutional accumulation shares	2.1349	171.10	95.80
Institutional accumulation shares	838,905	168.84	496,854	2010			
for the year ended 31 December 2012				Group accumulation shares	6.4179	373.60	277.10
Group accumulation shares	21,025,316	348.16	6,038,979	Institutional accumulation shares	2.6300	210.70	157.10
Institutional accumulation shares	708,151	194.21	364,637	2011			
for the period ended 30 June 2013				Group accumulation shares	7.5448	379.20	272.40
Group accumulation shares	21,058,838	359.52	5,857,435	Institutional accumulation shares	3.2070	213.20	153.00
Institutional accumulation shares	707,324	200.00	353,663	2012			
				Group accumulation shares	6.7322	352.20	298.70
				Institutional accumulation shares	2.7564	196.50	167.20
				2013			
				Group accumulation shares ³	4.7447	402.30	340.90
				Institutional accumulation shares ³	2.0701	224.00	189.70

¹The Group accumulation share class was launched on 5 September 2002 and was known as the Institutional accumulation share class until 3 November 2008.

²The Institutional accumulation share class was launched on 3 November 2008.

³to 30 June 2013.

Threadneedle US Equity Income Fund				2011			
for the year ended 31 December 2011				Group income shares ¹	1.5424	104.70	84.98
Group income shares ¹	117,147,172	103.96	112,685,666	Institutional income shares ¹	1.5397	104.50	84.86
Institutional income shares ¹	11,394	103.58	11,000	2012			
for the year ended 31 December 2012				Group income shares	3.2169	113.90	103.10
Group income shares	104,033,410	109.41	95,085,386	Institutional income shares	3.1935	112.90	102.50
Institutional income shares	15,411	108.34	14,224	2013			
for the period ended 30 June 2013				Group income shares ²	1.7805	142.50	112.60
Group income shares	123,272,318	135.99	90,647,418	Institutional income shares ²	1.7604	140.80	111.50
Institutional income shares	545,206	134.26	406,080				

¹The Group income and Institutional income share classes were launched on 31 May 2011.

²to 30 June 2013.

Performance Summary for the six months ended 30 June 2013

Fund	Sector	Official Benchmark Index	Retail Shares Net Return %	Institutional Shares Net Return %	Sector Median Net Return %	Index Total Return %
Threadneedle UK Equity Income Fund	(IMA) UK Equity Income	FTSE All-Share	+13.24	+13.55	+11.05	+8.50
Threadneedle UK Growth Fund	(IMA) UK All Companies	FTSE All-Share	+12.66	+12.94	+10.16	+8.50
Threadneedle European ex-UK Growth Fund	(IMA) Europe Excluding UK	FTSE World Europe ex UK	+11.92	+12.14	+11.99	+10.93
Threadneedle Japan Growth Fund	(IMA) Japan	FTSE Japan	‡+27.15	+26.82	+23.88	+24.37
Threadneedle Pacific ex-Japan Growth Fund	(IMA) Asia Pacific Excluding Japan	MSCI AC Asia Pacific ex Japan	‡+3.36	+3.03	+1.44	+1.08
Threadneedle US Equity Income Fund	(IMA) North America	S&P 500	‡+25.86	+25.46	+21.70	+21.99

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.

‡This represents the "Group" share class of the fund.

Net returns (source: Morningstar) are calculated using official 2pm prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges (unless otherwise stated). All data shown is in GBP.

Ongoing Charges Figure Summary

for the accounting period 1 January 2013 to 30 June 2013

Fund	Share Class	30 June 2013*	31 December 2012
Threadneedle UK Equity Income Fund	Retail income	1.08%	1.08%
	Group accumulation	0.08%	0.08%
	Institutional accumulation	0.63%	0.63%
	Second retail income	1.58%	1.58%
	Institutional income	0.63%	0.63%
Threadneedle UK Growth Fund	Retail accumulation	1.06%	1.07%
	Group accumulation	0.06%	0.07%
	Institutional accumulation	0.61%	0.62%
	Second retail accumulation	1.56%	1.57%
Threadneedle European ex-UK Growth Fund	Retail accumulation	1.16%	1.15%
	Group accumulation	0.16%	0.15%
	Institutional accumulation	0.71%	0.70%
	Second retail accumulation	1.66%	1.65%
	Institutional income	0.71%	0.70%
	Institutional income GBP hedged	0.71%	0.71%
Threadneedle Japan Growth Fund	Group accumulation	0.11%	0.14%
	Institutional accumulation	0.66%	0.69%
Threadneedle Pacific ex-Japan Growth Fund	Group accumulation	0.49%	0.53%
	Institutional accumulation	1.04%	1.08%
Threadneedle US Equity Income Fund	Group income	0.08%	0.09%
	Institutional income	0.68%	0.71%

The on-going charges figure is 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 excludes the cost of buying and selling assets from the fund (unless these assets are shares of other funds). For a more detailed breakdown please visit www.threadneedle.com/fees.

*Annualised ratio

Risk and Reward Profiles

for the accounting period 1 January 2013 to 30 June 2013

Fund	Share Class	SRRI*
Threadneedle UK Equity Income Fund	Retail income	6
	Group accumulation	6
	Second retail income	6
	Institutional income	6
	Institutional accumulation	6
Threadneedle UK Growth Fund	Retail accumulation	6
	Group accumulation	6
	Second retail accumulation	6
	Institutional accumulation	6
Threadneedle European ex-UK Growth Fund	Retail accumulation	6
	Group accumulation	6
	Second retail accumulation	6
	Institutional accumulation	6
	Institutional income	6
	Institutional income GBP hedged	6
Threadneedle Japan Growth Fund	Group accumulation	6
	Institutional accumulation	6
Threadneedle Pacific ex-Japan Growth Fund†	Group accumulation	6
	Institutional accumulation	6
Threadneedle US Equity Income Fund	Group income	6
	Institutional income	6

†The risk and reward profile of the Threadneedle Pacific ex-Japan Growth Fund changed from 7 to 6 on 12 February 2013.

*As at 30 June 2013 the synthetic risk and reward indicator (SRRI) is explained in the table below:

SRRI

- 1 The fund is in this specific category because historically it has shown a low level of volatility (how much the value of the fund went up and down compared to other categories).
- 2 The fund is in this specific category because historically it has shown a relatively low level of volatility (how much the value of the fund went up and down compared to other categories).
- 3 The fund is in this specific category because historically it has shown a medium to low level of volatility (how much the value of the fund went up and down compared to other categories).
- 4 The fund is in this specific category because historically it has shown a medium level of volatility (how much the value of the fund went up and down compared to other categories).
- 5 The fund is in this specific category because historically it has shown a medium to high level of volatility (how much the value of the fund went up and down compared to other categories).
- 6 The fund is in this specific category because historically it has shown a high level of volatility (how much the value of the fund went up and down compared to other categories).
- 7 The fund is in this specific category because historically it has shown a very high level of volatility (how much the value of the fund went up and down compared to other categories).

The Risk and Reward profile is based on past performance data in pound sterling.

Further Information

The Company

The Company, an open-ended investment company with variable capital, is an umbrella company currently consisting of six sub-funds (each a "Fund"). It is authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority (FSA)), register number 188233 with effect from 3rd March 1999. Incorporated in England and Wales No. IC24. Head Office: 60 St Mary Axe, London EC3A 8JQ.

As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall would have to be met out of the assets attributable to one or more other sub-funds of the Company.

The Authorised Corporate Director (ACD)

The ACD is the sole director of the Company and is responsible for all aspects of its administration and management. The ACD is Threadneedle Investment Services Limited which is authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority (FSA)), register number 190437. The ACD is a member of the Investment Management Association. It is incorporated in England and Wales No. 03701768 and its registered office is 60 St Mary Axe London EC3A 8JQ. Please note the administration address for all correspondence to the ACD is PO BOX 10033, Chelmsford, CM99 2AL and its telephone number is 0845 113 0273 (calls may be recorded). The ultimate holding company of the ACD is Ameriprise Financial Inc., a corporation incorporated in Delaware USA.

The Depositary

The Depositary acts as the custodian for all assets relating to the Company. The Depositary is HSBC Bank plc, 8 Canada Square, London, E14 5HQ. The Depositary is authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority (FSA)).

Minimum Holding/Transaction

In respect of Retail Shares and Second Retail Shares, shareholders investing monthly amounts can invest a minimum of £100 through the Threadneedle Regular Savings Facility.

The minimum initial lump sum investment is £1,000, the minimum value of a shareholding is £500, and in Retail Shares and Second Retail Shares the minimum value of shares which may be the subject of any one subsequent transaction is £500.

For Institutional Shares the minimum initial lump sum investment is £500,000, the minimum value of a shareholding is £50,000, and the minimum value of shares which may be the subject of any one subsequent transaction is £50,000.

Subscription Days

Shares may be purchased or sold on any business day. The price of shares is calculated daily. A forward pricing basis is used. Prices are published on our website (www.threadneedle.com) or by telephone on 0845 113 0273 (calls may be recorded).

Repurchase of Shares

Shareholders may offer all their shares for sale to the ACD. Alternatively, they may offer a lesser number for sale, provided they retain at least the minimum holding referred to above. All sale instructions must be made to the ACD in writing. The shares will be purchased from the shareholder at the next valuation point and a contract note confirming the sale will be sent.

Dilution

The Company may suffer dilution (reduction) in the value of the Scheme Property as a result of the costs incurred in dealing in its investments and of any spread between the buying and selling prices of these investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time.

In order to counter this, the ACD may require the payment of a dilution levy. In cases where a dilution levy is made the value of the capital of the scheme property will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of Shares on their issue by the Company or sale by the ACD and as a deduction to the price of Shares on their cancellation by the Company or redemption by the ACD. The ACD has no entitlement to the dilution levy. It will either be paid into the Company, in the case of an issue of Shares by the Company or sale by the ACD, or retained in the Company in the case of a cancellation of Shares by the Company or a redemption by the ACD.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below. The ACD may charge a dilution levy on any purchase or redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or continuing Shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner, that so far as practicable, is fair to all Shareholders or potential Shareholders.

In particular, the dilution levy may be charged in the following circumstances:

- if the Company is experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- if the Company is experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- on "large deals". For these purposes, a large deal is defined as a purchase or a redemption in excess of £1,000,000 or 2% or more of the value of the Company whichever shall be lower;
- in any other case where the ACD is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In order to reduce the volatility in the rate of any dilution levy, the ACD may take account of the trend of the Company to expand or to contract; and the transactions in Shares at a particular Valuation Point.

Further Information

(continued)

SDRT Provision

SDRT is chargeable on the surrender (i.e. the redemption or switching of shares), and on certain transfers of shares in the funds. The current rate of SDRT is 0.5%.

The liability for SDRT is calculated weekly by reference to share sales and repurchases in that and the following week but is reduced proportionately to the extent that the investments held by the fund are exempt investments, which essentially are any assets other than United Kingdom equities and other collective investment schemes that are not exempt from SDRT. Any fund which only invests in exempt investments, i.e. holds no United Kingdom equities, will therefore be wholly exempt from SDRT.

How it affects shareholders and potential shareholders: The Authorised Corporate Director meets the SDRT liability from the property of the Company. It is not the ACD's intention to require the payment of a further provision for SDRT, however, it reserves the right to do so in respect of large deals (as set out in the Prospectus).

Income Equalisation

When the first income distribution is received it may include an amount known as equalisation. The amount representing the income equalisation in the Share's price is a return of capital and is not taxable in the hands of Shareholders. This amount should be deducted from the cost of Income Shares in computing capital gains realised on their disposal.

Prospectus

Further details concerning the Funds are contained in the Prospectus, which is available on request from the ACD.

Regulatory Disclosure and Constitution

This document has been issued by Threadneedle Investment Services Ltd as authorised corporate director of the Company. The Company is an investment company with variable capital incorporated under Regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001. It is an umbrella company for the purposes of the rules of the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority (formerly the Financial Services Authority (FSA)).

The Company currently comprises of six securities Funds: Threadneedle UK Equity Income Fund, Threadneedle UK Growth Fund, Threadneedle European ex-UK Growth Fund, Threadneedle Japan Growth Fund, Threadneedle Pacific ex-Japan Growth Fund and Threadneedle US Equity Income Fund.

The value of investments held by the Funds and the revenue from them may go down as well as up, and when you redeem your shares you may not get back the amount you put in. When a Fund holds overseas investments, currency exchange rates will be an extra factor affecting its performance. If the investment growth for your Fund is less than the charges deducted, the value of your capital will go down.

The shareholders are not liable for the debts of the Company.

Application for Shares

The first investment in shares of the Company can be made using a standard application form, available from Threadneedle Investment Services Limited, PO Box 10033, Chelmsford, CM99 2AL; telephone 0845 113 0273 (calls may be recorded). Additional investments can be made by letter or by telephone.

Shares in the Company can be bought or sold on a forward pricing basis. That is, if full instructions (and payment in the case of a request to buy shares) are received prior to 2pm on a business day, the price received will be the price calculated later that day. Instructions received after 2pm will be dealt with at the price calculated on the next business day.

Publication of Prices

The daily prices of the shares in each class of shares in each Fund are currently published on our website (www.threadneedle.com) or can be obtained by telephone on 0845 113 0273 (please note calls may be recorded for training and monitoring purposes). We may also, at our sole discretion, decide to publish certain share prices on third party websites or publications.

Key Investor Information Document ("KIID") –

Subscription requirements

From 1st July 2012, the KIID is a pre contractual document and investors will have to confirm that they have read the latest KIID before making a subscription. Threadneedle Investments 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 get the latest KIID from threadneedle.com.

Directory

Registered Office

Threadneedle Investment Funds II ICVC
60 St Mary Axe
London
EC3A 8JQ

Authorised Corporate Director (ACD)

Threadneedle Investment Services Ltd
60 St Mary Axe
London
EC3A 8JQ

Investment Manager

Threadneedle Asset Management Limited
60 St Mary Axe
London
EC3A 8JQ

Registrar

International Financial Data Services (UK) Limited
IFDS House
St Nicholas Lane
Basildon
Essex
SS15 5FS

Depository

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Legal Advisers

Eversheds LLP
One Wood Street
London
EC2V 7WS

Independent Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Client Services

0845 113 0273*

Website:

threadneedle.com

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 and the latest annual and interim reports.

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 applicable to all funds:

Market Risk:

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

Currency Risk:

Where investments are made in assets that are denominated in foreign currency, changes in exchange rates may affect the value of the investments.

Volatility Risk:

The fund may exhibit significant price volatility.

Investor Currency Risk:

Where investments in the fund are in currencies other than your own, changes in exchange rates may affect the value of your investments.

Key Risks applicable to Threadneedle Pacific ex-Japan Fund only:

Political and Financial Risk:

The fund invests in markets where economic and political risk can be significant and where governance and regulation may not be well developed. These factors can affect liquidity, settlement and asset values.

TO FIND OUT MORE
visit **threadneedle.com**