

# THREADNEEDLE INVESTMENT FUNDS ICVC



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## Company Information

### Company

Threadneedle Investment Funds ICVC (the Company)  
Registered Number IC000002

### Registered Office

60 St Mary Axe, London EC3A 8JQ

### Director

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

### Board of Directors of the ACD

#### Chairman and Chief Executive

C D Fleming

#### 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 ICVC for the six months to 7 September 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](http://threadneedle.com) for further information about Threadneedle.

Thank you for your continued support.



**Campbell Fleming**  
Director

## Aggregated Financial Statements for Threadneedle Investment Funds ICVC

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013*	2013*
	£000	£000
Income		
Net capital (losses)/gains	(11,450)	399,418
Revenue	442,568	375,888
Expenses	(149,140)	(124,242)
Finance costs:		
Derivative expenses	(25)	(343)
Interest	(7)	(221)
Net revenue before taxation	293,396	251,082
Taxation	(20,388)	(14,810)
Net revenue after taxation	273,008	236,272
<b>Total return before distributions</b>	<b>261,558</b>	<b>635,690</b>
Finance costs: Distributions	(194,421)	(179,538)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>67,137</b>	<b>456,152</b>

\*The Japan Smaller Companies Fund was closed on 27 August 2013. Both the current accounting period and the comparative figures include the closed fund.

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

for the accounting period 8 March 2013 to 7 September 2013

	2013*	2013*
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>22,964,900</b>	<b>19,025,484</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	3,361,063	2,500,673
Amounts payable on the cancellation of shares	(3,543,883)	(2,317,794)
Amounts payable on in specie transfers	(337,779)	–
	(520,599)	182,879
Dilution adjustment	6,795	2,869
Stamp duty reserve tax	(3,281)	(1,835)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	67,137	456,152
Retained distribution on accumulation shares	50,760	47,087
Unclaimed distribution monies brought back into account	69	121
<b>Closing net assets attributable to shareholders</b>	<b>22,565,781</b>	<b>19,712,757</b>

\*The Japan Smaller Companies Fund was closed on 27 August 2013. Both the current accounting period and the comparative figures include the closed fund.

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### BALANCE SHEET

as at 7 September 2013

	2013*	March 2013*
	£000	£000
<b>Assets</b>		
<b>Investment assets</b>	<b>22,113,260</b>	<b>22,439,770</b>
<b>Other assets</b>		
Debtors	399,201	471,979
Cash and bank balances	470,945	688,097
Total other assets	870,146	1,160,076
Total assets	22,983,406	23,599,846
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(12,241)</b>	<b>(18,340)</b>
<b>Other liabilities</b>		
Creditors	(320,673)	(404,494)
Bank overdrafts	(19,782)	(154,966)
Distribution payable on income shares	(64,929)	(57,146)
Total other liabilities	(405,384)	(616,606)
Total liabilities	(417,625)	(634,946)
<b>Net assets attributable to shareholders</b>	<b>22,565,781</b>	<b>22,964,900</b>

\*The Japan Smaller Companies Fund was closed on 27 August 2013. Both the current accounting period and the comparative figures include the closed fund.

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.

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

**N J Ring**  
Director

**T N Gillbanks**  
Director

14 October 2013

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

### Notes to the financial statements

*For the accounting period 8 March 2013 to 7 September 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 (UKGAAP), 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 7 March 2013 and are described in those financial statements.

The Japan Smaller Companies Fund was closed on 27 August 2013 and therefore the accounts have been prepared on a non-going concern basis.

##### (2) Aggregation

The aggregated accounts 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 Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Fund has risen from 102.58p to 108.39p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +6.75% as compared to a median return of +6.77% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

### Portfolio Activity

The fund outperformed the index over the period under review. Our favouring of industrial companies added value, with our holding in easyJet helping performance early in the review period as the budget airline delivered strong trading figures. Our stakes in retailer N Brown, speciality chemicals supplier Johnson Matthey and our cautious stance towards HSBC subsequently boosted returns. However, our cautious stance towards Vodafone detracted towards the end of the review period after the mobile firm reached agreement over the sale of its stake in US operator Verizon Wireless.

Early in the period we introduced DCC, a leading distributor of goods in Europe across a variety of sectors including energy, healthcare and information technology. We took the view that the prospect of consistent high returns and good cash generation, helped by high barriers to entry in the sector, strong management and a robust balance sheet, was not adequately reflected in the valuation. We also introduced PZ Cussons, a consumer products maker with interests across Europe, Africa and Asia. The

company owns brands such as Carex, Imperial Leather and St Tropez.

We maintained our cautious stance towards financials, with zero exposure to Lloyds Banking Group and Royal Bank of Scotland. Elsewhere, we remained cautious on materials, notably the larger mining stocks, but added further exposure to Johnson Matthey.

Towards the end of the review period, we locked in some gains from companies with earnings most reliant on the strength of the economic cycle. Following strong returns, we took some profits in budget airline easyJet and disposed of N Brown. Among house builders, we reduced our holdings in Persimmon and Bellway.

Although the prospect of an end to quantitative easing has created some uncertainties, we believe that the outlook remains encouraging at the company level. We therefore continue to focus on well-managed, fundamentally-strong businesses that have realistic potential to deliver positive earnings surprises, helped by selected exposure to higher growth global markets.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	59,571	43,363
Revenue	26,866	24,207
Expenses	(8,721)	(7,417)
Finance costs: Interest	–	(7)
Net revenue before taxation	18,145	16,783
Taxation	(40)	(56)
Net revenue after taxation	18,105	16,727
<b>Total return before distributions</b>	<b>77,676</b>	<b>60,090</b>
Finance costs: Distributions	(18,161)	(16,727)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>59,515</b>	<b>43,363</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>1,353,491</b>	<b>1,173,178</b>
<b>Other assets</b>		
Debtors	13,074	13,591
Cash and bank balances	15,602	24,669
Total other assets	28,676	38,260
Total assets	1,382,167	1,211,438
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(4,688)	(2,897)
Distribution payable on income shares	(15,742)	(6,812)
Total other liabilities	(20,430)	(9,709)
Total liabilities	(20,430)	(9,709)
<b>Net assets attributable to shareholders</b>	<b>1,361,737</b>	<b>1,201,729</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,201,729</b>	<b>1,135,706</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	369,073	131,736
Amounts payable on the cancellation of shares	(173,287)	(95,937)
Amounts payable on in specie transfers	(97,625)	–
	98,161	35,799
Dilution adjustment	199	–
Stamp duty reserve tax	(820)	(473)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	59,515	43,363
Retained distribution on accumulation shares	2,949	1,483
Unclaimed distribution monies brought back into account	4	2
<b>Closing net assets attributable to shareholders</b>	<b>1,361,737</b>	<b>1,215,880</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

		Net Income		Distribution	
Distribution Period	Net Revenue	Equalisation	Payable 2013	Payable 2012	Paid 2012
<b>Class 1 Shares</b>					
<b>Net Income</b>					
<b>Group 1</b>					
08/03/13 to 07/09/13	1.2799	–	1.2799	1.0851	1.0851
<b>Group 2</b>					
08/03/13 to 07/09/13	0.5932	0.6867	1.2799	1.0851	1.0851
<b>Total distributions in the period</b>			<b>1.2799</b>	<b>1.0851</b>	<b>1.0851</b>
<b>Class 2 Shares</b>					
<b>Net Income</b>					
<b>Group 1</b>					
08/03/13 to 07/09/13	1.6128	–	1.6128	1.3674	1.3674
<b>Group 2</b>					
08/03/13 to 07/09/13	0.7389	0.8739	1.6128	1.3674	1.3674
<b>Total distributions in the period</b>			<b>1.6128</b>	<b>1.3674</b>	<b>1.3674</b>

## Threadneedle UK Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Net Accumulation

Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.1013	–	1.1013	0.9128
<b>Group 2</b> 08/03/13 to 07/09/13	0.5693	0.5320	1.1013	0.9128
<b>Total distributions in the period</b>			<b>1.1013</b>	<b>0.9128</b>

#### Class Z Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b> 08/03/13 to 07/09/13	1.8769	–	1.8769
<b>Group 2</b> 08/03/13 to 07/09/13	0.3174	1.5595	1.8769
<b>Total distributions in the period</b>			<b>1.8769</b>

#### Class Z Shares

##### Net Accumulation

Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013
<b>Group 1</b> 08/03/13 to 07/09/13	1.8950	–	1.8950
<b>Group 2</b> 08/03/13 to 07/09/13	0.7995	1.0955	1.8950
<b>Total distributions in the period</b>			<b>1.8950</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Select Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund for growth, through a concentrated, actively managed portfolio. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. The portfolio will consist primarily of equities of companies domiciled in the UK, or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Select Fund has risen from 93.97p to 100.41p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is

+7.63% as compared to a median return of +6.77% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

#### Portfolio Activity

Recent economic data releases show that the global economy is gaining momentum. The eurozone has emerged from its longest recession on record, China's slowdown appears to have stabilised, while US data continues to support our view of a solid recovery. With the major regions exhibiting signs of stability, the risks of a significant economic dislocation have clearly reduced. Despite the imminent well-publicised 'tapering' of US quantitative easing, it is worth noting that, in aggregate, global central bank balance sheets are still expanding and will continue to do so for some time, which should keep equity markets well supported.

In the UK, there is a mounting body of evidence that the British economy is now growing at some speed and this has led to a rise in bond yields. However, it is important to remember that equities normally perform well in the early stages of rising interest rates when this is driven by a pick-up in economic

activity, as it usually leads to higher corporate earnings.

In recent months we have taken profits on positions in several global businesses which have performed well and, in our view, are now fully valued, such as Meggitt and Weir Group. We have redeployed the proceeds into several new holdings such as the miner Rio Tinto, where the new management team is more shareholder-focused. We have also added building materials company Wolseley, which should enjoy a pick-up in trading from the buoyant UK housing market, and emerging market bank Standard Chartered, which now looks very good value to us.

We particularly like the inflation protection embedded in equities, the relative cheapness of the asset class, the relative strength of corporates compared to consumers and governments, and the generally rising trend of company profits and cashflows. The latter can be deployed in a range of shareholder-friendly ways, be it through higher dividends, share buybacks, growth-related capital expenditure/research and development or, selectively, value-creating mergers and acquisitions.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	10,476	2,312
Revenue	5,114	4,869
Expenses	(1,524)	(1,598)
Net revenue before taxation	3,590	3,271
Taxation	-	(4)
Net revenue after taxation	3,590	3,267
<b>Total return before distributions</b>	<b>14,066</b>	<b>5,579</b>
Finance costs: Distributions	(3,590)	(3,267)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>10,476</b>	<b>2,312</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>194,930</b>	<b>208,849</b>
<b>Other assets</b>		
Debtors	3,583	1,636
Cash and bank balances	2,628	11,840
Total other assets	6,211	13,476
Total assets	201,141	222,325
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(4,753)	(1,141)
Distribution payable on income shares	(3,283)	(662)
Total other liabilities	(8,036)	(1,803)
Total liabilities	(8,036)	(1,803)
<b>Net assets attributable to shareholders</b>	<b>193,105</b>	<b>220,522</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>220,522</b>	<b>227,343</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	12,627	6,570
Amounts payable on the cancellation of shares	(50,493)	(31,115)
	(37,866)	(24,545)
Dilution adjustment	29	20
Stamp duty reserve tax	(60)	(37)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,476	2,312
Unclaimed distribution monies brought back into account	4	-
<b>Closing net assets attributable to shareholders</b>	<b>193,105</b>	<b>205,093</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

#### Class 1 Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.5759	-	1.5759	1.1504
<b>Group 2</b> 08/03/13 to 07/09/13	0.9053	0.6706	1.5759	1.1504
<b>Total distributions in the period</b>			<b>1.5759</b>	<b>1.1504</b>

#### Class 2 Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.8874	-	1.8874	1.4176
<b>Group 2</b> 08/03/13 to 07/09/13	0.9183	0.9691	1.8874	1.4176
<b>Total distributions in the period</b>			<b>1.8874</b>	<b>1.4176</b>

## Threadneedle UK Select Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b> 08/03/13 to 07/09/13	2.3667	–	2.3667
<b>Group 2</b> 08/03/13 to 07/09/13	1.1191	1.2476	2.3667
<b>Total distributions in the period</b>			<b>2.3667</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Smaller Companies Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

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

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 169.03p to 179.05p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +6.40% as compared to a median return of +12.29% over the same period. (For information the Numis Smaller Companies

(ex Investment Trusts) Index returned +11.47% over the same period).

#### Portfolio Activity

Global equity markets enjoyed sustained positive momentum over the review period, supported by improving US economic data and low interest rates worldwide. Volatility increased as the market worried about the sustainability of economic recovery with central bank commentary prompting sharp increases in bond yields and market volatility.

Europe's economic situation seems to have stabilised, and recent economic data releases show that the UK economy is gaining momentum. It is difficult to ascertain if the UK can have a sustained economic recovery when the rebasing of government budgets is still a drag on economic growth or whether the recovery is based on a narrow housing bubble. UK smaller companies continue to perform well and the Numis Smaller Companies index rose over the period under review.

During the period, we added new holdings under three main categories. The first are quality turnaround companies which have struggled in the recent past but have the potential to dramatically increase profitability; Breedon, Moss Bros and Avon Rubber. The second

are disruptive growth companies which benefit from applying technology to growing markets; Delcam, Electrical Geodesics and Regeneris. The third are domestic-exposed companies that should take market share in the improving UK residential and commercial demand; Telford Homes, Marshalls and Speedy Hire.

Elsewhere, we took profits from fabless semiconductor CSR and equipment rental company the Ashtead Group after strong outperformance. We also sold our holding in oil and gas explorer Ophir Energy; the company discovered gas but may struggle to monetise the asset.

In our opinion, the strong positive return of UK small caps can continue, albeit with greater volatility, given reasonable valuations, faster earnings growth and the likelihood of small-cap takeovers by larger competitors. The Numis Smaller Companies Index trades on 14.3x trailing PE, this is a small premium to the 30-year average of 13.3x. The fund is invested in businesses with higher exposure to operating leverage than financial leverage, and higher long-term growth rates than the market. The fund should outperform in a falling market.

We believe that the outlook for UK small companies remains positive.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	5,937	900
Revenue	1,543	1,931
Expenses	(928)	(1,184)
Net revenue before taxation	615	747
Taxation	(11)	(20)
Net revenue after taxation	604	727
<b>Total return before distributions</b>	<b>6,541</b>	<b>1,627</b>
Finance costs: Distributions	(604)	(727)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,937</b>	<b>900</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>142,299</b>	<b>140,896</b>
<b>Other assets</b>		
Debtors	1,704	10,111
Cash and bank balances	4,896	4,421
Total other assets	6,600	14,532
Total assets	148,899	155,428
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(323)	(5,096)
Distribution payable on income shares	(716)	(161)
Total other liabilities	(1,039)	(5,257)
Total liabilities	(1,039)	(5,257)
<b>Net assets attributable to shareholders</b>	<b>147,860</b>	<b>150,171</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>150,171</b>	<b>190,226</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	36,317	17,155
Amounts payable on the cancellation of shares	(33,728)	(80,334)
Amounts payable on in specie transfers	(11,285)	—
	(8,696)	(63,179)
Dilution adjustment	485	387
Stamp duty reserve tax	(37)	(53)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,937	900
<b>Closing net assets attributable to shareholders</b>	<b>147,860</b>	<b>128,281</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	0.5894	—	0.5894	0.3542
<b>Group 2</b> 08/03/13 to 07/09/13	0.0983	0.4911	0.5894	0.3542
<b>Total distributions in the period</b>			<b>0.5894</b>	<b>0.3542</b>

#### Class 2 Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.1280	—	1.1280	0.8095
<b>Group 2</b> 08/03/13 to 07/09/13	0.1596	0.9684	1.1280	0.8095
<b>Total distributions in the period</b>			<b>1.1280</b>	<b>0.8095</b>

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

## Threadneedle UK Smaller Companies Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b> 08/03/13 to 07/09/13	0.8585	–	0.8585
<b>Group 2</b> 08/03/13 to 07/09/13	0.4153	0.4432	0.8585
<b>Total distributions in the period</b>			<b>0.8585</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Growth & Income Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to provide long term capital growth with a reasonable and growing income.

#### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Growth & Income Fund has risen from 72.93p to 80.24p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +11.16% as compared to a median return of +6.77% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

#### Portfolio Activity

The fund outperformed the index over the period. Stock selection among financials, notably our favouring of insurer Legal & General, added value early in the period, while among industrials, our large stake in defence firm Cobham was helpful to performance. Our favouring of engineering consultancy WS Atkins and fixed-line telecommunications firm BT subsequently delivered strong returns as both firms reported robust results. However, lack of exposure to Vodafone detracted as the mobile firm rallied on the sale of its stake in US operator Verizon Mobile.

We raised our holding in supermarket group Wm Morrison, reflecting our view that the valuation had yet to reflect the improving trading prospects. We introduced a new holding in telecoms testing and measurement technology specialist Spirent.

We added to our stake in power supplier National Grid, taking advantage of the lower valuation after global bond yields rose on signs that the US central bank was moving towards phasing out its bond-purchasing quantitative easing (QE) programme. As the prospect of QE tapering rose,

we raised our exposure to other high-yielding large-cap stocks that had lagged behind the earlier rally, including pharmaceutical AstraZeneca and Imperial Tobacco, funding the exposure from the sale of BAT.

The portfolio remains focused on well-managed, fundamentally-strong businesses. Although market returns have been strong over recent months, we believe that there is still value to be found among companies with perceived structural issues, where the valuation more than compensates for this and which still offer decent and resilient levels of free cashflow generation.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	22,252	10,123
Revenue	5,137	6,791
Expenses	(1,819)	(1,868)
Finance costs: Interest	–	(2)
Net revenue before taxation	3,318	4,921
Taxation	–	–
Net revenue after taxation	3,318	4,921
<b>Total return before distributions</b>	<b>25,570</b>	<b>15,044</b>
Finance costs: Distributions	(5,001)	(6,670)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>20,569</b>	<b>8,374</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	236,149	225,671
Debtors	4,184	1,332
Cash and bank balances	3,500	6,017
Total other assets	7,684	7,349
Total assets	243,833	233,020
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(2,364)	(331)
Distribution payable on income shares	(4,785)	(2,934)
Total other liabilities	(7,149)	(3,265)
Total liabilities	(7,149)	(3,265)
<b>Net assets attributable to shareholders</b>	<b>236,684</b>	<b>229,755</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	229,755	294,608
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	29,436	37,042
Amounts payable on the cancellation of shares	(42,978)	(155,137)
	(13,542)	(118,095)
Dilution adjustment	19	263
Stamp duty reserve tax	(120)	(37)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	20,569	8,374
Unclaimed distribution monies brought back into account	3	4
<b>Closing net assets attributable to shareholders</b>	<b>236,684</b>	<b>185,117</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

#### Class 1 Shares

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.5841	–	1.5841	1.4414
<b>Group 2</b> 08/03/13 to 07/09/13	0.6526	0.9315	1.5841	1.4414
<b>Total distributions in the period</b>			<b>1.5841</b>	<b>1.4414</b>

#### Class 2 Shares

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.7468	–	1.7468	1.5724
<b>Group 2</b> 08/03/13 to 07/09/13	0.7262	1.0206	1.7468	1.5724
<b>Total distributions in the period</b>			<b>1.7468</b>	<b>1.5724</b>

## Threadneedle UK Growth & Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b>			
08/03/13 to 07/09/13	2.4746	–	2.4746
<b>Group 2</b>			
08/03/13 to 07/09/13	0.7524	1.7222	2.4746
<b>Total distributions in the period</b>			<b>2.4746</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Equity Income Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve an above average rate of income combined with sound prospects for capital growth.

#### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Equity Income Fund has risen from 76.03p to 82.95p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +11.06% as compared to a median return of +7.61% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

#### Portfolio Activity

The fund outperformed the index over the period. Stock selection among financials, notably our favouring of insurer Legal & General, added value early in the period. Our favouring of BT subsequently delivered very good returns as the fixed-line telecommunications firm reported strong results, a position that more than compensated for our lack of exposure to Vodafone as the mobile firm rallied on the sale of its stake in US operator Verizon Mobile.

We added to ITV as we believed that the broadcaster was well-placed to capitalise on rising advertising revenues. Our increased exposure to Marks & Spencer reflected our view that the outlook for the retailer's margins was improving. We raised our holding in supermarket group Wm Morrison, reflecting our view that the valuation had yet to reflect the improving trading prospects.

We subsequently added to our stake in power supplier National Grid, taking advantage of the lower valuation after global bond yields rose on signs that the US central bank was moving towards phasing out its bond-purchasing quantitative easing (QE)

programme. As the prospect of QE tapering rose, we raised our exposure to other high-yielding large-cap stocks that had lagged behind the earlier rally, including pharmaceutical AstraZeneca.

With the fund attracting strong investment inflows, selling activity was limited. We disposed of film theatre operator Cineworld and property group Derwent London following good returns. We exited our position in tobacco firm BAT, switching some exposure into more attractively valued peer Imperial Tobacco.

The portfolio remains focused on well-managed, fundamentally-strong businesses. Although high headline yields are harder to find compared to late last year, we believe that there is still value to be found among companies with perceived structural issues, where the valuation more than compensates for this and which still offer decent and resilient levels of free cashflow generation.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	185,937	70,372
Revenue	47,749	33,069
Expenses	(13,761)	(9,330)
Finance costs: Interest	–	(1)
Net revenue before taxation	33,988	23,738
Taxation	–	–
Net revenue after taxation	33,988	23,738
<b>Total return before distributions</b>	<b>219,925</b>	<b>94,110</b>
Finance costs: Distributions	(46,819)	(32,491)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>173,106</b>	<b>61,619</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>2,168,989</b>	<b>1,781,799</b>
<b>Other assets</b>		
Debtors	44,663	14,953
Cash and bank balances	17,730	76,392
Total other assets	62,393	91,345
Total assets	2,231,382	1,873,144
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(23,155)	(6,735)
Distribution payable on income shares	(19,413)	(11,244)
Total other liabilities	(42,568)	(17,979)
Total liabilities	(42,568)	(17,979)
<b>Net assets attributable to shareholders</b>	<b>2,188,814</b>	<b>1,855,165</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,855,165</b>	<b>1,228,701</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	250,621	181,164
Amounts payable on the cancellation of shares	(92,593)	(16,061)
	158,028	165,103
Stamp duty reserve tax	(1,056)	(461)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	173,106	61,619
Retained distribution on accumulation shares	3,560	1,583
Unclaimed distribution monies brought back into account	11	13
<b>Closing net assets attributable to shareholders</b>	<b>2,188,814</b>	<b>1,456,558</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Net Revenue		Distribution Paid/Payable 2013	Distribution Paid 2012
	Net Revenue	Equalisation		
<b>Group 1</b>				
08/03/13 to 07/06/13	1.0376	–	1.0376	0.8865
08/06/13 to 07/09/13	0.7856	–	0.7856	0.7231
<b>Group 2</b>				
08/03/13 to 07/06/13	0.5473	0.4903	1.0376	0.8865
08/06/13 to 07/09/13	0.4086	0.3770	0.7856	0.7231
<b>Total distributions in the period</b>			<b>1.8232</b>	<b>1.6096</b>
<b>Class 1 Shares</b>				
<b>Net Accumulation</b>				
Distribution Period	Net Revenue		Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
	Net Revenue	Equalisation		
<b>Group 1</b>				
08/03/13 to 07/06/13	1.1918	–	1.1918	0.9784
08/06/13 to 07/09/13	0.9145	–	0.9145	0.8311
<b>Group 2</b>				
08/03/13 to 07/06/13	0.5335	0.6583	1.1918	0.9784
08/06/13 to 07/09/13	0.4739	0.4406	0.9145	0.8311
<b>Total distributions in the period</b>			<b>2.1063</b>	<b>1.8095</b>

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

## Threadneedle UK Equity Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/06/13	1.1431	–	1.1431	0.9717
08/06/13 to 07/09/13	0.8712	–	0.8712	0.7963
<b>Group 2</b>				
08/03/13 to 07/06/13	0.3526	0.7905	1.1431	0.9717
08/06/13 to 07/09/13	0.3575	0.5137	0.8712	0.7963
<b>Total distributions in the period</b>			<b>2.0143</b>	<b>1.7680</b>

#### Class Z Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013
<b>Group 1</b>			
08/03/13 to 07/06/13	1.4899	–	1.4899
08/06/13 to 07/09/13	1.1309	–	1.1309
<b>Group 2</b>			
08/03/13 to 07/06/13	0.8198	0.6701	1.4899
08/06/13 to 07/09/13	0.5919	0.5390	1.1309
<b>Total distributions in the period</b>			<b>2.6208</b>

#### Class Z Shares

Net Accumulation Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013
<b>Group 1</b>			
08/03/13 to 07/06/13	1.5140	–	1.5140
08/06/13 to 07/09/13	1.1658	–	1.1658
<b>Group 2</b>			
08/03/13 to 07/06/13	0.7721	0.7419	1.5140
08/06/13 to 07/09/13	0.6718	0.4940	1.1658
<b>Total distributions in the period</b>			<b>2.6798</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Monthly Income Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve an above average income combined with sound prospects for capital growth. Income will be paid monthly.

#### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Monthly Income Fund has risen from 65.30p to 69.50p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +9.26% as compared to a median return of +7.61% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

#### Portfolio Activity

Expectations for economic growth in the developed world improved during the period under review. The US economic recovery continued apace, while expectations for the UK improved materially in the summer, in part aided by government support for the housing market in the form of the 'Help to Buy' scheme. Even forecasts for Europe steadied.

However, one major consequence of strength in the US was that the US Federal Reserve began to talk about "tapering" their rate of monetary support, indicating the beginning of the end of the third phase of quantitative easing. The previous 30 years have seen a huge rerating of US 10-Year Treasury bonds, from yields of approximately 15% to scarcely 1.5%, the last three years of which were a direct consequence of the authorities' unprecedented monetary easing. The impact of the proposed reduction in quantitative easing on Treasury yields was both immediate and substantial, with yields rising to almost 3% within three months. This caused the UK equity market to sell off, before regaining its poise to end the period up by approximately 2%.

Fund activity on the sell side focused upon taking profits in holdings which had rerated upwards, such as Unilever and industrials Rolls Royce and Diploma. We also completely sold out of positions in Weir and Amlin. New purchases included domestically-focused stocks which should benefit from a slightly more benign background and we initiated positions in Marstons, Travis Perkins and Thomas Cook. In financials, we increased our holding in St James Place, whose dividend subsequently increased by 50%, and we initiated a new holding in Standard Life. Within defensives the fund increased its existing holding in National Grid, after a favourable regulatory review, and GlaxoSmithKline.

With company balance sheets remaining strong, company management increasingly focused on delivering shareholder value and profitability resilient, the outlook for market dividend-growth remains solid. Reflecting this, the fund's monthly dividend distributions during the period increased to 0.21p/unit from 0.20p/unit. This followed on from payments of 0.19p/unit and 0.18p/unit in the preceding two years.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	39,277	17,171
Revenue	15,042	13,705
Expenses	(4,751)	(4,301)
Finance costs: Interest	–	(1)
Net revenue before taxation	10,291	9,403
Taxation	–	–
Net revenue after taxation	10,291	9,403
<b>Total return before distributions</b>	<b>49,568</b>	<b>26,574</b>
Finance costs: Distributions	(11,042)	(10,951)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>38,526</b>	<b>15,623</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
Investment assets	589,286	573,430
<b>Other assets</b>		
Debtors	5,125	11,850
Cash and bank balances	9,699	3,406
Total other assets	14,824	15,256
Total assets	604,110	588,686
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(1,962)	(7,243)
Distribution payable on income shares	(1,802)	(3,389)
Total other liabilities	(3,764)	(10,632)
Total liabilities	(3,764)	(10,632)
<b>Net assets attributable to shareholders</b>	<b>600,346</b>	<b>578,054</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	578,054	529,289
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	8,291	11,484
Amounts payable on the cancellation of shares	(24,471)	(17,577)
	(16,180)	(6,093)
Stamp duty reserve tax	(92)	(97)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	38,526	15,623
Unclaimed distribution monies brought back into account	38	72
<b>Closing net assets attributable to shareholders</b>	<b>600,346</b>	<b>538,794</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.2100	–	0.2100	0.2000
08/04/13 to 07/05/13	0.2100	–	0.2100	0.2000
08/05/13 to 07/06/13	0.2100	–	0.2100	0.2000
08/06/13 to 07/07/13	0.2100	–	0.2100	0.2000
08/07/13 to 07/08/13	0.2100	–	0.2100	0.2000
08/08/13 to 07/09/13	0.2100	–	0.2100	0.2000
<b>Group 2</b>				
08/03/13 to 07/04/13	0.0500	0.1600	0.2100	0.2000
08/04/13 to 07/05/13	–	0.2100	0.2100	0.2000
08/05/13 to 07/06/13	–	0.2100	0.2100	0.2000
08/06/13 to 07/07/13	–	0.2100	0.2100	0.2000
08/07/13 to 07/08/13	–	0.2100	0.2100	0.2000
08/08/13 to 07/09/13	–	0.2100	0.2100	0.2000
<b>Total distributions in the period</b>			<b>1.2600</b>	<b>1.2000</b>

## Threadneedle UK Monthly Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013
<b>Group 1</b>			
08/03/13 to 07/04/13	0.2100	–	0.2100
08/04/13 to 07/05/13	0.2100	–	0.2100
08/05/13 to 07/06/13	0.2100	–	0.2100
08/06/13 to 07/07/13	0.2100	–	0.2100
08/07/13 to 07/08/13	0.2100	–	0.2100
08/08/13 to 07/09/13	0.2100	–	0.2100
<b>Group 2</b>			
08/03/13 to 07/04/13	0.0125	0.1975	0.2100
08/04/13 to 07/05/13	–	0.2100	0.2100
08/05/13 to 07/06/13	–	0.2100	0.2100
08/06/13 to 07/07/13	–	0.2100	0.2100
08/07/13 to 07/08/13	–	0.2100	0.2100
08/08/13 to 07/09/13	–	0.2100	0.2100
<b>Total distributions in the period</b>			<b>1.2600</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Monthly Extra Income Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve a high level of income with prospects of capital growth. Income will be paid monthly.

#### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 65.85p to 70.01p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +8.69% as compared to a median return of 5.59% over the same period. In view of the nature of the fund, and its investment remit, there is no directly comparable market index.

#### Portfolio Activity

The fund outperformed the peer group over the period under review. Stock selection among consumer

discretionary companies, such as Home Retail Group (owner of Argos and Homebase) and Marks & Spencer, added value early in the period. Our preference for insurers Legal & General and Aviva over banks subsequently supported returns. Our favouring of BT delivered good returns as the fixed-line telecommunications firm reported strong results, a position that more than compensated for our lack of exposure to Vodafone as the mobile firm rallied on the sale of its stake in US operator Verizon Mobile.

We raised our holding in supermarket group Wm Morrison, reflecting our view that the valuation had yet to reflect the improving trading prospects. We raised our exposure to RSA Insurance, taking the view that disappointing short-term newsflow at the start of 2013 had weighed excessively on the share price.

We added to our stake in power supplier National Grid, taking advantage of the lower valuation after global bond yields rose on signs that the US central bank was moving towards phasing out its bond-purchasing quantitative easing (QE) programme. As the prospect of QE tapering rose, we raised our exposure to other high-yielding large-

cap stocks that had lagged behind the earlier rally, including pharmaceutical AstraZeneca and Imperial Tobacco, funding the exposure from the sale of BAT.

The portfolio remains focused on well-managed, fundamentally-strong businesses. Although high headline yields are harder to find compared to late last year, we believe that there is still value to be found among companies with perceived structural issues, where the valuation more than compensates for this and which still offer decent and resilient levels of free cashflow generation.

Although we have continued to favour equities over bonds, since the prospect of an end to quantitative easing has impacted on bond markets, we have reduced the fund's cash position in favour of buying bonds on weakness. As financial institutions undertake bond-friendly measures to strengthen their capital positions, our purchases have included issues from Credit Agricole and Nationwide.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	10,828	5,936
Revenue	4,169	3,608
Expenses	(1,185)	(956)
Net revenue before taxation	2,984	2,652
Taxation	—	—
Net revenue after taxation	2,984	2,652
<b>Total return before distributions</b>	<b>13,812</b>	<b>8,588</b>
Finance costs: Distributions	(2,964)	(2,826)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>10,848</b>	<b>5,762</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	179,064	152,477
<b>Other assets</b>		
Debtors	2,796	7,104
Cash and bank balances	4,485	3,620
Total other assets	7,281	10,724
Total assets	186,345	163,201
<b>Liabilities</b>		
<b>Derivative liabilities</b>	—	(56)
<b>Other liabilities</b>		
Creditors	(1,695)	(222)
Bank overdrafts	—	(5)
Distribution payable on income shares	(509)	(727)
Total other liabilities	(2,204)	(954)
Total liabilities	(2,204)	(1,010)
<b>Net assets attributable to shareholders</b>	<b>184,141</b>	<b>162,191</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	162,191	131,541
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	27,421	8,535
Amounts payable on the cancellation of shares	(16,305)	(946)
	11,116	7,589
Dilution adjustment	46	—
Stamp duty reserve tax	(61)	(18)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,848	5,762
Unclaimed distribution monies brought back into account	1	1
<b>Closing net assets attributable to shareholders</b>	<b>184,141</b>	<b>144,875</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.2000	—	0.2000	0.2000
08/04/13 to 07/05/13	0.2000	—	0.2000	0.2000
08/05/13 to 07/06/13	0.2000	—	0.2000	0.2000
08/06/13 to 07/07/13	0.2000	—	0.2000	0.2000
08/07/13 to 07/08/13	0.2000	—	0.2000	0.2000
08/08/13 to 07/09/13	0.2000	—	0.2000	0.2000
<b>Group 2</b>				
08/03/13 to 07/04/13	0.1034	0.0966	0.2000	0.2000
08/04/13 to 07/05/13	—	0.2000	0.2000	0.2000
08/05/13 to 07/06/13	—	0.2000	0.2000	0.2000
08/06/13 to 07/07/13	—	0.2000	0.2000	0.2000
08/07/13 to 07/08/13	—	0.2000	0.2000	0.2000
08/08/13 to 07/09/13	—	0.2000	0.2000	0.2000
<b>Total distributions in the period</b>			<b>1.2000</b>	<b>1.2000</b>

## Threadneedle Monthly Extra Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013
<b>Group 1</b>			
08/03/13 to 07/04/13	0.2000	–	0.2000
08/04/13 to 07/05/13	0.2000	–	0.2000
08/05/13 to 07/06/13	0.2000	–	0.2000
08/06/13 to 07/07/13	0.2000	–	0.2000
08/07/13 to 07/08/13	0.2000	–	0.2000
08/08/13 to 07/09/13	0.2000	–	0.2000
<b>Group 2</b>			
08/03/13 to 07/04/13	–	0.2000	0.2000
08/04/13 to 07/05/13	–	0.2000	0.2000
08/05/13 to 07/06/13	–	0.2000	0.2000
08/06/13 to 07/07/13	–	0.2000	0.2000
08/07/13 to 07/08/13	–	0.2000	0.2000
08/08/13 to 07/09/13	–	0.2000	0.2000
<b>Total distributions in the period</b>			<b>1.2000</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Corporate Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve a high level of income.

#### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Corporate Bond Fund has fallen from 57.20p to 55.23p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -0.54% as compared to a median return of -0.55% over the same period. The fund return equates approximately to +0.17% gross of tax and charges\*\*. (For information the iBoxx £ Non-Gilts (Linked with UBS Warburg All Stocks Investment Grade Index pre 30/06/2003) gave a total return of -0.11% for the same period).

#### Portfolio Activity

After a protracted period of sub-par performance, the global and UK economies have started to display some signs of life. In the UK, for example, GDP numbers have now been positive for the last two quarters. Such improvements prompted the US Federal Reserve to intimate that it could start to reduce monetary stimulus later this year.

The UK fixed-income market endured a rather unsettling period over the last six months. This came as gilt yields rose from historically low levels. Ten-year yields had traded in a range between 1.6% and 2.2% from the autumn of last year, but rose significantly higher to reach over 3% early this September.

Corporate-bond spreads were only able to partially soften the blow of higher gilt yields. Although spreads have generally been tightening, total returns for the market have been low to negative. The fund has been invested with a duration that is lower than the benchmark by around one year, which helped soften the impact of higher gilt yields.

We favoured the bank and insurance sectors, as we continued to see attractive valuations and signs of improving credit quality. We were overweight in consumer-goods and services companies, including AB InBev and BAT Industries. Underweight positions included sub-sovereign bonds and supranationals, which trade very tight to gilts, and the telecommunications sector.

Major purchases included bonds issued by AT&T, QNB Finance and Bank of America. The main sales included bonds issued by Wells Fargo, Aegon, and Siemens.

We expect corporate-bond spreads to compress to the government market, with modest outperformance. From a total-return perspective, the real wild card remains the gilt market. Though yields have backed up considerably, they remain low from any historical perspective. As a consequence, we expect to remain invested with a duration that is lower than the benchmark in the coming months.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013	2012
	£000	£000
Income		
Net capital (losses)/gains	(23,756)	28,312
Revenue	17,209	17,151
Expenses	(2,157)	(2,112)
Finance costs:		
Derivative expense	–	(154)
Interest	(1)	(24)
Net revenue before taxation	15,051	14,861
Taxation	–	–
Net revenue after taxation	15,051	14,861
<b>Total return before distributions</b>	<b>(8,705)</b>	<b>43,173</b>
Finance costs: Distributions	(15,051)	(14,861)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(23,756)</b>	<b>28,312</b>

### BALANCE SHEET

as at 7 September 2013

	2013	March 2013
	£000	£000
<b>Assets</b>		
<b>Investment assets</b>	<b>643,415</b>	<b>703,453</b>
<b>Other assets</b>		
Debtors	18,120	26,946
Cash and bank balances	8,559	37,386
Total other assets	26,679	64,332
Total assets	670,094	767,785
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(691)</b>	<b>(3,303)</b>
<b>Other liabilities</b>		
Creditors	(12,234)	(21,213)
Bank overdrafts	–	(134)
Distribution payable on income shares	(2,349)	(2,546)
Total other liabilities	(14,583)	(23,893)
Total liabilities	(15,274)	(27,196)
<b>Net assets attributable to shareholders</b>	<b>654,820</b>	<b>740,589</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013	2012
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>740,589</b>	<b>606,583</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	19,796	129,345
Amounts payable on the cancellation of shares	(90,682)	(34,934)
	(70,886)	94,411
Dilution adjustment	101	71
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(23,756)	28,312
Retained distribution on accumulation shares	8,768	8,944
Unclaimed distribution monies brought back into account	4	15
<b>Closing net assets attributable to shareholders</b>	<b>654,820</b>	<b>738,336</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

Distribution Period	Net Income			Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
	Gross Revenue	Income Tax	Net Revenue			
<b>Group 1</b>						
08/03/13 to 07/06/13	0.5530	0.1106	0.4424	–	0.4424	0.4234
08/06/13 to 07/09/13	0.5616	0.1123	0.4493	–	0.4493	0.4413
<b>Group 2</b>						
08/03/13 to 07/06/13	0.1945	0.0389	0.1556	0.2868	0.4424	0.4234
08/06/13 to 07/09/13	0.2259	0.0452	0.1807	0.2686	0.4493	0.4413
<b>Total distributions in the period</b>					<b>0.8917</b>	<b>0.8647</b>
<b>Class 1 Shares</b>						
<b>Gross Income</b>						
Distribution Period	Gross Revenue			Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/06/13	0.5533			–	0.5533	0.5296
08/06/13 to 07/09/13	0.5605			–	0.5605	0.5508
<b>Group 2</b>						
08/03/13 to 07/06/13	0.3451			0.2082	0.5533	0.5296
08/06/13 to 07/09/13	0.2410			0.3195	0.5605	0.5508
<b>Total distributions in the period</b>					<b>1.1138</b>	<b>1.0804</b>

## Threadneedle UK Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/06/13	0.6100	0.1220	0.4880	–	0.4880	0.4660
08/06/13 to 07/09/13	0.6136	0.1227	0.4909	–	0.4909	0.4852
<b>Group 2</b>						
08/03/13 to 07/06/13	0.2136	0.0427	0.1709	0.3171	0.4880	0.4660
08/06/13 to 07/09/13	0.2569	0.0514	0.2055	0.2854	0.4909	0.4852
<b>Total distributions in the period</b>					<b>0.9789</b>	<b>0.9512</b>

#### Class 2 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b>				
08/03/13 to 07/06/13	0.9833	–	0.9833	0.8994
08/06/13 to 07/09/13	0.9974	–	0.9974	0.9454
<b>Group 2</b>				
08/03/13 to 07/06/13	0.4851	0.4982	0.9833	0.8994
08/06/13 to 07/09/13	0.4570	0.5404	0.9974	0.9454
<b>Total distributions in the period</b>			<b>1.9807</b>	<b>1.8448</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Sterling Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve total return primarily by way of income with some capital growth.

#### Investment Policy

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

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Sterling Bond Fund has fallen from 52.51p to 49.79p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -3.07% as compared to a median return of -2.76% over the same

period. The fund return equates approximately to -2.53% gross of tax and charges\*\* (For information the FTSE All Stocks Index gave a total return of -2.33% for the same period).

#### Portfolio Activity

Gilt prices have suffered sharp falls over the past six months in response to a marked acceleration in the pace of UK economic activity. An improved backdrop in the eurozone and expectations of an imminent change in US monetary policy have further encouraged investors to move into riskier markets at the expense of safe havens such as the gilt market.

Over the period the yield on the 10-year gilt has risen by 0.70% which corresponds to a decline in price of about 5%. There has been on-going strong demand from domestic pension funds for long-dated gilts which has supported that part of the market, resulting in a flattening in the shape of the yield curve.

The portfolio has marginally underperformed its benchmark over the period under review. This has been primarily the result of an underweight allocation to ultra-long gilts and an overweight position in 10-year bonds. In terms of portfolio positioning and activity, allocations to short-dated inflation-linked bonds and

long-dated US Treasuries have made small positive contributions to returns.

An increase in base rate is not anticipated in the coming 12 months despite the better tone in the economic data. GDP is expected to expand by 1.3% this year before accelerating to 2.3% next year but given the large amount of spare capacity in the economy, following three years of stagnation, the MPC is expected to be relaxed about this development. The new flexible policy of forward guidance (where future increases in base rate are linked to declines in the unemployment rate) is expected to give the MPC further room to resist pressure for higher rates as the economy accelerates.

However, the normalising of the economy in the coming quarters should continue to exert mild upward pressure on gilt yields into 2014. In this environment the fund will adopt a defensive duration strategy, emphasising underweight positions in five-year bonds and ultra-long gilts whilst maintaining selective allocations to index-linked gilts and long-dated US Treasuries.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(7,442)	5,347
Revenue	1,534	2,281
Expenses	(981)	(1,508)
Finance costs: Interest	–	(1)
Net revenue before taxation	553	772
Taxation	–	–
Net revenue after taxation	553	772
<b>Total return before distributions</b>	<b>(6,889)</b>	<b>6,119</b>
Finance costs: Distributions	(1,384)	(2,038)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(8,273)</b>	<b>4,081</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	137,992	180,802
<b>Other assets</b>		
Debtors	6,647	3,253
Cash and bank balances	1,874	5,136
Total other assets	8,521	8,389
Total assets	146,513	189,191
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(106)	(40)
<b>Other liabilities</b>		
Creditors	(6,728)	(7,652)
Distribution payable on income shares	(669)	(858)
Total other liabilities	(7,397)	(8,510)
Total liabilities	(7,503)	(8,550)
<b>Net assets attributable to shareholders</b>	<b>139,010</b>	<b>180,641</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	180,641	248,446
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	6,786	26,841
Amounts payable on the cancellation of shares	(40,529)	(25,468)
	(33,743)	1,373
Dilution adjustment	5	3
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,273)	4,081
Retained distribution on accumulation shares	380	406
<b>Closing net assets attributable to shareholders</b>	<b>139,010</b>	<b>254,309</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/09/13	0.4336	0.0867	0.3469	–	0.3469	0.3434
<b>Group 2</b>						
08/03/13 to 07/09/13	0.2171	0.0434	0.1737	0.1732	0.3469	0.3434
<b>Total distributions in the period</b>					<b>0.3469</b>	<b>0.3434</b>

#### Class 1 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b>				
08/03/13 to 07/09/13	0.8632	–	0.8632	0.8423
<b>Group 2</b>				
08/03/13 to 07/09/13	0.4675	0.3957	0.8632	0.8423
<b>Total distributions in the period</b>			<b>0.8632</b>	<b>0.8423</b>

## Threadneedle Sterling Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b> 08/03/13 to 07/09/13	0.8413	0.1683	0.6730	–	0.6730
<b>Group 2</b> 08/03/13 to 07/09/13	0.2274	0.0455	0.1819	0.4911	0.6730
<b>Total distributions in the period</b>					<b>0.6730</b>

#### Class Z Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013
<b>Group 1</b> 08/03/13 to 07/09/13	0.8486	–	0.8486
<b>Group 2</b> 08/03/13 to 07/09/13	0.7206	0.1280	0.8486
<b>Total distributions in the period</b>			<b>0.8486</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Sterling Fund\*\*

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve a high level of capital security and provide income.

#### Investment Policy

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

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

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

The published share price of the Threadneedle Sterling Fund on 7 September 2013 was 99.88p, the same as the previous year end.

The total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +0.07%. (Source: Threadneedle, bid-bid, net income reinvested.)

#### Portfolio Activity

UK interest rates remained at 0.5%, having been cut to their historic low back in March 2009. As the period progressed, economic data showed a marked improvement, which caused markets to begin to consider the possibility of higher interest rates later this year. However, the new Governor of the Bank of England, Mark Carney, wasted no time in releasing a statement suggesting that markets were getting ahead of themselves, and that rates were likely to remain unchanged for some time. This new policy of 'forward guidance' was taken well by the markets.

In August, this guidance was taken a step further with the bank stating that it will not consider raising interest rates until the unemployment rate has fallen to 7% or below. However there were three provisos, which included CPI inflation remaining under control.

In the US, there was continuing debate over how the Federal Reserve intends to cut back on its programme of quantitative easing if the economy continues to strengthen. Initial fears of an abrupt end to quantitative easing have given way to expectations of a gradual reduction. This 'tapering' is expected to start later this year, on the understanding that it does not threaten the ongoing recovery. The European Central Bank issued a similar statement committing to unchanged or lower rates for an extended period.

During the reporting period, there was little change in the 3 month LIBOR rate, which rose from 0.51% to 0.52%. In light of central bank comments that global rates are unlikely to change for some time, short-term interest rate curves for the UK, US and Europe remain fairly flat. Consequently, there is little benefit in extending the fund's maturity profile. At the end of the period, the weighted average maturity was approximately 53 days and the weighted average yield was around 0.45%.

The fund remains well diversified and liquid, with investments in a mix of well-rated banks and sovereign-backed institutions. The financial strength of these banks and financial institutions is taken into account when selecting suitable investments. The portfolio comprises very short-dated instruments with a view to achieving a competitive rate of interest.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains/(losses)	20	(1)
Revenue	467	737
Expenses	(293)	(319)
Net revenue before taxation	174	418
Taxation	-	-
Net revenue after taxation	174	418
<b>Total return before distributions</b>	<b>194</b>	<b>417</b>
Finance costs: Distributions	(174)	(418)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>20</b>	<b>(1)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	161,234	175,616
<b>Other assets</b>		
Debtors	88	215
Cash and bank balances	45,668	48,069
Total other assets	45,756	48,284
Total assets	206,990	223,900
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(84)	(97)
Distribution payable on income shares	(135)	(175)
Total other liabilities	(219)	(272)
Total liabilities	(219)	(272)
<b>Net assets attributable to shareholders</b>	<b>206,771</b>	<b>223,628</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	223,628	246,260
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	15,554	46,479
Amounts payable on the cancellation of shares	(32,431)	(63,628)
	(16,877)	(17,149)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	20	(1)
<b>Closing net assets attributable to shareholders</b>	<b>206,771</b>	<b>229,110</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

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

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/09/13	0.0813	0.0163	0.0650	-	0.0650	0.1427
<b>Group 2</b>						
08/03/13 to 07/09/13	0.0340	0.0068	0.0272	0.0378	0.0650	0.1427
<b>Total distributions in the period</b>					<b>0.0650</b>	<b>0.1427</b>

Group 2: shares purchased during a distribution period

## Threadneedle Sterling Fund

### **Notes to the financial statements**

*for the accounting period 8 March 2013 to 7 September 2013*

#### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle European Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in equities of companies domiciled in Continental Europe or which have significant Continental European operations with growth prospects. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle European Fund has fallen from 158.27p to 156.75p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +2.27% as compared to a median return of +4.96% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned +3.66% over the same period).

#### Portfolio Activity

European stocks were broadly flat over the review period in euro terms, although the markets rallied between April and May and again in the closing weeks of the period.

The European Central Bank (ECB) continued to be supportive of peripheral bonds, and Italian and Spanish debt strengthened over the six months under review. Towards the latter part of the period, investors took heart from signs of a recovery in demand and the likelihood of GDP accelerating in 2014. The consensus forecast is now for 0.9% growth in the eurozone next year. Against this, slower growth in emerging markets has affected European exporters.

Within the portfolio, we reduced the exposure to financials and industrials during the period, while increasing the allocation to consumer goods companies. Country weightings remained relatively unchanged, reflecting a continued preference for the stronger performing economies such as Germany over countries in the eurozone periphery.

Major transactions included the purchase of a position in ophthalmic lens maker Essilor, which we believe has scope to continue its impressive growth record.

We also bought Adidas, the German sports apparel business, and reduced Fiat Industrial and Elekta after a strong performance. The largest sale was of German cable operator Kabel Deutschland, where we took profits after the takeover bid from Vodafone.

While it now looks likely that the US Federal Reserve will begin to wind down its quantitative easing programme in 2013, rhetoric from the ECB remains supportive. The economic backdrop across the eurozone, particularly in Germany, has shown improvement. Nevertheless, political risks remain as there is continuing resistance to austerity policies and there is still the prospect that Greece could require a further bailout.

Against this backdrop, 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 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(11,113)	6,079
Revenue	10,681	12,885
Expenses	(3,335)	(3,252)
Finance costs: Interest	–	(11)
Net revenue before taxation	7,346	9,622
Taxation	(1,232)	(1,529)
Net revenue after taxation	6,114	8,093
<b>Total return</b>	<b>(4,999)</b>	<b>14,172</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(4,999)</b>	<b>14,172</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
Investment assets	448,901	520,870
<b>Other assets</b>		
Debtors	2,009	5,591
Cash and bank balances	3,746	8,208
Total other assets	5,755	13,799
Total assets	454,656	534,669
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(1,009)	(7,888)
Bank overdrafts	(85)	(2,237)
Total other liabilities	(1,094)	(10,125)
Total liabilities	(1,094)	(10,125)
<b>Net assets attributable to shareholders</b>	<b>453,562</b>	<b>524,544</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>524,544</b>	<b>539,605</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	36,376	35,270
Amounts payable on the cancellation of shares	(84,653)	(165,280)
Amounts payable on in specie transfers	(17,786)	–
	(66,063)	(130,010)
Dilution adjustment	80	25
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,999)	14,172
<b>Closing net assets attributable to shareholders</b>	<b>453,562</b>	<b>423,792</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle European Select Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund mainly in a relatively concentrated portfolio of equities of companies domiciled in Continental Europe or which have significant Continental European operations. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle European Select Fund has fallen from 193.66p to 190.23p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +2.27% as compared to a median return of +4.96% over

the same period. (For information the FTSE World Europe ex UK (GBP) Index returned +3.66% over the same period).

#### Portfolio Activity

European stocks were broadly flat over the review period in euro terms, although the markets rallied between April and May and again in the closing weeks of the period.

The European Central Bank (ECB) remained supportive of peripheral bonds, and Italian and Spanish debt strengthened. Towards the latter part of the period, investors took heart from signs of a recovery in demand and the likelihood of GDP accelerating in 2014. Against this, slower growth in emerging markets has affected European exporters.

Within the portfolio, we slightly increased the exposure to financials and reduced the weighting in healthcare. However, the fund's major sector positions were unchanged, and we continued to favour consumer goods and chemicals whilst remaining very underweight in financials, utilities and telecoms. We maintained a preference for the stronger economic areas, such as Germany and Scandinavia, over the eurozone periphery such as Italy and Spain.

At the company level, we increased the holding in Bayer, which is attractively valued and has a good drugs pipeline with little exposure to the risk of regulatory decisions.

The company has useful divisions covering areas such as seeds and agrochemicals, and animal healthcare. We also bought German-based insurer Allianz, which has a strong balance sheet and is a beneficiary of an improving market for peripheral eurozone bonds. Elsewhere, we increased Novo Nordisk, the diabetes treatment specialist, which benefits from a concentrated market, while there is an increasing incidence of the disease. Conversely, we reduced Fresenius Medical Care, the kidney disease treatment specialist, following US pricing pressures due to changes in the Medicare scheme. Another major sale was of Kabel Deutschland, where we took profits after the bid from Vodafone.

While it now looks likely that the US Federal Reserve will begin to wind down its quantitative easing programme in 2013, rhetoric from the ECB remains supportive. The economic backdrop across the eurozone, particularly in Germany, has shown improvement. Nevertheless, political risks remain given the resistance to austerity policies, and Greece could require a further bailout.

Against this backdrop, 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 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(63,699)	57,698
Revenue	43,755	23,921
Expenses	(13,985)	(7,650)
Finance costs: Interest	–	(12)
Net revenue before taxation	29,770	16,259
Taxation	(5,349)	(2,916)
Net revenue after taxation	24,421	13,343
<b>Total return</b>	<b>(39,278)</b>	<b>71,041</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(39,278)</b>	<b>71,041</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	2,065,067	1,915,104
<b>Other assets</b>		
Debtors	13,557	19,748
Cash and bank balances	33,986	29,987
Total other assets	47,543	49,735
Total assets	2,112,610	1,964,839
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(12,535)	(17,907)
Bank overdrafts	(2,760)	(13,897)
Total other liabilities	(15,295)	(31,804)
Total liabilities	(15,295)	(31,804)
<b>Net assets attributable to shareholders</b>	<b>2,097,315</b>	<b>1,933,035</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	1,933,035	931,275
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	413,962	255,143
Amounts payable on the cancellation of shares	(193,730)	(76,334)
Amounts payable on in specie transfers	(16,782)	–
	203,450	178,809
Dilution adjustment	108	144
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(39,278)	71,041
<b>Closing net assets attributable to shareholders</b>	<b>2,097,315</b>	<b>1,181,269</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle European Smaller Companies Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the equities of smaller companies domiciled in Continental Europe or with significant Continental European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle European Smaller Companies Fund has risen from 456.34p to 456.93p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +1.32% as compared to a median return of +5.51% over the same period. (For information the HSBC European Smaller Companies ex UK Index returned +6.04% over the same period).

#### Portfolio Activity

Mainstream European stocks were broadly flat in euro terms, whereas smaller companies rose strongly over the review period.

The European Central Bank (ECB) remained supportive of peripheral bonds, and Italian and Spanish debt strengthened. Towards the latter part of the period, investors took heart from signs of a recovery in demand and the likelihood of GDP accelerating in 2014. Against this, slower growth in emerging markets has affected European exporters.

The fund's performance lagged the index as investors favoured the better-value cyclical stocks, often with domestic European exposure, rather than the higher-quality exporters that we prefer. The portfolio's sector weightings were little changed and we continued to favour industrials and healthcare whilst remaining very underweight in financials (although we added slightly to this position). Geographically, we retained a preference for the stronger economic areas, such as Germany and France, over the eurozone periphery such as Italy and Spain.

Major transactions included the repurchase of Outotec, a mining equipment company. We have long favoured this stock but took profits when the share price rose.

However, weaker commodity prices caused a sell-off and prompted us to rebuild this position as the shares again look good value. We also bought French group Rexel, an electrical equipment supplier, which is a beneficiary of construction expenditure in the US. Another purchase was French company Bic, where some recent dull trading enabled us to acquire the shares at attractive levels. The company enjoys strong market shares and increasing penetration in emerging markets. Conversely we sold DSV, the transport and logistics business, as the company has been affected by poor European volumes. We also reduced Konecranes, which had recovered a little following a profits warning in June.

While it now looks likely that the US Federal Reserve will begin to wind down its quantitative easing programme in 2013, rhetoric from the ECB remains supportive. Moreover, the economic backdrop in Europe has shown improvement. Nevertheless, political risks remain given the resistance to austerity policies, and Greece could require a further bailout.

Against this backdrop, 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 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(19,232)	63,295
Revenue	38,351	21,549
Expenses	(10,840)	(6,906)
Finance costs: Interest	–	(8)
Net revenue before taxation	27,511	14,635
Taxation	(4,303)	(2,352)
Net revenue after taxation	23,208	12,283
<b>Total return</b>	<b>3,976</b>	<b>75,578</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,976</b>	<b>75,578</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	1,520,309	1,426,508
<b>Other assets</b>		
Debtors	7,573	20,067
Cash and bank balances	25,531	23,689
Total other assets	33,104	43,756
Total assets	1,553,413	1,470,264
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(13,559)	(11,163)
Bank overdrafts	(5,599)	(8,233)
Distribution payable on income shares	–	(3)
Total other liabilities	(19,158)	(19,399)
Total liabilities	(19,158)	(19,399)
<b>Net assets attributable to shareholders</b>	<b>1,534,255</b>	<b>1,450,865</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	1,450,865	948,435
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	273,795	119,481
Amounts payable on the cancellation of shares	(194,593)	(140,820)
	79,202	(21,339)
Dilution adjustment	241	–
Stamp duty reserve tax	(29)	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,976	75,578
<b>Closing net assets attributable to shareholders</b>	<b>1,534,255</b>	<b>1,002,674</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle Pan European Smaller Companies Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

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

If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Pan European Smaller Companies Fund has risen from 141.77p to 142.83p.

The total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +2.26% as compared to a median return of +5.51% over the same period. (For information the HSBC Smaller European Companies Index gave a total return of +6.93% for the same period).

#### Portfolio Activity

Mainstream European stocks were broadly flat in euro terms, whereas smaller companies rose strongly over the review period.

The European Central Bank (ECB) remained supportive of peripheral bonds, and Italian and Spanish debt strengthened. Towards the latter part of the period, investors took heart from signs of a recovery in demand and the likelihood of GDP accelerating in 2014. Against this, slower growth in emerging markets has affected European exporters.

The fund's performance lagged the index as investors favoured the better-value cyclical stocks, often with domestic European exposure, rather than the higher-quality exporters that we prefer. The portfolio's sector weightings were little changed and we continued to favour industrials and healthcare whilst remaining very underweight in financials. Geographically, we retained a preference for the stronger economic areas, such as Germany and France, over the eurozone periphery such as Italy and Spain.

Major transactions included the repurchase of Outotec, a mining equipment company. We have long favoured this stock but took profits when the share price rose. However,

weaker commodity prices caused a sell-off and prompted us to rebuild this position as the shares again look good value. We also bought Ashted, the plant hire business, which is a beneficiary of construction expenditure in the US. Another purchase was French company Bic, where some recent dull trading enabled us to acquire the shares at attractive levels. The company enjoys strong market shares and increasing penetration in emerging markets. Conversely we sold DSV, the transport and logistics business, as the company has been affected by poor European volumes. We also reduced Elekta after a strong performance and took profits in Kabel Deutschland following the bid from Vodafone.

While it now looks likely that the US Federal Reserve will begin to wind down its quantitative easing programme in 2013, rhetoric from the ECB remains supportive. Moreover, the economic backdrop in Europe has shown improvement. Nevertheless, political risks remain given the resistance to austerity policies, and Greece could require a further bailout.

Against this backdrop, 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 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(6,241)	36,132
Revenue	28,691	12,634
Expenses	(6,902)	(2,833)
Finance costs: Interest	–	(7)
Net revenue before taxation	21,789	9,794
Taxation	(2,350)	(975)
Net revenue after taxation	19,439	8,819
<b>Total return</b>	13,198	44,951
Finance costs: Equalisation	697	535
<b>Change in net assets attributable to shareholders from investment activities</b>	13,895	45,486

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	1,248,380	1,144,873
<b>Other assets</b>		
Debtors	49,572	18,634
Cash and bank balances	27,979	21,287
Total other assets	77,551	39,921
Total assets	1,325,931	1,184,794
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(46,088)	(12,387)
Bank overdrafts	(1,160)	(7,995)
Total other liabilities	(47,248)	(20,382)
Total liabilities	(47,248)	(20,382)
<b>Net assets attributable to shareholders</b>	1,278,683	1,164,412

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	1,164,412	570,912
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	267,653	156,215
Amounts payable on the cancellation of shares	(166,976)	(92,519)
	100,677	63,696
Dilution adjustment	–	137
Stamp duty reserve tax	(301)	(157)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	13,895	45,486
<b>Closing net assets attributable to shareholders</b>	1,278,683	680,074

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle Pan European Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the equity of large companies domiciled in Continental Europe or the UK or with significant Continental European or UK activities. The ACD may, however, invest in the equity of smaller companies.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Pan European Fund has risen from 114.53p to 118.73p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +5.85% as compared to a median return of +5.20% over the same period. (For information the MSCI World Europe Index returned +3.74% over the same period).

#### Portfolio Activity

European stocks were broadly flat over the review period in euro terms, although the markets rallied between April and May and again in the closing weeks of the period.

The European Central Bank (ECB) remained supportive of peripheral bonds, and Italian and Spanish debt strengthened. Towards the latter part of the period, investors took heart from signs of a recovery in demand and the likelihood of GDP accelerating in 2014. Against this, slower growth in emerging markets has affected European exporters.

During the review period, we reduced the fund's exposure to the chemicals and consumer goods sectors but increased the allocation to telecoms. Meanwhile, we continued to favour industrials and consumer services. In financials, the fund has a similar weighting to the index, but the portfolio is focused predominantly on insurance stocks and is underweight in banks. Geographically, we have reduced the fund's overweighting in Germany whilst moving overweight in the Netherlands.

At the stock level, we bought Richemont, the Swiss luxury goods business, which has a portfolio of very strong brands and is continuing to perform well in

emerging markets. One of the largest sales was of Kabel Deutschland, the German cable operator, where we took profits after the bid from Vodafone. We added Vodafone to replace this position and the purchase proved timely as the shares benefited from M&A speculation, with the company confirming in early September that it would sell its large holding in Verizon for \$130 billion. We sold Nestlé, as the shares have performed very strongly over a number of years and we are concerned about increasing competition in the key coffee market.

While it now looks likely that the US Federal Reserve will begin to wind down its quantitative easing programme in 2013, rhetoric from the ECB remains supportive. The economic backdrop across the eurozone, particularly in Germany, has shown improvement, while the UK economic recovery also appears to be gaining momentum. Nevertheless, political risks remain given the resistance to austerity policies, and Greece could require a further bailout.

Against this backdrop, 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 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	6,091	3,405
Revenue	4,661	4,263
Expenses	(1,246)	(1,026)
Finance costs: Interest	–	(1)
Net revenue before taxation	3,415	3,236
Taxation	(465)	(418)
Net revenue after taxation	2,950	2,818
<b>Total return</b>	<b>9,041</b>	<b>6,223</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>9,041</b>	<b>6,223</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	225,183	239,486
<b>Other assets</b>		
Debtors	1,577	7,128
Cash and bank balances	2,643	4,512
Total other assets	4,220	11,640
Total assets	229,403	251,126
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(401)	(8,873)
Bank overdrafts	–	(467)
Total other liabilities	(401)	(9,340)
Total liabilities	(401)	(9,340)
<b>Net assets attributable to shareholders</b>	<b>229,002</b>	<b>241,786</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	241,786	190,764
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	61,452	27,665
Amounts payable on the cancellation of shares	(83,307)	(25,877)
	(21,855)	1,788
Dilution adjustment	102	32
Stamp duty reserve tax	(72)	(51)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,041	6,223
<b>Closing net assets attributable to shareholders</b>	<b>229,002</b>	<b>198,756</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle European Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund in European public sector sovereign bonds and corporate bonds, issued by companies domiciled in Europe or with significant European operations, denominated in a range of European currencies or other Euro denominated public sector sovereign bonds and corporate bonds. The fund has the flexibility to invest in bonds issued by Eastern European issuers.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle European Bond Fund has fallen from 71.68p to 68.13p.

The sterling total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -1.22%, which equates approximately to -0.39% gross of tax and charges\*\*. For information

the ML Pan Euro Large Cap. Index returned -0.80% over the same period.

#### Portfolio Activity

The expectation that the US Federal Reserve's asset purchase scheme would be tapered in 2013 dominated bond markets in the period under review. Markets paid close attention to signals from the US Federal Reserve, which contributed to bond market selloffs in both May and August. As economic newsflow from the US and core Europe improved and expectations of higher future interest rates became embedded, the long end of the yield curve steepened, leading us to alter our strategy.

We began the period with an underweight duration position but this was closed during June via additions to German government bonds following an increase in yields. Following further evidence of economic improvement in the eurozone, we once again reduced exposure during August, primarily via sales of French and Austrian debt. At that point we also moved to underweight in peripheral eurozone paper, selling Spanish and Irish government bonds. We maintained an overweight position in Swedish government bonds throughout, and underweights in French and Dutch

bonds, on the basis of fundamentals and relative valuations.

In terms of corporate bond exposure, we remained overweight throughout, which was broadly positive for performance as this sector outperformed. Selective exposure was also maintained in emerging markets sovereign and corporate issues, in spite of significant volatility in the sector. One example of this is the fund's holding of Polish government bonds, added during June.

Looking ahead, we remain conscious of the risks that a stressed Treasury market could pose to credit as the Federal Reserve contemplates its quantitative easing exit strategy. There has already been some significant adjustment to longer-term interest rate expectations, although the authorities maintain that rates will remain low in the near term, with the next moves associated with labour market outcomes. In Europe, with Germany growing and France moving out of recession, the outlook should become less opaque in the coming months.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital losses	(7,943)	(1,600)
Revenue	2,469	2,537
Expenses	(1,051)	(1,056)
Finance costs:		
Derivative expense	(1)	(3)
Interest	-	(6)
Net revenue before taxation	1,417	1,472
Taxation	-	-
Net revenue after taxation	1,417	1,472
<b>Total return before distributions</b>	<b>(6,526)</b>	<b>(128)</b>
Finance costs: Distributions	(2,305)	(2,353)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(8,831)</b>	<b>(2,481)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	158,346	170,370
<b>Other assets</b>		
Debtors	20,495	4,044
Cash and bank balances	13,495	2,560
Total other assets	33,990	6,604
Total assets	192,336	176,974
<b>Liabilities</b>		
<b>Derivative liabilities</b>	-	(24)
<b>Other liabilities</b>		
Creditors	(14,181)	(828)
Bank overdrafts	-	(678)
Distribution payable on income shares	(583)	(654)
Total other liabilities	(14,764)	(2,160)
Total liabilities	(14,764)	(2,184)
<b>Net assets attributable to shareholders</b>	<b>177,572</b>	<b>174,790</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	174,790	207,856
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	24,621	27,259
Amounts payable on the cancellation of shares	(14,670)	(66,912)
	9,951	(39,653)
Dilution adjustment	10	158
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,831)	(2,481)
Retained distribution on accumulation shares	1,652	1,463
<b>Closing net assets attributable to shareholders</b>	<b>177,572</b>	<b>167,343</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/09/13	0.9109	0.1822	0.7287	-	0.7287	0.6811
<b>Group 2</b>						
08/03/13 to 07/09/13	0.4803	0.0961	0.3842	0.3445	0.7287	0.6811
<b>Total distributions in the period</b>					<b>0.7287</b>	<b>0.6811</b>

#### Class 1 Shares

Gross Accumulation Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b>				
08/03/13 to 07/09/13	1.6688	-	1.6688	1.5178
<b>Group 2</b>				
08/03/13 to 07/09/13	0.6254	1.0434	1.6688	1.5178
<b>Total distributions in the period</b>			<b>1.6688</b>	<b>1.5178</b>

## Threadneedle European Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.5515	–	1.5515	1.4217
<b>Group 2</b> 08/03/13 to 07/09/13	0.6901	0.8614	1.5515	1.4217
<b>Total distributions in the period</b>			<b>1.5515</b>	<b>1.4217</b>

#### Class Z Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b> 08/03/13 to 07/09/13	1.3101	0.2620	1.0481	–	1.0481
<b>Group 2</b> 08/03/13 to 07/09/13	0.1989	0.0398	0.1591	0.8890	1.0481
<b>Total distributions in the period</b>					<b>1.0481</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle European Corporate Bond Fund

### Investment Report Investment Objective

The investment objective of this fund is to achieve total return.

### Investment Policy

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle European Corporate Bond Fund has fallen from 95.01p to 91.63p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -0.70%. The fund return equates approximately to +0.15% gross of tax and charges\*\*. (For information the iBoxx European All Corporate Bond Index gave a total return of -0.41% for the same period).

### Portfolio Activity

The expectation that the US Federal Reserve's asset-purchase scheme would be tapered in 2013 dominated bond markets in the period under review. Markets paid close attention to signals from the Federal Reserve, which contributed to bond-market selloffs in both May and August. As economic newsflow from the US and core Europe improved and expectations of higher future interest rates became embedded, the long end of the yield curve steepened.

The fund's major transactions over the period included both purchases and sales of bonds issued by Deutschland FMS Wertmanagement (the German government's winding-up institution), Banco Bilbao (a Spanish bank) and Gazprom (the Russian energy giant). We increased the fund's position in Oracle (a technology firm) and reduced the position in Iberdrola (a Spanish utility).

Looking ahead, we remain conscious of the risks that a stressed Treasury market could pose to credit as the Federal Reserve contemplates its quantitative easing exit strategy. There has already been some significant adjustment to longer-term interest rate expectations, although the authorities maintain that rates will remain low in the near term, with the next moves associated with labour market outcomes. In Europe, with Germany growing and France moving out of recession, the outlook should become less opaque in the coming months.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital losses	(2,974)	(755)
Revenue	1,162	1,030
Expenses	(376)	(257)
Finance costs:		
Derivative expense	(24)	–
Interest	–	(2)
Net revenue before taxation	762	771
Taxation	–	–
Net revenue after taxation	762	771
<b>Total return before distributions</b>	<b>(2,212)</b>	<b>16</b>
Finance costs: Distributions	(762)	(771)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(2,974)</b>	<b>(755)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	64,756	66,282
<b>Other assets</b>		
Debtors	4,635	1,231
Cash and bank balances	1,939	160
Total other assets	6,574	1,391
Total assets	71,330	67,673
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(383)	(259)
<b>Other liabilities</b>		
Creditors	(4,763)	(184)
Bank overdrafts	–	(18)
Total other liabilities	(4,763)	(202)
Total liabilities	(5,146)	(461)
<b>Net assets attributable to shareholders</b>	<b>66,184</b>	<b>67,212</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	67,212	48,811
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	10,311	14,883
Amounts payable on the cancellation of shares	(9,064)	(7,614)
	1,247	7,269
Dilution adjustment	25	64
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(2,974)	(755)
Retained distribution on accumulation shares	674	695
<b>Closing net assets attributable to shareholders</b>	<b>66,184</b>	<b>56,084</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

#### Interest distribution in pence per share

#### Class 1 Shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
08/03/13 to 07/09/13	0.9326	0.1865	0.7461	0.7461	0.9696
<b>Total distributions in the period</b>				<b>0.7461</b>	<b>0.9696</b>

#### Class 1 Shares

Distribution Period	Gross Revenue	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
08/03/13 to 07/09/13	1.0672	1.0672	1.1617
<b>Total distributions in the period</b>		<b>1.0672</b>	<b>1.1617</b>

#### Class 2 Shares

Distribution Period	Gross Revenue	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
08/03/13 to 07/09/13	1.8779	1.8779	1.3875
<b>Total distributions in the period</b>		<b>1.8779</b>	<b>1.3875</b>

## Threadneedle European Corporate Bond Fund

### Notes to the financial statements

*for the accounting period 8 March 2013 to 7 September 2013*

#### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle European High Yield Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve total return. Over time this will be predominantly by way of income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in corporate fixed interest securities of corporates with higher risk (that is non-investment grade credit) issued predominantly in Euro or Sterling. Where securities are non-Euro denominated it is intended they will typically be hedged into Euro. The ACD will invest predominantly in issues issued by companies domiciled in Europe, or with significant European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle European High Yield Bond Fund has fallen from 130.67p to 129.10p.

The sterling total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +1.11%, which equates approximately to +2.37% gross of tax and charges\*\* and compares against a return of +2.08% for the Merrill Lynch European Currency High Yield Index 3% constrained ex sub-financials (100% hedged to euros). The gross returns equate to approximately +3.43% for the fund and +3.14% for the index when quoted in Euros\*\*.

#### Portfolio Activity

European high yield continued its upwards trend in the early part of the second quarter, as the search for yield and global liquidity continued. During May and June however, comments by the US Federal Reserve concerning a potential reduction in quantitative easing shocked markets and saw risk assets fall. Risk-market volatility continued throughout the period, but European high yield recovered. This was due to its short-dated nature, stabilising fundamentals in Europe and improving fundamentals in the UK, combined with generally in line second quarter company results.

Over the period, we increased our exposure to cyclical names, specifically auto-names such as Schaeffler and Fiat, and we started new holdings in Chrysler

and Gestamp. We also initiated a position in KPN on merger and acquisition news. Overall, this activity reduced our underweight in BB-rated names. We have been active in the new issue market during the period under review, and have also reduced our exposure to financials, taking profits in ABN and Commerzbank.

Concerns about tapering of quantitative easing are likely to result in some further short-term volatility for financial assets. But we believe that high yield remains attractive, given the ongoing search for yield and very low interest rates in the developed world. Macroeconomics and company-specific factors continue to build a positive fundamental outlook, which will support a low-default environment. While the asset class is vulnerable to further shocks in interest-rate markets, we believe that in a lower volatility/post-shock environment, the market can focus on the credit improvement story.

High yield bond supply is picking up, with a significant amount coming from companies continuing to refinance their debt. M&A activity is increasing and we believe that this will present further investment opportunities.

We continue to view valuations as fair.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital losses	(28,645)	(21,203)
Revenue	28,376	26,086
Expenses	(4,222)	(3,366)
Finance costs:		
Derivative expense	–	(51)
Interest	(1)	(33)
Net revenue before taxation	24,153	22,636
Taxation	(218)	(190)
Net revenue after taxation	23,935	22,446
<b>Total return</b>	<b>(4,710)</b>	<b>1,243</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(4,710)</b>	<b>1,243</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	2013 £000
<b>Assets</b>		
<b>Investment assets</b>	732,246	748,543
<b>Other assets</b>		
Debtors	20,808	26,916
Cash and bank balances	66,272	38,300
Total other assets	87,080	65,216
Total assets	819,326	813,759
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(3,906)	(671)
<b>Other liabilities</b>		
Creditors	(7,540)	(7,320)
Bank overdrafts	–	(1,074)
Distribution payable on income shares	–	(1,693)
Total other liabilities	(7,540)	(10,087)
Total liabilities	(11,446)	(10,758)
<b>Net assets attributable to shareholders</b>	<b>807,880</b>	<b>803,001</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	803,001	700,486
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	159,002	133,043
Amounts payable on the cancellation of shares	(149,467)	(176,452)
	9,535	(43,409)
Dilution adjustment	54	801
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,710)	1,243
<b>Closing net assets attributable to shareholders</b>	<b>807,880</b>	<b>659,121</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Strategic Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve total return principally by way of income. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to primarily invest the assets of the fund directly or indirectly in UK and European debt securities.

The ACD's strategic investment approach allocates the fund's investments between corporate investment grade and non-investment grade, sovereign and supranational debt.

The ACD may invest up to one third of the assets of the fund in money market instruments, cash or near cash and other securities (other than equities) including non-UK and non-European debt.

The ACD may invest in derivatives and forward transactions. The ACD may take long and short positions through derivatives.

Where securities are non-Sterling denominated it is intended that they will typically be hedged back into Sterling.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Strategic Bond Fund has fallen from 48.69p to 47.43p.

The total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +0.32%, which equates approximately to +1.71% gross of tax and charges\*\*. This compares against a return of +1.29% for a composite index of 60% iBoxx Sterling Non Gilts Index and 40% Merrill Lynch European Currency High Yield Index 3% constrained B-BB(100% hedged to Sterling).

#### Portfolio Activity

The review period proved challenging for fixed-income markets, characterised by higher government bond yields and wider corporate bond spreads. The chief driver for this rise in bond yields, and the change in credit spreads, was a signal from the US Federal Reserve that the size of asset purchases made through their quantitative easing programme would taper off towards the end of the third quarter. This signals an effective tightening in policy and affected most global markets. In turn, this policy decision reflected the improvement seen in the US economy.

We were invested with a duration that was lower than the benchmark index, which protected returns to an extent. The fund had a duration of around 3.85 years at the end of the review period, while the index stood at 5.78 years.

At a strategy level, we preferred credit risk to interest rate risk (duration). We remained underweight gilts and supranational bonds with an overweight in higher-yielding, lower-rated primarily investment grade and high-yield corporates and financials. On a sector basis we had a preference for banks and industrials. We offset this with an underweight in utilities.

On the high-yield side of the portfolio, we were underweight BBs and overweight single Bs. On a sector basis we were underweight cyclical names, particularly autos. Underweights in industrials and a small underweight in utilities also added to performance.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(6,876)	11,084
Revenue	11,614	12,959
Expenses	(2,723)	(2,412)
Finance costs:		
Derivative expense	–	(135)
Interest	(1)	(24)
Net revenue before taxation	8,890	10,388
Taxation	–	–
Net revenue after taxation	8,890	10,388
<b>Total return before distributions</b>	<b>2,014</b>	<b>21,472</b>
Finance costs: Distributions	(10,887)	(12,523)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(8,873)</b>	<b>8,949</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	351,107	386,762
<b>Other assets</b>		
Debtors	9,335	11,260
Cash and bank balances	10,828	3,295
Total other assets	20,163	14,555
Total assets	371,270	401,317
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(1,225)	(3,441)
<b>Other liabilities</b>		
Creditors	(5,954)	(6,517)
Distribution payable on income shares	(917)	(1,083)
Total other liabilities	(6,871)	(7,600)
Total liabilities	(8,096)	(11,041)
<b>Net assets attributable to shareholders</b>	<b>363,174</b>	<b>390,276</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	390,276	396,964
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	16,026	25,538
Amounts payable on the cancellation of shares	(37,824)	(26,714)
	(21,798)	(1,176)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,873)	8,949
Retained distribution on accumulation shares	3,567	4,009
Unclaimed distribution monies brought back into account	2	7
<b>Closing net assets attributable to shareholders</b>	<b>363,174</b>	<b>408,753</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

Class 1 Shares Net Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/04/13	0.2041	0.0408	0.1633	–	0.1633	0.1820
08/04/13 to 07/05/13	0.2559	0.0512	0.2047	–	0.2047	0.1829
08/05/13 to 07/06/13	0.2366	0.0473	0.1893	–	0.1893	0.2238
08/06/13 to 07/07/13	0.2231	0.0446	0.1785	–	0.1785	0.1864
08/07/13 to 07/08/13	0.2411	0.0482	0.1929	–	0.1929	0.1994
08/08/13 to 07/09/13	0.2060	0.0412	0.1648	–	0.1648	0.1894
<b>Group 2</b>						
08/03/13 to 07/04/13	0.1358	0.0272	0.1086	0.0547	0.1633	0.1820
08/04/13 to 07/05/13	0.1440	0.0288	0.1152	0.0895	0.2047	0.1829
08/05/13 to 07/06/13	0.1055	0.0211	0.0844	0.1049	0.1893	0.2238
08/06/13 to 07/07/13	0.0930	0.0186	0.0744	0.1041	0.1785	0.1864
08/07/13 to 07/08/13	0.1046	0.0209	0.0837	0.1092	0.1929	0.1994
08/08/13 to 07/09/13	0.0833	0.0167	0.0666	0.0982	0.1648	0.1894
<b>Total distributions in the period</b>					<b>1.0935</b>	<b>1.1639</b>

## Threadneedle Strategic Bond Fund

### DISTRIBUTION TABLE

Continued

#### Class 1 Shares

##### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.2044	–	0.2044	0.2278
08/04/13 to 07/05/13	0.2563	–	0.2563	0.2289
08/05/13 to 07/06/13	0.2368	–	0.2368	0.2801
08/06/13 to 07/07/13	0.2230	–	0.2230	0.2328
08/07/13 to 07/08/13	0.2406	–	0.2406	0.2488
08/08/13 to 07/09/13	0.2055	–	0.2055	0.2360
<b>Group 2</b>				
08/03/13 to 07/04/13	0.1001	0.1043	0.2044	0.2278
08/04/13 to 07/05/13	0.1430	0.1133	0.2563	0.2289
08/05/13 to 07/06/13	0.0842	0.1526	0.2368	0.2801
08/06/13 to 07/07/13	0.1068	0.1162	0.2230	0.2328
08/07/13 to 07/08/13	0.1334	0.1072	0.2406	0.2488
08/08/13 to 07/09/13	0.1286	0.0769	0.2055	0.2360
<b>Total distributions in the period</b>			<b>1.3666</b>	<b>1.4544</b>

#### Class 2 Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/04/13	0.2218	0.0444	0.1774	–	0.1774	0.1960
08/04/13 to 07/05/13	0.2773	0.0555	0.2218	–	0.2218	0.1969
08/05/13 to 07/06/13	0.2559	0.0512	0.2047	–	0.2047	0.2410
08/06/13 to 07/07/13	0.2409	0.0482	0.1927	–	0.1927	0.2008
08/07/13 to 07/08/13	0.2608	0.0522	0.2086	–	0.2086	0.2152
08/08/13 to 07/09/13	0.2233	0.0447	0.1786	–	0.1786	0.2047
<b>Group 2</b>						
08/03/13 to 07/04/13	0.0785	0.0157	0.0628	0.1146	0.1774	0.1960
08/04/13 to 07/05/13	0.0846	0.0169	0.0677	0.1541	0.2218	0.1969
08/05/13 to 07/06/13	0.1285	0.0257	0.1028	0.1019	0.2047	0.2410
08/06/13 to 07/07/13	0.1106	0.0221	0.0885	0.1042	0.1927	0.2008
08/07/13 to 07/08/13	0.0803	0.0161	0.0642	0.1444	0.2086	0.2152
08/08/13 to 07/09/13	0.1095	0.0219	0.0876	0.0910	0.1786	0.2047
<b>Total distributions in the period</b>					<b>1.1838</b>	<b>1.2546</b>

#### Class 2 Shares

##### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.2340	–	0.2340	0.2588
08/04/13 to 07/05/13	0.2928	–	0.2928	0.2599
08/05/13 to 07/06/13	0.2700	–	0.2700	0.3179
08/06/13 to 07/07/13	0.2537	–	0.2537	0.2650
08/07/13 to 07/08/13	0.2746	–	0.2746	0.2831
08/08/13 to 07/09/13	0.2348	–	0.2348	0.2692
<b>Group 2</b>				
08/03/13 to 07/04/13	0.1435	0.0905	0.2340	0.2588
08/04/13 to 07/05/13	0.1628	0.1300	0.2928	0.2599
08/05/13 to 07/06/13	0.0600	0.2100	0.2700	0.3179
08/06/13 to 07/07/13	0.2537	–	0.2537	0.2650
08/07/13 to 07/08/13	0.0628	0.2118	0.2746	0.2831
08/08/13 to 07/09/13	0.2348	–	0.2348	0.2692
<b>Total distributions in the period</b>			<b>1.5599</b>	<b>1.6539</b>

#### Class 2 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.4138	–	0.4138	0.4294
08/04/13 to 07/05/13	0.5196	–	0.5196	0.4333
08/05/13 to 07/06/13	0.4815	–	0.4815	0.5327
08/06/13 to 07/07/13	0.4549	–	0.4549	0.4461
08/07/13 to 07/08/13	0.4945	–	0.4945	0.4800
08/08/13 to 07/09/13	0.4254	–	0.4254	0.4583
<b>Group 2</b>				
08/03/13 to 07/04/13	0.3901	0.0237	0.4138	0.4294
08/04/13 to 07/05/13	0.4380	0.0816	0.5196	0.4333
08/05/13 to 07/06/13	0.2175	0.2640	0.4815	0.5327
08/06/13 to 07/07/13	0.1624	0.2925	0.4549	0.4461
08/07/13 to 07/08/13	0.2986	0.1959	0.4945	0.4800
08/08/13 to 07/09/13	0.2072	0.2182	0.4254	0.4583
<b>Total distributions in the period</b>			<b>2.7897</b>	<b>2.7798</b>

#### Class Z Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013
<b>Group 1</b>					
08/03/13 to 07/04/13	0.4336	0.0867	0.3469	–	0.3469
08/04/13 to 07/05/13	0.5430	0.1086	0.4344	–	0.4344
08/05/13 to 07/06/13	0.5041	0.1008	0.4033	–	0.4033
08/06/13 to 07/07/13	0.4709	0.0942	0.3767	–	0.3767
08/07/13 to 07/08/13	0.5096	0.1019	0.4077	–	0.4077
08/08/13 to 07/09/13	0.4360	0.0872	0.3488	–	0.3488
<b>Group 2</b>					
08/03/13 to 07/04/13	0.1310	0.0262	0.1048	0.2421	0.3469
08/04/13 to 07/05/13	0.2830	0.0566	0.2264	0.2080	0.4344
08/05/13 to 07/06/13	0.1420	0.0284	0.1136	0.2897	0.4033
08/06/13 to 07/07/13	0.2369	0.0474	0.1895	0.1872	0.3767
08/07/13 to 07/08/13	0.1586	0.0317	0.1269	0.2808	0.4077
08/08/13 to 07/09/13	0.1874	0.0375	0.1499	0.1989	0.3488
<b>Total distributions in the period</b>					<b>2.3178</b>

#### Class Z Shares

##### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2013
<b>Group 1</b>			
08/03/13 to 07/04/13	0.4333	–	0.4333
08/04/13 to 07/05/13	0.5429	–	0.5429
08/05/13 to 07/06/13	0.4978	–	0.4978
08/06/13 to 07/07/13	0.4713	–	0.4713
08/07/13 to 07/08/13	0.5091	–	0.5091
08/08/13 to 07/09/13	0.4343	–	0.4343
<b>Group 2</b>			
08/03/13 to 07/04/13	0.4333	–	0.4333
08/04/13 to 07/05/13	0.1679	0.3750	0.5429
08/05/13 to 07/06/13	0.1337	0.3641	0.4978
08/06/13 to 07/07/13	0.3734	0.0979	0.4713
08/07/13 to 07/08/13	0.1003	0.4088	0.5091
08/08/13 to 07/09/13	0.3097	0.1246	0.4343
<b>Total distributions in the period</b>			<b>2.8887</b>

#### Class Z Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013
<b>Group 1</b>			
08/03/13 to 07/04/13	0.4448	–	0.4448
08/04/13 to 07/05/13	0.5602	–	0.5602
08/05/13 to 07/06/13	0.5203	–	0.5203
08/06/13 to 07/07/13	0.4941	–	0.4941
08/07/13 to 07/08/13	0.5351	–	0.5351
08/08/13 to 07/09/13	0.3822	–	0.3822
<b>Group 2</b>			
08/03/13 to 07/04/13	0.2548	0.1900	0.4448
08/04/13 to 07/05/13	0.5602	–	0.5602
08/05/13 to 07/06/13	0.3619	0.1584	0.5203
08/06/13 to 07/07/13	0.4941	–	0.4941
08/07/13 to 07/08/13	0.3852	0.1499	0.5351
08/08/13 to 07/09/13	0.0254	0.3568	0.3822
<b>Total distributions in the period</b>			<b>2.9367</b>

Group 2: shares purchased during a distribution period

## Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle American Fund

### Investment Report Investment Objective

The investment objective of this fund is to achieve capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the stock of medium to large companies domiciled in North America or which have significant North American operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle American Fund has risen from 140.85p to 146.35p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +6.56% as compared to a median return of +6.72% over the same period. (For information the

S&P 500 Composite Index returned +6.91% over the same period).

### Portfolio Activity

Over the six months to 7 September 2013, the S&P 500 index rose more than 6% in sterling terms. The main factors in this were signs of growing improvement in the domestic economy and low interest rates worldwide. These were sufficient to outweigh the growing concerns that the Federal Reserve would start to wind down its asset-purchase programme. The fund marginally underperformed its benchmark over the review period.

The fund's activity was dictated by stock-level opportunities. We increased the holding in Gilead (biotech), whose promising hepatitis C drug is likely to enter phase-III trials over the next few months. We sold out of United Technologies (aerospace and defence) early in the period, but bought back in as the outlook for global growth improved. We expect the firm's growth to reaccelerate, given its exposure to defence and European end-markets. Earlier, we added Ingersoll-Rand (engineering), as our analysis pointed to its ability to benefit from an

improving non-residential property market, through its air-conditioning, security and temperature-control systems. We also decided to buy a small overweight position in General Electric (diversified engineering) as a number of catalysts could help crystallise value in the shares. In the financial sector, we took some profits in JPMorgan and Bank of America, using the proceeds to increase the fund's position in private-equity firm Blackstone.

The US economic backdrop continues to provide a more supportive corporate trading environment than that elsewhere in the world. Although the recovery of the US housing market is likely to slow on the back of the rise in rates, we believe that it should boost employment and consumer spending, at a time when the US is enjoying an industrial renaissance and increased energy self-reliance. Economic developments to date support this view.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	82,205	65,855
Revenue	17,902	16,176
Expenses	(15,082)	(13,244)
Finance costs: Interest	(2)	(5)
Net revenue before taxation	2,818	2,927
Taxation	(2,217)	(2,052)
Net revenue after taxation	601	875
<b>Total return</b>	<b>82,806</b>	<b>66,730</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>82,806</b>	<b>66,730</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	2013 £000
<b>Assets</b>		
<b>Investment assets</b>	2,146,630	2,201,104
<b>Other assets</b>		
Debtors	37,655	18,492
Cash and bank balances	18,270	30,321
Total other assets	55,925	48,813
Total assets	2,202,555	2,249,917
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(193)	(1,253)
<b>Other liabilities</b>		
Creditors	(30,681)	(18,375)
Bank overdrafts	–	(10,664)
Distribution payable on income shares	–	(94)
Total other liabilities	(30,681)	(29,133)
Total liabilities	(30,874)	(30,386)
<b>Net assets attributable to shareholders</b>	<b>2,171,681</b>	<b>2,219,531</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	2,219,531	1,802,553
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	266,171	284,190
Amounts payable on the cancellation of shares	(364,214)	(125,031)
Amounts payable on in specie transfers	(32,779)	–
	(130,822)	159,159
Dilution adjustment	166	–
Stamp duty reserve tax	–	(5)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	82,806	66,730
<b>Closing net assets attributable to shareholders</b>	<b>2,171,681</b>	<b>2,028,437</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle American Select Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular specialisation. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle American Select Fund has risen from 153.06p to 156.94p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested

income, is +5.08% as compared to a median return of +6.72% over the same period. (For information the S&P 500 Composite Index returned +6.91% over the same period, and the NASDAQ Composite Index returned +12.24%).

#### Portfolio Activity

The American Select Fund underperformed the S&P 500 index during the six months under review, after poor stock selection in the industrial, healthcare and information technology sectors dragged on performance.

Despite concerns that the US Federal Reserve could start to gradually slow down the pace of its asset-purchase programme (also called quantitative easing), the S&P 500 index rose in excess of 6% in sterling terms over the period, helped by strong corporate results, signs of improvement in the domestic economy and low interest rates worldwide.

Stock-specific opportunities guided our activity over the period. We increased the fund's holding in Gilead (biotech), whose promising hepatitis C drug is likely to enter phase-III trials over the next few months. In the financial sector, we increased the holding in Prudential (insurance). New holdings included Express Scripts

(pharmacy benefits) which should benefit from the introduction of generic drugs and its own push to lower costs, and Mead Johnson, a producer of infant formula that looks set to benefit from a recovering US birth rate and a potential relaxation of China's one-child policy.

In the financial sector, we took some profits in JPMorgan and Bank of America. In healthcare, we reduced the holding in Pfizer and sold out of Merck altogether, using the proceeds to add to Gilead. In the media sector, we sold out of cable provider Comcast. We reduced the holding in alarm-monitoring firm ADT, which is facing increased competitive pressure.

The US economic backdrop continues to provide a more supportive corporate trading environment than that elsewhere in the world. Although the recovery of the US housing market is likely to slow on the back of the rise in rates, we believe that it should boost employment and consumer spending, at a time when the US is enjoying an industrial renaissance and increased energy self-reliance. Economic developments to date support this view.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	53,805	71,301
Revenue	12,298	12,351
Expenses	(14,728)	(12,572)
Finance costs: Interest	(1)	(2)
Net expenses before taxation	(2,431)	(223)
Taxation	(1,598)	(1,448)
Net expenses after taxation	(4,029)	(1,671)
<b>Total return</b>	<b>49,776</b>	<b>69,630</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>49,776</b>	<b>69,630</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	2,158,144	2,052,057
<b>Other assets</b>		
Debtors	38,785	103,115
Cash and bank balances	16,846	159,482
Total other assets	55,631	262,597
Total assets	2,213,775	2,314,654
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(1,120)	(731)
<b>Other liabilities</b>		
Creditors	(53,681)	(181,033)
Bank overdrafts	(1,849)	(96,089)
Distribution payable on income shares	-	(3)
Total other liabilities	(55,530)	(277,125)
Total liabilities	(56,650)	(277,856)
<b>Net assets attributable to shareholders</b>	<b>2,157,125</b>	<b>2,036,798</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	2,036,798	1,649,985
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	458,922	295,960
Amounts payable on the cancellation of shares	(388,699)	(282,212)
	70,223	13,748
Dilution adjustment	340	154
Stamp duty reserve tax	(12)	(19)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	49,776	69,630
<b>Closing net assets attributable to shareholders</b>	<b>2,157,125</b>	<b>1,733,498</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

## Threadneedle American Smaller Companies Fund (US)

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

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

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 160.46p to 169.87p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months

ending 31 August 2013, including net reinvested income, is +9.29% as compared to a median return of +9.20% over the same period. (For information the S&P 400 Mid Cap Index returned +6.15% over the same period).

#### Portfolio Activity

Over the six-month period under review, the American Smaller Companies Fund comfortably outperformed the S&P 400 Midcap index, thanks to strong stock selection in the healthcare, consumer discretionary and industrials sectors.

Despite concerns that the US Federal Reserve could start to gradually slow down the pace of its asset-purchase programme (also called quantitative easing), the S&P 400 Midcap index rose in excess of 6% in sterling terms over the period, helped by strong corporate results, signs of improvement in the domestic economy and low interest rates worldwide.

Our largest purchase over the period was a new holding in Madison Square Garden, which owns strategically aligned businesses in media, sports and entertainment. We expect it to benefit from a rising demand for content; the company's ownership

of both teams and networks leaves it well placed to exploit this demand. We also opened a new position in CNO Financial, which specialises in supplemental health and life assurance. Meanwhile, we started a new position in Eagle Materials, a wallboard and cement firm that is profiting from large price increases and increased demand for sand used for hydraulic fracturing. Conversely, we sold out of chemicals producer Axial, regional bank Zions and HR and consulting firm Towers Watson.

The US economic backdrop continues to provide a more supportive corporate trading environment than elsewhere in the world. Although the recovery of the US housing market is likely to slow on the back of the rise in rates, we believe that it should boost employment and consumer spending at a time when the US is enjoying an industrial renaissance and increased energy self-reliance. Economic developments to date support this view.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	25,339	10,965
Revenue	2,064	1,381
Expenses	(3,137)	(2,135)
Finance costs: Interest	–	(1)
Net expenses before taxation	(1,073)	(755)
Taxation	(256)	(168)
Net expenses after taxation	(1,329)	(923)
<b>Total return</b>	<b>24,010</b>	<b>10,042</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>24,010</b>	<b>10,042</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	540,420	378,043
<b>Other assets</b>		
Debtors	16,041	4,516
Cash and bank balances	26,323	22,750
Total other assets	42,364	27,266
Total assets	582,784	405,309
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(12,488)	(5,925)
Bank overdrafts	(2,582)	(1,450)
Total other liabilities	(15,070)	(7,375)
Total liabilities	(15,070)	(7,375)
<b>Net assets attributable to shareholders</b>	<b>567,714</b>	<b>397,934</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	397,934	328,046
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	196,932	53,062
Amounts payable on the cancellation of shares	(51,288)	(66,999)
	145,644	(13,937)
Dilution adjustment	126	59
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	24,010	10,042
<b>Closing net assets attributable to shareholders</b>	<b>567,714</b>	<b>324,210</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle Dollar Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in US Government Securities denominated in Dollar and Dollar denominated securities issued by Governments, Government Agencies, Corporations and Supranational Borrowers.

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Dollar Bond Fund has fallen from 55.80p to 50.92p.

The sterling total return on the fund for the six months ending 31 August 2013, including gross reinvested income, is -4.59% gross of tax and charges\*\*. (For information the 50% ML Euro-Dollar & Globals/50%

ML US Treasuries – Master Index gave a total return of -4.76% in sterling terms for the same period).

#### Portfolio Activity

US Treasury yields rose significantly at the start of the review period. Yields which had been around 1.6% between October of last year and the spring of this year rose to 3% by the beginning of September. This reflected more robust economic growth such as US employment data and better-than-expected housing data. The market was also unsettled by the US Federal Reserve's comments on the "tapering" of quantitative easing which would see a partial withdrawal of the Federal Reserve's bond buying and is in effect a tightening of monetary policy. Investment grade credit spreads were much more stable over the review period ending a shade wider at around 150 basis points. Within US dollar markets the key underperformer was emerging markets debt where spreads widened materially.

We took advantage of rising US Treasury yields over the period, and added to our holdings in this area. We also increased our overweight in banking securities through a purchase of Citigroup where we continue to see a credit improvement story. We continue to see

good opportunities in consumer non-cyclical securities, adding to our position in drinks company SABMiller and initiating a new holding in Japan Tobacco during the period. We funded these purchases through the sale of our holding in the German government-owned development bank KfW and from the sale of Norwegian government funding agency Kommunalbanken. We retain an overweight in credit as well as in emerging markets neither of which were positive for fund returns through the last six months.

In terms of market outlook, yields are higher and the market is discounting a trajectory of interest rate rises that seem excessive when compared to the path we expect from the economy and inflation. This makes government bond yields more attractive than six months ago. Credit spreads do not seem unduly expensive and are trading around the average for the last few years. The underperformance of emerging markets makes these two asset classes preferable to government bonds.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(6,344)	613
Revenue	978	1,028
Expenses	(442)	(447)
Finance costs: Interest	–	(1)
Net revenue before taxation	536	580
Taxation	–	–
Net revenue after taxation	536	580
<b>Total return before distributions</b>	<b>(5,808)</b>	<b>1,193</b>
Finance costs: Distributions	(903)	(946)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(6,711)</b>	<b>247</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>64,513</b>	<b>69,941</b>
<b>Other assets</b>		
Debtors	2,296	2,253
Cash and bank balances	6,952	4,268
Total other assets	9,248	6,521
Total assets	73,761	76,462
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(3,881)	(1,318)
Bank overdrafts	–	(29)
Distribution payable on income shares	(556)	(550)
Total other liabilities	(4,437)	(1,897)
Total liabilities	(4,437)	(1,897)
<b>Net assets attributable to shareholders</b>	<b>69,324</b>	<b>74,565</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>74,565</b>	<b>71,447</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	5,046	17,564
Amounts payable on the cancellation of shares	(3,782)	(14,168)
	1,264	3,396
Dilution adjustment	–	37
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(6,711)	247
Retained distribution on accumulation shares	206	282
<b>Closing net assets attributable to shareholders</b>	<b>69,324</b>	<b>75,409</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

Distribution Period	Net Income				Distribution Payable 2013	Distribution Paid 2012
	Gross Revenue	Income Tax	Net Revenue	Equalisation		
<b>Group 1</b> 08/03/13 to 07/09/13	0.6555	0.1311	0.5244	–	0.5244	0.5476
<b>Group 2</b> 08/03/13 to 07/09/13	0.3524	0.0705	0.2819	0.2425	0.5244	0.5476
<b>Total distributions in the period</b>	<b>0.5244</b>	<b>0.5476</b>			<b>0.5244</b>	<b>0.5476</b>

#### Class 1 Shares

Distribution Period	Gross Accumulation		Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
	Gross Revenue	Equalisation		
<b>Group 1</b> 08/03/13 to 07/09/13	1.2913	–	1.2913	1.3159
<b>Group 2</b> 08/03/13 to 07/09/13	0.6172	0.6741	1.2913	1.3159
<b>Total distributions in the period</b>	<b>1.2913</b>	<b>1.3159</b>	<b>1.2913</b>	<b>1.3159</b>

## Threadneedle Dollar Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

Net Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b> 08/03/13 to 07/09/13	1.2440	0.2488	0.9952	–	0.9952
<b>Group 2</b> 08/03/13 to 07/09/13	0.7023	0.1405	0.5618	0.4334	0.9952
<b>Total distributions in the period</b>					<b>0.9952</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Japan Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the equities of companies domiciled in Japan or with significant Japanese operations.

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

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Japan Fund has risen from 37.15p to 39.06p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +6.86% as compared to a median return

of +5.43% over the same period. (For information the TOPIX Index returned +5.75% over the same period).

#### Portfolio Activity

At the time of our last report in March, we discussed the early impact of Mr Abe's election as Japanese Prime Minister and the response to his policy platform, which is focused on returning Japan to a growth path with an end to deflation. His newly appointed Bank of Japan governor has been much more aggressive in moves to help bring this about. One early successful outcome has been a weaker yen, which helps to drive export competitiveness and corporate profitability. This should increase tax revenues and lead to higher wages and bonus payments for employees.

Over the review period, the market proved somewhat more volatile than during the first months of 'Abenomics', when there was an enthusiastically bullish response. However, the underlying trend has continued to be very positive. On the very last day of the reporting period, Tokyo won its bid to host the Olympics in 2020, which will be unambiguously helpful for Mr Abe's growth agenda. Corporate profits have started to grow very strongly in response to the weaker

yen and increased domestic consumption and, hence, equity valuations are not stretched.

Activity in the portfolio focused on stock-specific issues, since the thematic overlay of a belief that Japan is better off with Abenomics than without it remains very much intact. We continue to find interesting domestic investment ideas where valuations are not at all expensive and the prospects are improving. Examples include the TV broadcaster Fuji Media and advertising company Dentsu. Additionally, we purchased Mitsubishi Materials which has a portfolio of commodity-related operations including a very strong cement business. Conversely, we sold the machinery company Yaskawa Electric after its recent strong performance had taken it to a rich valuation.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains/(losses)	7,288	(18,555)
Revenue	1,697	2,715
Expenses	(1,162)	(1,187)
Finance costs: Interest	–	(1)
Net revenue before taxation	535	1,527
Taxation	(127)	(182)
Net revenue after taxation	408	1,345
<b>Total return</b>	<b>7,696</b>	<b>(17,210)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>7,696</b>	<b>(17,210)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	203,303	147,044
<b>Other assets</b>		
Debtors	5,521	6,909
Cash and bank balances	5,912	4,041
Total other assets	11,433	10,950
Total assets	214,736	157,994
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(6,364)	(6,431)
Bank overdrafts	(4,619)	(4,259)
Total other liabilities	(10,983)	(10,690)
Total liabilities	(10,983)	(10,690)
<b>Net assets attributable to shareholders</b>	<b>203,753</b>	<b>147,304</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	147,304	198,455
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	123,222	41,983
Amounts payable on the cancellation of shares	(74,709)	(46,540)
	48,513	(4,557)
Dilution adjustment	240	61
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,696	(17,210)
<b>Closing net assets attributable to shareholders</b>	<b>203,753</b>	<b>176,749</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle Japan Smaller Companies Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the equities of smaller companies domiciled in Japan or with significant Japanese operations.

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

#### Portfolio Activity

At the time of our last report in March, we discussed the early impact of Mr Abe's election as Japanese Prime Minister and the response to his policy platform, which is focused on returning Japan to a growth path with an end to deflation. His newly appointed Bank of Japan governor has been much more aggressive in moves to help bring this about. One early successful outcome has been a weaker yen, which helps to drive export competitiveness and corporate profitability.

This should increase tax revenues and lead to higher wages and bonus payments for employees.

During this interim reporting period the market has been somewhat more volatile than during the first months of an enthusiastically bullish response to Abenomics. However, the underlying trend has continued to be very positive. Corporate profits have started to grow very strongly in response to the weaker yen and increased domestic consumption and, hence, equity valuations are not stretched.

On 13 February 2013 shareholders in the fund voted in favour of a resolution for fund closure. We disposed of the final holdings of these securities and accordingly the fund was closed on 27 August 2013.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013*	2012
	£000	£000
Income		
Net capital gains/(losses)	925	(6,354)
Revenue	107	1,565
Expenses	(57)	(628)
Finance costs: Interest	–	(1)
Net revenue before taxation	50	936
Taxation	(8)	(103)
Net revenue after taxation	42	833
<b>Total return</b>	<b>967</b>	<b>(5,521)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>967</b>	<b>(5,521)</b>

\*The Japan Smaller Companies Fund was closed on 27 August 2013.

### BALANCE SHEET

as at 7 September 2013

	2013*	March 2013
	£000	£000
<b>Assets</b>		
<b>Investment assets</b>	–	11,247
<b>Other assets</b>		
Debtors	6	79
Cash and bank balances	80	52
Total other assets	86	131
Total assets	86	11,378
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(86)	(30)
Bank overdrafts	–	(20)
Total other liabilities	(86)	(50)
Total liabilities	(86)	(50)
<b>Net assets attributable to shareholders</b>	<b>–</b>	<b>11,328</b>

\*The Japan Smaller Companies Fund was closed on 27 August 2013.

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

for the accounting period 8 March 2013 to 7 September 2013

	2013*	2012
	£000	£000
<b>Opening net assets attributable to shareholders</b>	11,328	121,872
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	8,601	4,065
Amounts payable on the cancellation of shares	(20,969)	(14,465)
	(12,368)	(10,400)
Dilution adjustment	73	33
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	967	(5,521)
<b>Closing net assets attributable to shareholders</b>	<b>–</b>	<b>105,984</b>

\*The Japan Smaller Companies Fund was closed on 27 August 2013.

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

Please refer to pages 154 to 167 for comparative tables.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Asia Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the equity of companies domiciled in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. It may further invest in other securities including fixed interest securities, other equities and money market securities.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Asia Fund has fallen from 141.05p to 130.92p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -7.96% as compared to a median return of -9.60% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned -9.45% over the same period).

#### Portfolio Activity

After a short-lived rally in April, Asian markets came under selling pressure during the summer months on concern over the extent of the economic slowdown in India and China and the impact on domestic liquidity of the anticipated tapering of quantitative easing (QE) in the US. India and the ASEAN markets of Indonesia, Thailand and the Philippines were the worst performers during the period on the back of weakness in their respective bond markets and, in some cases, widening current account deficits. The resultant currency weakness was an additional drag on returns for sterling investors.

In response to the prospect of a tightening of domestic liquidity across the region (caused by the likely tapering of quantitative easing in the US), the fund reduced its exposure to the financial sector, particularly to property stocks in Hong Kong and Singapore. Funds were re-deployed in stocks that stand to benefit from a recovery in global economic activity and a normalisation of US interest rates. As data releases showed signs of stabilisation in the performance of the mainland Chinese economy, the fund increased its exposure to the Threadneedle China Opportunities Fund, where the valuations are undemanding. In

response to signs of deterioration in the macro backdrop in Indonesia and India, which was being reflected in currency weakness, the fund reduced its exposure to these markets. As a result of this activity, the fund's exposure to the markets of Australia and Taiwan was increased and exposure to China, Korea, India, Indonesia and Singapore was reduced.

Asset allocation drove the fund's outperformance during the period. The fund was overweight technology, consumer discretionary and telecommunication sectors, which outperformed, and underweight in the more cyclical areas of energy and materials, which underperformed. Stock selection in Australia, China, Hong Kong and Taiwan also contributed positively to performance.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital losses	(56,543)	(28,982)
Revenue	12,089	14,127
Expenses	(4,191)	(4,482)
Finance costs: Interest	—	(5)
Net revenue before taxation	7,898	9,640
Taxation	(47)	(821)
Net revenue after taxation	7,851	8,819
<b>Total return</b>	<b>(48,692)</b>	<b>(20,163)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(48,692)</b>	<b>(20,163)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	548,361	773,422
<b>Other assets</b>		
Debtors	5,549	8,416
Cash and bank balances	11,005	11,311
Total other assets	16,554	19,727
Total assets	564,915	793,149
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(5,448)	(4,298)
Bank overdrafts	(1,128)	(3,658)
Total other liabilities	(6,576)	(7,956)
Total liabilities	(6,576)	(7,956)
<b>Net assets attributable to shareholders</b>	<b>558,339</b>	<b>785,193</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	785,193	713,934
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	17,522	40,811
Amounts payable on the cancellation of shares	(76,925)	(68,980)
Amounts payable on in specie transfers	(118,979)	—
	(178,382)	(28,169)
Dilution adjustment	220	87
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(48,692)	(20,163)
<b>Closing net assets attributable to shareholders</b>	<b>558,339</b>	<b>665,689</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Latin America Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund mainly in equities of companies domiciled in Latin America or which have significant Latin American operations and it may further invest in fixed income securities such as sovereign and corporate Latin American debt, other equities and money market securities.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Latin America Fund has fallen from 312.81p to 244.65p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -21.09%. (For information the MSCI 10/40 Latin America Index returned -20.41% over the same period).

#### Portfolio Activity

Latin American equity markets performed poorly over the period under review, mainly driven by Brazil where the economic slow down continues. In contrast, markets in Chile, Colombia, Mexico and Peru outperformed the regional index on a relative basis. The fund benefited from strong stock selection in Mexico and Peru where we held off-index stocks. But our stock selection in Brazil and our underweight in Colombia detracted from performance over the period.

During the reporting period, we maintained a concentrated portfolio of high-conviction ideas and increased the size of the fund's active positions.

At the country level, we increased our exposure to Mexico, particularly in off-index stocks, and reduced our exposure to Brazil. We added to existing holdings in Mexico and also initiated new positions in Mexican stocks such as toll-road operator OHL Mexico. Elsewhere, we sold out of Brazilian auto-part manufacturer Autometal, Brazilian retailers Lojas Renner and Cia.Hering and Chilean copper producer Antofagasta.

At the sector level, the fund increased its exposure to consumer staples, energy, industrials and

information technology over the period under review, while reducing positions in consumer discretionary, healthcare and materials. We maintained our exposure to financials.

The fund retains significant exposure to companies that operate in consumer sector staples in Latin America. The fund owns food and beverage businesses where domestic demand has proved to be robust even in periods when the pace of growth of the economy lost momentum. The fund is exposed to industrials and energy, and also materials such as iron ore, copper and cement. We remain cautious on telecommunications and utilities, where we have no exposure, as these two sectors are heavily regulated and are subjected to increasing intervention by governments.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital losses	(192,626)	(96,649)
Revenue	10,194	12,354
Expenses	(5,304)	(6,229)
Finance costs: Interest	–	(14)
Net revenue before taxation	4,890	6,111
Taxation	(1,323)	(719)
Net revenue after taxation	3,567	5,392
<b>Total return</b>	<b>(189,059)</b>	<b>(91,257)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(189,059)</b>	<b>(91,257)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	649,458	879,367
<b>Other assets</b>		
Debtors	8,606	19,267
Cash and bank balances	8,545	33,323
Total other assets	17,151	52,590
Total assets	666,609	931,957
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(3,773)	(16,236)
Bank overdrafts	–	(939)
Total other liabilities	(3,773)	(17,175)
Total liabilities	(3,773)	(17,175)
<b>Net assets attributable to shareholders</b>	<b>662,836</b>	<b>914,782</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	914,782	1,008,664
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	17,992	18,120
Amounts payable on the cancellation of shares	(80,878)	(66,961)
	(62,886)	(48,841)
Stamp duty reserve tax	(1)	(8)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(189,059)	(91,257)
<b>Closing net assets attributable to shareholders</b>	<b>662,836</b>	<b>868,558</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle Emerging Market Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve a total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in high yielding public sector sovereign and corporate bonds issued by emerging market borrowers. Emerging Market countries are those characterised as developing or emerging by either the World Bank, the United Nations or the JPMorgan Global Diversified Emerging Market Bond Index.

If the ACD considers it desirable it may further invest up to one third of the total assets of the fund in other fixed interest securities, including bonds issued by countries making up the G7, deposits, cash and near cash. In addition, the ACD may use derivatives (including currency, interest rate and credit default swaps) and forward transactions for purposes that are limited to EPM techniques.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 68.29p to 57.63p.

The sterling total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -11.86%. The fund return equates approximately to -10.85% gross of tax and charges\*\*. (For information the JP Morgan Emerging Market Bonds Global Index gave a total return of -10.12% for the same period).

#### Portfolio Activity

The expectation that the US Federal Reserve's asset purchase scheme would be tapered in 2013 dominated bond markets in the period under review. Markets paid close attention to signals from the Federal Reserve, which contributed to bond market selloffs in both May and August. Expectations of higher future interest rates became embedded and the longer end of the yield curve steepened considerably in the six month review period. There were significant adjustments to benchmark yields and emerging market spreads widened considerably.

We began the review period with an underweight duration position, which we neutralised in April by adding new issues from countries and quasi-sovereigns with sound fundamentals such as Costa Rica, Indonesia and the Dominican Republic. After a relatively benign month in which the fund benefited from its higher yielding credits, there was a period of volatility in May with a global sell-off of risk assets. This encouraged us

to liquidate some of the fund's local currency positions which we believed could be vulnerable, and to hedge others, to shield against exchange rate volatility.

We adopted more defensive positioning, trimming overall exposure in June and again in early July, in response to market uncertainty. We reduced exposure to some higher-risk credits such as the Ukraine and Venezuela. We also reduced holdings of Turkish debt, given its vulnerability to political uncertainty and its balance of payments position. Our investment in Mongolian issues was brought close to zero, due to concerns over the health of its banking sector. Meanwhile, we increased exposure to Russian quasi-sovereigns, which offers a good pick-up in yield over the sovereign debt, and to Georgia, given its solid credit fundamentals.

Looking ahead, we will continue to take measures to protect investors against volatility, while also continuing to seek alpha trades in the emerging markets universe. We believe that there is plenty of dislocation in the market that we can exploit.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(122,872)	33,690
Revenue	21,899	19,882
Expenses	(6,340)	(6,082)
Finance costs: Interest	(1)	(8)
Net revenue before taxation	15,558	13,792
Taxation	-	-
Net revenue after taxation	15,558	13,792
<b>Total return before distributions</b>	<b>(107,314)</b>	<b>47,482</b>
Finance costs: Distributions	(21,189)	(19,192)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(128,503)</b>	<b>28,290</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	311,787	970,826
<b>Other assets</b>		
Debtors	13,640	52,249
Cash and bank balances	24,013	19,809
Total other assets	37,653	72,058
Total assets	349,440	1,042,884
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(2,951)	(1,130)
<b>Other liabilities</b>		
Creditors	(11,460)	(11,165)
Bank overdrafts	-	(318)
Distribution payable on income shares	(7,376)	(17,553)
Total other liabilities	(18,836)	(29,036)
Total liabilities	(21,787)	(30,166)
<b>Net assets attributable to shareholders</b>	<b>327,653</b>	<b>1,012,718</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	1,012,718	746,142
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	38,968	168,438
Amounts payable on the cancellation of shares	(601,328)	(41,494)
	(562,360)	126,944
Dilution adjustment	4,024	260
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(128,503)	28,290
Retained distribution on accumulation shares	1,774	3,115
Unclaimed distribution monies brought back into account	-	1
<b>Closing net assets attributable to shareholders</b>	<b>327,653</b>	<b>904,752</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

Net Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	1.7238	0.3448	1.3790	-	1.3790	1.2114
<b>Group 2</b> 08/03/13 to 07/09/13	1.0438	0.2088	0.8350	0.5440	1.3790	1.2114
<b>Total distributions in the period</b>					<b>1.3790</b>	<b>1.2114</b>
<b>Class 1 Shares</b>						
Gross Income Distribution Period	Gross Revenue			Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	2.9120			-	2.9120	2.5676
<b>Group 2</b> 08/03/13 to 07/09/13	1.7799			1.1321	2.9120	2.5676
<b>Total distributions in the period</b>					<b>2.9120</b>	<b>2.5676</b>

## Threadneedle Emerging Market Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
Group 1 08/03/13 to 07/09/13	5.4612	–	5.4612	4.5932
Group 2 08/03/13 to 07/09/13	3.9640	1.4972	5.4612	4.5932
<b>Total distributions in the period</b>			<b>5.4612</b>	<b>4.5932</b>

#### Class 2 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
Group 1 08/03/13 to 07/09/13	5.4936	–	5.4936	4.6193
Group 2 08/03/13 to 07/09/13	2.5634	2.9302	5.4936	4.6193
<b>Total distributions in the period</b>			<b>5.4936</b>	<b>4.6193</b>

#### Class X Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
Group 1 08/03/13 to 07/09/13	8.3655	–	8.3655	1.8249
Group 2 08/03/13 to 07/09/13	8.1655	0.2000	8.3655	1.8249
<b>Total distributions in the period</b>			<b>8.3655</b>	<b>1.8249</b>

#### Class Z Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013
Group 1 08/03/13 to 07/09/13	2.7844	0.5569	2.2275	–	2.2275
Group 2 08/03/13 to 07/09/13	1.4040	0.2808	1.1232	1.1043	2.2275
<b>Total distributions in the period</b>					<b>2.2275</b>

#### Class Z Shares

##### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Payable 2013
Group 1 08/03/13 to 07/09/13	2.6176	–	2.6176
Group 2 08/03/13 to 07/09/13	1.5165	1.1011	2.6176
<b>Total distributions in the period</b>			<b>2.6176</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle High Yield Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve a higher level of income. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund principally in higher risk UK and international fixed interest securities. It may also invest in equities.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle High Yield Bond Fund has fallen from 44.08p to 43.65p.

The total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +2.18%, which equates approximately to +3.51% gross of tax and charges\*\*. (For information the Merrill Lynch European High Yield 3% constrained ex sub-financials (100% UK Sterling Hedged) Index gave a total return of +3.39% for the same period).

#### Portfolio Activity

High yield continued its upwards trend in the early part of the second quarter, as the search for yield and global liquidity continued. During May and June

however, comments by the US Federal Reserve concerning a potential reduction in quantitative easing shocked markets and saw risk assets fall. Risk-market volatility continued throughout the period, but in Europe especially, high yield recovered. This was due to its short-dated nature, stabilising fundamentals in Europe and improving fundamentals in the UK, combined with generally in line second quarter company results.

Over the period, we increased our exposure to cyclical names, specifically auto-names such as Schaeffler and Fiat, and started new holdings in Chrysler and Gestamp. We also initiated a position in KPN on merger and acquisition news. Overall, this activity reduced our underweight in BB-rated names. We have been active in the new issue market during the period under review, and have also reduced our exposure to financials, taking profits in ABN and Commerzbank.

Concerns about tapering of quantitative easing are likely to result in some further short-term volatility for financial assets. But we believe that high yield remains attractive, given the ongoing search for yield and very low interest rates in the developed world.

Macroeconomics and company-specific factors continue to build a positive fundamental outlook, which will support a low-default environment. While the asset class is vulnerable to further shocks in interest-rate markets, we believe that in a lower volatility/post-shock environment, the market can focus on the credit improvement story.

High-yield bond supply is picking up, with a significant amount coming from companies continuing to refinance their debt. M&A activity is increasing and we believe that this will present further investment opportunities.

We continue to view valuations as fair.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(1,616)	16,350
Revenue	29,824	30,953
Expenses	(4,742)	(4,788)
Finance costs: Interest	–	(27)
Net revenue before taxation	25,082	26,138
Taxation	–	–
Net revenue after taxation	25,082	26,138
<b>Total return before distributions</b>	<b>23,466</b>	<b>42,488</b>
Finance costs: Distributions	(29,318)	(30,379)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(5,852)</b>	<b>12,109</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>748,524</b>	<b>816,123</b>
<b>Other assets</b>		
Debtors	21,108	19,463
Cash and bank balances	18,122	18,121
Total other assets	39,230	37,584
Total assets	787,754	853,707
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(536)</b>	<b>(6,870)</b>
<b>Other liabilities</b>		
Creditors	(6,113)	(7,277)
Distribution payable on income shares	(2,930)	(3,573)
Total other liabilities	(9,043)	(10,850)
Total liabilities	(9,579)	(17,720)
<b>Net assets attributable to shareholders</b>	<b>778,175</b>	<b>835,987</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>835,987</b>	<b>749,167</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	54,245	82,273
Amounts payable on the cancellation of shares	(69,325)	(51,710)
Amounts payable on in specie transfers	(42,543)	–
	(57,623)	30,563
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(5,852)	12,109
Retained distribution on accumulation shares	5,661	5,783
Unclaimed distribution monies brought back into account	2	5
<b>Closing net assets attributable to shareholders</b>	<b>778,175</b>	<b>797,627</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/04/13	0.2325	0.0465	0.1860	–	0.1860	0.1958
08/04/13 to 07/05/13	0.2909	0.0582	0.2327	–	0.2327	0.1954
08/05/13 to 07/06/13	0.2820	0.0564	0.2256	–	0.2256	0.2601
08/06/13 to 07/07/13	0.2616	0.0523	0.2093	–	0.2093	0.2012
08/07/13 to 07/08/13	0.2854	0.0571	0.2283	–	0.2283	0.2311
08/08/13 to 07/09/13	0.2410	0.0482	0.1928	–	0.1928	0.2201
<b>Group 2</b>						
08/03/13 to 07/04/13	0.1103	0.0221	0.0882	0.0978	0.1860	0.1958
08/04/13 to 07/05/13	0.1945	0.0389	0.1556	0.0771	0.2327	0.1954
08/05/13 to 07/06/13	0.1409	0.0282	0.1127	0.1129	0.2256	0.2601
08/06/13 to 07/07/13	0.1101	0.0220	0.0881	0.1212	0.2093	0.2012
08/07/13 to 07/08/13	0.1504	0.0301	0.1203	0.1080	0.2283	0.2311
08/08/13 to 07/09/13	0.0918	0.0184	0.0734	0.1194	0.1928	0.2201
<b>Total distributions in the period</b>					<b>1.2747</b>	<b>1.3037</b>

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 Shares

#### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.2327	–	0.2327	0.2451
08/04/13 to 07/05/13	0.2908	–	0.2908	0.2448
08/05/13 to 07/06/13	0.2819	–	0.2819	0.3251
08/06/13 to 07/07/13	0.2609	–	0.2609	0.2509
08/07/13 to 07/08/13	0.2844	–	0.2844	0.2881
08/08/13 to 07/09/13	0.2397	–	0.2397	0.2738
<b>Group 2</b>				
08/03/13 to 07/04/13	0.1408	0.0919	0.2327	0.2451
08/04/13 to 07/05/13	0.1659	0.1249	0.2908	0.2448
08/05/13 to 07/06/13	0.2422	0.0397	0.2819	0.3251
08/06/13 to 07/07/13	0.1168	0.1441	0.2609	0.2509
08/07/13 to 07/08/13	0.0230	0.2614	0.2844	0.2881
08/08/13 to 07/09/13	0.1230	0.1167	0.2397	0.2738
<b>Total distributions in the period</b>			<b>1.5904</b>	<b>1.6278</b>

### Class 2 Shares

#### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>						
08/03/13 to 07/04/13	0.3345	0.0669	0.2676	–	0.2676	0.2799
08/04/13 to 07/05/13	0.4178	0.0836	0.3342	–	0.3342	0.2793
08/05/13 to 07/06/13	0.4035	0.0807	0.3228	–	0.3228	0.3712
08/06/13 to 07/07/13	0.3745	0.0749	0.2996	–	0.2996	0.2876
08/07/13 to 07/08/13	0.4096	0.0819	0.3277	–	0.3277	0.3304
08/08/13 to 07/09/13	0.3460	0.0692	0.2768	–	0.2768	0.3153
<b>Group 2</b>						
08/03/13 to 07/04/13	0.0965	0.0193	0.0772	0.1904	0.2676	0.2799
08/04/13 to 07/05/13	0.2303	0.0461	0.1842	0.1500	0.3342	0.2793
08/05/13 to 07/06/13	0.1820	0.0364	0.1456	0.1772	0.3228	0.3712
08/06/13 to 07/07/13	0.0708	0.0142	0.0566	0.2430	0.2996	0.2876
08/07/13 to 07/08/13	0.1965	0.0393	0.1572	0.1705	0.3277	0.3304
08/08/13 to 07/09/13	0.1245	0.0249	0.0996	0.1772	0.2768	0.3153
<b>Total distributions in the period</b>					<b>1.8287</b>	<b>1.8637</b>

### Class 2 Shares

#### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.2877	–	0.2877	0.3015
08/04/13 to 07/05/13	0.3553	–	0.3553	0.3005
08/05/13 to 07/06/13	0.3469	–	0.3469	0.3988
08/06/13 to 07/07/13	0.3212	–	0.3212	0.3083
08/07/13 to 07/08/13	0.3507	–	0.3507	0.3541
08/08/13 to 07/09/13	0.2961	–	0.2961	0.3370
<b>Group 2</b>				
08/03/13 to 07/04/13	0.1518	0.1359	0.2877	0.3015
08/04/13 to 07/05/13	0.2202	0.1391	0.3593	0.3005
08/05/13 to 07/06/13	0.1115	0.2354	0.3469	0.3988
08/06/13 to 07/07/13	0.1388	0.1824	0.3212	0.3083
08/07/13 to 07/08/13	0.1691	0.1816	0.3507	0.3541
08/08/13 to 07/09/13	0.1624	0.1337	0.2961	0.3370
<b>Total distributions in the period</b>			<b>1.9619</b>	<b>2.0002</b>

### Class 2 Shares

#### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b>				
08/03/13 to 07/04/13	0.7220	–	0.7220	0.6972
08/04/13 to 07/05/13	0.9058	–	0.9058	0.6989
08/05/13 to 07/06/13	0.8812	–	0.8812	0.9336
08/06/13 to 07/07/13	0.8204	–	0.8204	0.7283
08/07/13 to 07/08/13	0.9012	–	0.9012	0.8408
08/08/13 to 07/09/13	0.7665	–	0.7665	0.8060
<b>Group 2</b>				
08/03/13 to 07/04/13	0.7220	–	0.7220	0.6972
08/04/13 to 07/05/13	0.3045	0.6013	0.9058	0.6989
08/05/13 to 07/06/13	0.5109	0.3703	0.8812	0.9336
08/06/13 to 07/07/13	0.2221	0.5983	0.8204	0.7283
08/07/13 to 07/08/13	0.7216	0.1796	0.9012	0.8408
08/08/13 to 07/09/13	0.3664	0.4001	0.7665	0.8060
<b>Total distributions in the period</b>			<b>4.9971</b>	<b>4.7048</b>

### Class Z Shares

#### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2013
<b>Group 1</b>					
08/03/13 to 07/04/13	0.5481	0.1096	0.4385	–	0.4385
08/04/13 to 07/05/13	0.6853	0.1371	0.5482	–	0.5482
08/05/13 to 07/06/13	0.6604	0.1321	0.5283	–	0.5283
08/06/13 to 07/07/13	0.6128	0.1226	0.4902	–	0.4902
08/07/13 to 07/08/13	0.6698	0.1340	0.5358	–	0.5358
08/08/13 to 07/09/13	0.5663	0.1133	0.4530	–	0.4530
<b>Group 2</b>					
08/03/13 to 07/04/13	0.2579	0.0516	0.2063	0.2322	0.4385
08/04/13 to 07/05/13	0.3399	0.0680	0.2719	0.2763	0.5482
08/05/13 to 07/06/13	0.3213	0.0643	0.2570	0.2713	0.5283
08/06/13 to 07/07/13	0.2748	0.0550	0.2198	0.2704	0.4902
08/07/13 to 07/08/13	0.2594	0.0519	0.2075	0.3283	0.5358
08/08/13 to 07/09/13	0.2521	0.0504	0.2017	0.2513	0.4530
<b>Total distributions in the period</b>					<b>2.9940</b>

### Class Z Shares

#### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013
<b>Group 1</b>			
08/03/13 to 07/04/13	0.5675	–	0.5675
08/04/13 to 07/05/13	0.7136	–	0.7136
08/05/13 to 07/06/13	0.6938	–	0.6938
08/06/13 to 07/07/13	0.6467	–	0.6467
08/07/13 to 07/08/13	0.7101	–	0.7101
08/08/13 to 07/09/13	0.6024	–	0.6024
<b>Group 2</b>			
08/03/13 to 07/04/13	0.3003	0.2672	0.5675
08/04/13 to 07/05/13	0.4841	0.2295	0.7136
08/05/13 to 07/06/13	0.3347	0.3591	0.6938
08/06/13 to 07/07/13	0.3355	0.3112	0.6467
08/07/13 to 07/08/13	0.2705	0.4396	0.7101
08/08/13 to 07/09/13	0.1608	0.4416	0.6024
<b>Total distributions in the period</b>			<b>3.9341</b>

Group 2: shares purchased during a distribution period

## Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle Global Select Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Global Select Fund has risen from 118.84p to 119.49p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +1.90% as compared to a median return of +3.30% over the same period. (For information the MSCI AC World Free Index returned +2.41% over the same period).

#### Portfolio Activity

Global markets were supported over the period by improving US economic data and low interest rates worldwide. Investors increasingly focused on the prospect of the US Federal Reserve "tapering" its quantitative easing programme, with central bank commentary prompting sharp increases in bond yields, and equity market volatility.

Europe's economic situation seems to have stabilised, although there are few signs of strength outside the UK. Emerging markets underperformed as rising interest rates in a number of countries, along with America's strengthening domestic economy, caused US investors to repatriate funds.

Our positive view on the US recovery was rewarded, although the strength in Europe surprised us. Stocks in Japan consolidated after a strong rally between November and April, but we still favour Japanese companies that will benefit from a weaker yen and a structural improvement in demand. The main change in our positioning was an increase in the number of Japanese holdings; we have tried to ensure that exposure to 'Abenomics' is widely spread by sector. Abenomics refers to the economic policies advocated by the Japanese Prime Minister, Shinzo Abe.

New purchases included Aeon, one of Japan's largest diversified retailers. A return of inflation would support Aeon's currently depressed margins. The company's management is also considering spinning off the property holdings into a real estate investment trust, which would generate significant cashflow for shareholders. We also bought Fuji Media and Sekisui Chemicals, trimming holdings in Makita and Toyota. Fuji Media is a broadcaster poised to benefit from rising advertising prices and from its land holdings, thought to be suited to casino development. Sekisui Chemicals makes prefabricated houses and plastic pipes. Post-earthquake rebuilding and a greater focus on energy-efficient buildings are supporting the company's growth.

We expect market participants to remain focused on the US economy and central bank comments. Equity valuations have risen, although earnings growth has been modest. Equities are still attractive relative to other asset classes, however, and a more normal environment should bode well for stockpicking.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains/(losses)	2,317	(11,880)
Revenue	8,049	8,419
Expenses	(5,949)	(5,739)
Finance costs: Interest	–	(1)
Net revenue before taxation	2,100	2,679
Taxation	(789)	(812)
Net revenue after taxation	1,311	1,867
<b>Total return</b>	<b>3,628</b>	<b>(10,013)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,628</b>	<b>(10,013)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	736,615	729,176
<b>Other assets</b>		
Debtors	9,670	5,863
Cash and bank balances	14,817	17,983
Total other assets	24,487	23,846
Total assets	761,102	753,022
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(12,627)	(2,850)
Bank overdrafts	–	(2,802)
Total other liabilities	(12,627)	(5,652)
Total liabilities	(12,627)	(5,652)
<b>Net assets attributable to shareholders</b>	<b>748,475</b>	<b>747,370</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	747,370	739,038
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	48,695	21,061
Amounts payable on the cancellation of shares	(51,189)	(69,566)
	(2,494)	(48,505)
Dilution adjustment	–	54
Stamp duty reserve tax	(29)	(47)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,628	(10,013)
<b>Closing net assets attributable to shareholders</b>	<b>748,475</b>	<b>680,527</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle Global Bond Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve a total return comprising primarily income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund in a managed portfolio of fixed income securities worldwide.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle Global Bond Fund has fallen from 62.06p to 56.94p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is -5.26% as compared to a median return of -5.10% over the same period. The fund return equates approximately to -4.05% gross of tax and charges\*\*. (For information the JPM GBI Global (Traded) Index (prior to 31/07/2012 JPM Global ex Japan) gave a total return of -4.36% for the same period).

#### Portfolio Activity

The expectation that the US Federal Reserve's asset purchase scheme would be tapered in 2013 dominated bond markets in the period under review. Markets paid close attention to signals from the US Federal Reserve, which contributed to bond market selloffs in both May and August. As economic newsflow from the US and core Europe improved and expectations of higher future interest rates became embedded, the long end of the yield curve steepened, leading us to revisit our strategy.

The fund maintained a preference for Australian dollar, Swedish krona and Canadian dollar bonds versus underweight positions in German, French and Japanese government bonds throughout the review period, based on relative valuations. Exposure to US Treasuries was increased during May following a rise in yields, but reduced again in June following a further fall in prices. Australian bond exposure was also trimmed in June via sales of supranational issuers, before being increased again during July. Meanwhile our peripheral bond positioning began close to neutral, favouring Italy and Ireland versus Spain, before we moved to an underweight stance during the second quarter.

Over the six month period, we increased holdings in off-benchmark non-government bonds, including sovereign-related, emerging market and some corporate issues, in order to increase potential yields. After initially contributing positively to performance, spread widening, particularly in emerging market-related bonds, led to underperformance in June and August.

Looking ahead, we remain conscious of the risks that a stressed Treasury market could pose to credit as the Federal Reserve contemplates its quantitative easing exit strategy. However, there has already been some significant adjustment to longer-term interest rate expectations; the authorities maintain that official rates will remain low in the near term, with the next moves associated with labour market outcomes. With policy decisions imminent, the outlook should become less opaque in the coming months.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital losses	(18,436)	(1,236)
Revenue	2,686	3,339
Expenses	(1,530)	(1,852)
Finance costs: Interest	–	(9)
Net revenue before taxation	1,156	1,478
Taxation	–	–
Net revenue after taxation	1,156	1,478
<b>Total return before distributions</b>	<b>(17,280)</b>	<b>242</b>
Finance costs: Distributions	(2,505)	(3,105)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(19,785)</b>	<b>(2,863)</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	202,937	240,505
<b>Other assets</b>		
Debtors	2,078	4,776
Cash and bank balances	12,295	13,213
Total other assets	14,373	17,989
Total assets	217,310	258,494
<b>Liabilities</b>		
<b>Derivative liabilities</b>	(1,130)	(562)
<b>Other liabilities</b>		
Creditors	(7,631)	(2,272)
Distribution payable on income shares	(1,440)	(1,717)
Total other liabilities	(9,071)	(3,989)
Total liabilities	(10,201)	(4,551)
<b>Net assets attributable to shareholders</b>	<b>207,109</b>	<b>253,943</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	253,943	291,482
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	7,471	16,874
Amounts payable on the cancellation of shares	(35,361)	(32,296)
	(27,890)	(15,422)
Dilution adjustment	7	19
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(19,785)	(2,863)
Retained distribution on accumulation shares	834	1,140
Unclaimed distribution monies brought back into account	–	1
<b>Closing net assets attributable to shareholders</b>	<b>207,109</b>	<b>274,357</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

\*In pound Sterling and against UK peer group.

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

Please refer to pages 154 to 167 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Interest distribution in pence per share

#### Class 1 Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 08/03/13 to 07/09/13	0.6270	0.1254	0.5016	–	0.5016	0.5176
<b>Group 2</b> 08/03/13 to 07/09/13	0.3663	0.0733	0.2930	0.2086	0.5016	0.5176
<b>Total distributions in the period</b>					<b>0.5016</b>	<b>0.5176</b>

#### Class 1 Shares

##### Net Accumulation

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
<b>Group 1</b> 08/03/13 to 07/09/13	0.5594	0.1119	0.4475	–	0.4475	0.4537
<b>Group 2</b> 08/03/13 to 07/09/13	0.2651	0.0530	0.2121	0.2354	0.4475	0.4537
<b>Total distributions in the period</b>					<b>0.4475</b>	<b>0.4537</b>

## Threadneedle Global Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 Shares

##### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
Group 1 08/03/13 to 07/09/13	0.8565	–	0.8565	0.8838
Group 2 08/03/13 to 07/09/13	0.1046	0.7519	0.8565	0.8838
<b>Total distributions in the period</b>			<b>0.8565</b>	<b>0.8838</b>

#### Class 1 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
Group 1 08/03/13 to 07/09/13	1.1643	–	1.1643	1.1766
Group 2 08/03/13 to 07/09/13	0.6407	0.5236	1.1643	1.1766
<b>Total distributions in the period</b>			<b>1.1643</b>	<b>1.1766</b>

#### Class 2 Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
Group 1 08/03/13 to 07/09/13	0.7208	0.1442	0.5766	–	0.5766	0.5979
Group 2 08/03/13 to 07/09/13	0.2923	0.0585	0.2338	0.3428	0.5766	0.5979
<b>Total distributions in the period</b>					<b>0.5766</b>	<b>0.5979</b>

#### Class 2 Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
Group 1 08/03/13 to 07/09/13	0.9793	–	0.9793	0.9907
Group 2 08/03/13 to 07/09/13	0.5169	0.4624	0.9793	0.9907
<b>Total distributions in the period</b>			<b>0.9793</b>	<b>0.9907</b>

#### Class Z Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013
Group 1 08/03/13 to 07/09/13	1.0571	0.2114	0.8457	–	0.8457
Group 2 08/03/13 to 07/09/13	0.4135	0.0827	0.3308	0.5149	0.8457
<b>Total distributions in the period</b>					<b>0.8457</b>

#### Class Z Shares

##### Gross Income

Distribution Period	Gross Revenue	Equalisation	Distribution Payable 2013
Group 1 08/03/13 to 07/09/13	1.0601	–	1.0601
Group 2 08/03/13 to 07/09/13	0.9001	0.1600	1.0601
<b>Total distributions in the period</b>			<b>1.0601</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 8 March 2013 to 7 September 2013

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Institutional Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve long term capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund in a wide spread of primarily UK companies, which are considered to have good potential for capital growth. Investment will tend to focus on large companies with sound long-term prospects.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Institutional Fund has risen from 115.25p to 121.57p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +6.31% as compared to a median return of +6.77% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

#### Portfolio Activity

The fund outperformed the FTSE All Share index over the review period, with positive contributions from both stock and sector positioning. At the sector

level, the fund benefited from its exposure to the more economically-sensitive industrial and consumer sectors, after the UK economy started to show signs of recovery. The fund also benefited from being less exposed to financial stocks and in particular mining stocks, which fell over the period. At the individual stock level, key performers included speciality chemicals company Johnson Matthey, auto-parts manufacturer GKN and insurer Legal & General. The fund's relatively small exposure to Vodafone had the largest negative impact on relative performance, after the stock rallied on the news that a deal had been reached with Verizon over Vodafone's stake in Verizon Wireless.

We took some profits in stocks which were exposed to the economic cycle and where performance has been strong. The UK equity market has delivered positive returns in 12 of the last 14 months and the valuations on some of these stocks are starting to look a little stretched. Examples included industrial companies such as auto-parts manufacturer GKN and aerospace engineer Meggitt, as well as consumer services companies such as airline easyJet and global contract catering firm Compass. We initiated positions in out-of-favour stocks such as aerospace and defence firm BAE Systems, and

added to our existing holding in temporary power provider Aggreko following positive meetings with company management. We also initiated positions in attractively valued stocks such as security services firm G4S and the London Stock Exchange. There were no major changes at the portfolio level, however, and the fund remains diversified by stock and sector.

Although the prospect of an end to quantitative easing has created some uncertainties, we believe that the outlook remains encouraging at the company level. We continue to focus on well-managed, fundamentally-strong businesses that have realistic potential to deliver positive earnings surprises, helped by selected exposure to higher-growth global markets.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	41,876	22,014
Revenue	25,509	22,922
Expenses	(4,718)	(4,686)
Finance costs: Interest	–	(6)
Net revenue before taxation	20,791	18,230
Taxation	(55)	(45)
Net revenue after taxation	20,736	18,185
<b>Total return before distributions</b>	<b>62,612</b>	<b>40,199</b>
Finance costs: Distributions	(20,735)	(18,184)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>41,877</b>	<b>22,015</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	1,061,709	1,121,038
<b>Other assets</b>		
Debtors	6,887	18,011
Cash and bank balances	6,345	74
Total other assets	13,232	18,085
Total assets	1,074,941	1,139,123
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(1,891)	(19,942)
Total other liabilities	(1,891)	(19,942)
Total liabilities	(1,891)	(19,942)
<b>Net assets attributable to shareholders</b>	<b>1,073,050</b>	<b>1,119,181</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,119,181</b>	<b>1,125,036</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	68,933	64,723
Amounts payable on the cancellation of shares	(177,152)	(131,554)
	(108,219)	(66,831)
Dilution adjustment	49	–
Stamp duty reserve tax	(573)	(368)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	41,877	22,015
Retained distribution on accumulation shares	20,735	18,184
<b>Closing net assets attributable to shareholders</b>	<b>1,073,050</b>	<b>1,098,036</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

Class 1 Shares		Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
Net Accumulation Distribution Period	Net Revenue		
08/03/13 to 07/09/13	1.7555	1.7555	1.3607
<b>Total distributions in the period</b>		<b>1.7555</b>	<b>1.3607</b>
Class 2 Shares		Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
Net Accumulation Distribution Period	Net Revenue		
08/03/13 to 07/09/13	2.6044	2.6044	1.8331
<b>Total distributions in the period</b>		<b>2.6044</b>	<b>1.8331</b>

\*In pound Sterling and against UK peer group.  
Please refer to pages 154 to 167 for comparative tables.

## Threadneedle UK Institutional Fund

### Notes to the financial statements

*for the accounting period 8 March 2013 to 7 September 2013*

#### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Overseas Earnings Fund

### Investment Report

#### Investment Objective

The investment objective of this fund is to achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the fund primarily in the shares of UK companies deriving more than half their earnings from overseas activities and/or exports.

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

Over the six months to 7 September 2013, the published share price of the Threadneedle UK Overseas Earnings Fund has risen from 92.02p to 101.35p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2013, including net reinvested income, is +10.46% as compared to a median return of +6.77% over the same period. (For information the FTSE All-Share Total Return Index returned +4.13% over the same period).

### Portfolio Activity

The fund outperformed the index over the review period. Our favouring of insurer Legal & General added value early in the period, while among industrials, our large stake in defence firm Cobham further supported returns. Our favouring of engineering consultancy WS Atkins and fixed-line telecommunications firm BT subsequently delivered strong returns as both firms reported robust results. However, lack of exposure to Vodafone detracted during the final weeks of the review period as the mobile firm rallied on the sale of its stake in US operator Verizon Mobile.

We raised our holding in supermarket group Wm Morrison, reflecting our view that the valuation had yet to reflect the improving trading prospects. We introduced a new holding in cruise liner operator Carnival, taking the view that the shares had fallen from near-term favour due to negative global industry publicity, despite the broadening longer-term appeal of cruise holidays.

We added to our stake in water utility Pennon on the basis that the worst was over for its waste recycling business while also taking advantage of the lower

valuation as global bond yields rose on signs that the US central bank was moving towards phasing out its bond-purchasing quantitative easing (QE) programme. As QE tapering prospects rose, we also raised our exposure to other high yielding large cap stocks that had lagged behind the earlier rally. Following strong returns, we took some profits in BT, power systems supplier Rolls Royce and Legal & General.

The portfolio remains focused on well-managed, fundamentally-strong businesses. Although market returns have been strong over recent months, we believe that there is still value to be found amongst companies with perceived structural issues where the valuation more than compensates for this and which still offer decent and resilient levels of free cashflow generation.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
Income		
Net capital gains	10,764	4,315
Revenue	2,682	2,463
Expenses	(958)	(819)
Net revenue before taxation	1,724	1,644
Taxation	–	–
Net revenue after taxation	1,724	1,644
<b>Total return before distributions</b>	<b>12,488</b>	<b>5,959</b>
Finance costs: Distributions	(1,724)	(1,644)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>10,764</b>	<b>4,315</b>

### BALANCE SHEET

as at 7 September 2013

	2013 £000	March 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	119,715	114,908
<b>Other assets</b>		
Debtors	1,814	2,960
Cash and bank balances	360	395
Total other assets	2,174	3,355
Total assets	121,889	118,263
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(533)	(1,648)
Distribution payable on income shares	(1,724)	(715)
Total other liabilities	(2,257)	(2,363)
Total liabilities	(2,257)	(2,363)
<b>Net assets attributable to shareholders</b>	<b>119,632</b>	<b>115,900</b>

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

for the accounting period 8 March 2013 to 7 September 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	115,900	105,852
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	9,223	701
Amounts payable on the cancellation of shares	(16,283)	(6,159)
	(7,060)	(5,458)
Dilution adjustment	46	–
Stamp duty reserve tax	(18)	(4)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,764	4,315
<b>Closing net assets attributable to shareholders</b>	<b>119,632</b>	<b>104,705</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2012.

### DISTRIBUTION TABLE

for the accounting period 8 March 2013 to 7 September 2013

Dividend distribution in pence per share

Class 2 Shares	Net Revenue	Distribution Payable 2013	Distribution Paid 2012
Net Income			
Distribution Period			
08/03/13 to 07/09/13	1.4385	1.4385	1.2654
<b>Total distributions in the period</b>		<b>1.4385</b>	<b>1.2654</b>

\*In pound Sterling and against UK peer group.

Please refer to pages 154 to 167 for comparative tables.

## Threadneedle UK Overseas Earnings Fund

### Notes to the financial statements

*for the accounting period 8 March 2013 to 7 September 2013*

#### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated financial statements on page 6.

## Threadneedle UK Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 7.21% (6.99%)</b>				<b>FINANCIALS 14.11% (12.80%)</b>			
	<b>Chemicals 2.09% (1.65%)</b>				<b>Banks 4.41% (5.17%)</b>		
957,750	Johnson Matthey	28,493	2.09	6,065,930	Barclays	18,089	1.33
	<b>Construction &amp; building materials 5.12% (5.34%)</b>			4,130,615	HSBC Holdings	29,369	2.16
1,087,918	Bellway	14,828	1.09	858,621	Standard Chartered	12,575	0.92
68,910	Berkeley Group Holdings	1,461	0.11		<b>Insurance 0.78% (0.87%)</b>		
18,655,274	†Breedon Aggregates	5,317	0.39	8,983,512	RSA Insurance Group	10,645	0.78
3,556,975	Crest Nicholson Holdings	11,318	0.83		<b>Investment companies 1.04% (1.13%)</b>		
704,317	CRH	10,051	0.74	3,533,926	SVG Capital	14,115	1.04
1,182,066	Persimmon	13,428	0.98		<b>Life assurance 4.65% (3.59%)</b>		
7,202,542	SIG	13,325	0.98	3,432,601	Aviva	13,435	0.99
	<b>Total basic industries</b>	<b>98,221</b>	<b>7.21</b>	12,911,433	Legal & General	24,570	1.80
	<b>CYCLICAL CONSUMER GOODS 2.30% (2.28%)</b>			7,285,986	Old Mutual	13,406	0.99
	<b>Automobiles &amp; parts 1.63% (1.62%)</b>			1,968,583	St. James's Place	11,890	0.87
6,412,469	GKN	22,155	1.63		<b>Real estate 1.71% (1.61%)</b>		
	<b>Household goods &amp; textiles 0.67% (0.66%)</b>			1,023,089	Derwent London	23,316	1.71
2,339,077	Headlam Group	9,140	0.67		<b>Speciality &amp; other finance 1.51% (0.43%)</b>		
	<b>Total cyclical consumer goods</b>	<b>31,295</b>	<b>2.30</b>	833,837	London Stock Exchange Group	13,308	0.98
	<b>CYCLICAL SERVICES 21.32% (21.48%)</b>			186,852	Schroders	4,466	0.33
	<b>Distributors 2.88% (1.50%)</b>			141,842	Schroders Non-voting Shares	2,719	0.20
780,687	DCC	19,814	1.46	196,000	†W&G Investment	196	0.01
572,076	Wolseley	19,285	1.42		<b>Total financials</b>	<b>192,099</b>	<b>14.11</b>
	<b>General retailers 0.00% (0.59%)</b>				<b>GENERAL INDUSTRIALS 8.71% (9.20%)</b>		
	<b>Leisure entertainment &amp; hotels 2.02% (1.92%)</b>				<b>Aerospace &amp; defence 3.75% (3.76%)</b>		
725,969	Carnival	17,089	1.26	1,686,810	Rolls-Royce Holdings	19,365	1.42
1,440,156	J.D. Wetherspoon	10,398	0.76	1,735,487	Smiths Group	23,047	1.69
	<b>Media &amp; photography 5.04% (5.28%)</b>			462,229	Ultra Electronics Holdings	8,736	0.64
2,678,079	Daily Mail & General Trust	21,130	1.55		<b>Electronic &amp; electrical equipment 0.78% (0.87%)</b>		
4,618,344	ITE Group	13,361	0.98	3,314,374	AZ Electronic Materials	10,550	0.78
974,825	Pearson	12,449	0.91		<b>Engineering &amp; machinery 4.18% (4.57%)</b>		
2,700,757	Reed Elsevier	21,728	1.60	1,235,725	Amec	12,901	0.95
	<b>Support services 9.28% (9.25%)</b>			860,956	IMI	12,690	0.93
2,450,614	Berendsen	22,031	1.62	8,329,163	Melrose Industries	24,979	1.83
2,424,829	Compass Group	20,660	1.52	283,833	Weir Group	6,369	0.47
1,335,288	De La Rue	13,820	1.01		<b>Total general industrials</b>	<b>118,637</b>	<b>8.71</b>
4,608,488	Electrocomponents	12,581	0.92		<b>INFORMATION TECHNOLOGY 1.95% (2.22%)</b>		
3,023,224	Essentra	23,868	1.75		<b>Software &amp; computer services 1.95% (2.22%)</b>		
1,202,821	Experian Group	13,820	1.01	206,099	Fidessa Group	4,328	0.32
2,283,698	G4S	5,805	0.43	6,376,998	Sage Group	22,268	1.63
12,822,746	Rentokil Initial	13,836	1.02		<b>Total information technology</b>	<b>26,596</b>	<b>1.95</b>
	<b>Transport 2.10% (2.94%)</b>						
791,439	EasyJet	9,885	0.73				
1,550,595	Ryanair Holdings	7,932	0.58				
3,338,137	Stagecoach Group	10,769	0.79				
	<b>Total cyclical services</b>	<b>290,261</b>	<b>21.32</b>				

## Threadneedle UK Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>NON-CYCLICAL CONSUMER GOODS 18.79% (16.71%)</b>				<b>UTILITIES 1.05% (1.05%)</b>			
<b>Beverages 2.09% (2.06%)</b>				<b>Gas distribution 1.05% (1.05%)</b>			
747,000	Diageo	14,839	1.09	3,615,412	Centrica	14,317	1.05
442,911	SABMiller	13,553	1.00	<b>Total utilities</b>			
<b>Food producers &amp; processors 2.85% (2.78%)</b>				<b>Total value of investments</b>			
1,599,156	Unilever	38,859	2.85	<b>1,353,491 99.39</b>			
<b>Health 1.63% (1.24%)</b>				<b>Net other assets (2.38%)</b>			
2,925,725	Smith & Nephew	22,221	1.63	<b>8,246 0.61</b>			
<b>Personal care &amp; household products 2.08% (1.31%)</b>				<b>Net assets</b>			
2,120,671	PZ Cussons	8,807	0.65	<b>1,361,737 100.00</b>			
447,297	Reckitt Benckiser	19,511	1.43	<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>			
<b>Pharmaceuticals &amp; biotechnology 6.54% (5.76%)</b>				<i>March 2013 comparatives in brackets.</i>			
1,042,999	AstraZeneca	32,516	2.39	<i>†Alternative Investment Market.</i>			
3,441,877	GlaxoSmithKline	56,550	4.15				
<b>Tobacco 3.60% (3.56%)</b>							
648,074	British American Tobacco	21,121	1.55				
1,248,314	Imperial Tobacco Group	27,912	2.05				
<b>Total non-cyclical consumer goods</b>		<b>255,889</b>	<b>18.79</b>				
<b>NON-CYCLICAL SERVICES 7.25% (6.88%)</b>							
<b>Food &amp; drug retailers 3.07% (3.20%)</b>							
18,098,315	Booker Group	23,582	1.73				
4,952,434	Tesco	18,230	1.34				
<b>Telecommunications services 4.18% (3.68%)</b>							
15,134,841	BT Group	52,079	3.82				
4,392,156	Colt Group	4,875	0.36				
<b>Total non-cyclical services</b>		<b>98,766</b>	<b>7.25</b>				
<b>RESOURCES 16.70% (18.01%)</b>							
<b>Mining 4.08% (4.63%)</b>							
535,508	Anglo American	8,290	0.61				
1,598,371	First Quantum Minerals	17,678	1.30				
961,221	Rio Tinto	29,572	2.17				
<b>Oil &amp; gas 12.62% (13.38%)</b>							
2,488,684	BG Group	31,830	2.34				
12,477,876	BP	55,458	4.07				
762,489	Hunting	6,348	0.47				
2,226,539	Premier Oil	8,216	0.60				
1,527,600	Royal Dutch Shell 'B' Shares	32,905	2.42				
1,724,016	Tullow Oil	18,188	1.33				
2,384,969	Wood Group	18,925	1.39				
<b>Total resources</b>		<b>227,410</b>	<b>16.70</b>				

## Threadneedle UK Select Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 0.00% (3.05%)</b>				<b>Engineering &amp; machinery 1.41% (7.31%)</b>			
	Chemicals 0.00% (0.96%)			752,246	Fenner	2,718	1.41
	Construction & building materials 0.00% (2.09%)			<b>Total general industrials</b>			
	<b>Total basic industries</b>	<b>–</b>	<b>–</b>			<b>11,732</b>	<b>6.08</b>
<b>CYCLICAL CONSUMER GOODS 3.09% (1.57%)</b>				<b>INFORMATION TECHNOLOGY 1.36% (1.38%)</b>			
	Automobiles & parts 3.09% (1.57%)			548,246	Information technology hardware 1.36% (1.38%)		
1,726,852	GKN	5,966	3.09		CSR	2,626	1.36
	<b>Total cyclical consumer goods</b>	<b>5,966</b>	<b>3.09</b>	<b>Total information technology</b>			
						<b>2,626</b>	<b>1.36</b>
<b>CYCLICAL SERVICES 19.42% (10.89%)</b>				<b>NON-CYCLICAL CONSUMER GOODS 17.21% (12.88%)</b>			
	Distributors 3.39% (0.00%)			195,788	Food producers & processors 2.47% (2.10%)		
194,056	Wolseley	6,542	3.39		Unilever	4,758	2.47
	Leisure entertainment & hotels 4.10% (1.02%)				Health 2.35% (1.19%)		
217,229	InterContinental Hotels Group	4,080	2.11	597,418	Smith & Nephew	4,537	2.35
4,123,763	Spirit Pub Company	3,124	1.62		Personal care & household products 2.40% (1.54%)		
486,863	Thomas Cook Group	711	0.37	106,209	Reckitt Benckiser	4,633	2.40
	Media & photography 8.14% (4.65%)				Pharmaceuticals & biotechnology 5.97% (3.70%)		
396,226	Informa	2,072	1.07	550,466	GlaxoSmithKline	9,044	4.68
2,893,587	ITV	4,991	2.58	103,390	Shire	2,495	1.29
163,931	Pearson	2,093	1.08		Tobacco 4.02% (4.35%)		
529,330	WPP	6,585	3.41	88,122	British American Tobacco	2,872	1.49
	Support services 1.72% (3.54%)			218,562	Imperial Tobacco Group	4,887	2.53
389,588	Compass Group	3,319	1.72	<b>Total non-cyclical consumer goods</b>			
	Transport 2.07% (1.68%)					<b>33,226</b>	<b>17.21</b>
1,236,427	Stagecoach Group	3,989	2.07	<b>NON-CYCLICAL SERVICES 9.55% (8.06%)</b>			
	<b>Total cyclical services</b>	<b>37,506</b>	<b>19.42</b>	2,437,484	Telecommunications services 9.55% (8.06%)		
				4,789,661	BT Group	8,387	4.35
<b>FINANCIALS 22.72% (20.98%)</b>					Vodafone Group	10,046	5.20
	Banks 9.94% (8.16%)			<b>Total non-cyclical services</b>			
1,633,057	Barclays	4,870	2.52			<b>18,433</b>	<b>9.55</b>
1,463,713	HSBC Holdings	10,407	5.39	<b>RESOURCES 20.38% (17.79%)</b>			
267,436	Standard Chartered	3,917	2.03		Mining 5.02% (2.90%)		
	Insurance 1.98% (1.94%)			315,328	Rio Tinto	9,701	5.02
1,021,060	Amlin	3,832	1.98		Oil & gas 15.36% (14.89%)		
	Investment companies 0.98% (0.89%)			475,269	BG Group	6,079	3.15
1,849,942	Sherborne Investors (Guernsey) 'B' Shares	1,887	0.98	1,408,093	BP	6,258	3.24
	Life assurance 6.43% (7.15%)			466,716	Hunting	3,885	2.01
4,381,421	Legal & General	8,338	4.32	578,598	Premier Oil	2,135	1.11
675,728	St. James's Place	4,081	2.11	320,196	Royal Dutch Shell 'B' Shares	6,897	3.57
	Real estate 3.38% (2.84%)			555,503	Wood Group	4,408	2.28
285,938	Derwent London	6,517	3.38	<b>Total resources</b>			
	Speciality & other finance 0.01% (0.00%)					<b>39,363</b>	<b>20.38</b>
28,000	†W&G Investment	28	0.01	<b>UTILITIES 1.14% (2.04%)</b>			
	<b>Total financials</b>	<b>43,877</b>	<b>22.72</b>		Gas distribution 1.14% (2.04%)		
				555,897	Centrica	2,201	1.14
<b>GENERAL INDUSTRIALS 6.08% (16.07%)</b>				<b>Total utilities</b>			
	Aerospace & defence 4.67% (6.31%)					<b>2,201</b>	<b>1.14</b>
906,483	BAE Systems	4,031	2.09	<b>Total value of investments</b>			
434,027	Rolls-Royce Holdings	4,983	2.58			<b>194,930</b>	<b>100.95</b>
	Electronic & electrical equipment 0.00% (2.45%)			<b>Net other (liabilities)/assets (5.29%)</b>			
						<b>(1,825)</b>	<b>(0.95)</b>
				<b>Net assets</b>			
						<b>193,105</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

†Alternative Investment Market.

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 6.66% (5.38%)</b>				<b>FINANCIALS 18.94% (12.21%)</b>			
	<b>Chemicals 2.42% (3.37%)</b>				<b>Commercial mortgage backed securities 1.56% (0.00%)</b>		
678,136	Elementis	1,707	1.15	2,670,000	Scapa Group	2,310	1.56
115,645	Victrix	1,876	1.27				
	<b>Construction &amp; building materials 4.24% (2.01%)</b>			578,084	Beazley	1,157	0.78
100,000	Bellway	1,363	0.92		<b>Investment companies 4.99% (5.00%)</b>		
4,700,000	†Breedon Aggregates	1,340	0.91	153,695	Brooks Macdonald Group	1,984	1.34
383,573	Crest Nicholson Holdings	1,221	0.82	1,041,354	Conygar Investment	1,312	0.89
100,217	Galliford Try	1,017	0.69	574,613	Polar Capital Holdings	2,344	1.59
553,622	Marshalls Group	916	0.62	434,156	SVG Capital	1,734	1.17
179,753	Tyman	410	0.28		<b>Life assurance 0.98% (1.53%)</b>		
	<b>Total basic industries</b>	<b>9,850</b>	<b>6.66</b>	240,427	St. James's Place	1,452	0.98
<b>CYCLICAL CONSUMER GOODS 0.53% (0.00%)</b>					<b>Other investments 0.52% (0.00%)</b>		
	<b>Automobiles &amp; parts 0.53% (0.00%)</b>			583,333	Electrical Geodesics	776	0.52
164,500	Avon Rubber	790	0.53		<b>Real estate 6.59% (4.47%)</b>		
	<b>Total cyclical consumer goods</b>	<b>790</b>	<b>0.53</b>	391,268	Development Securities	750	0.51
<b>CYCLICAL SERVICES 34.11% (28.41%)</b>				624,397	Green REIT	631	0.43
	<b>Distributors 0.50% (0.00%)</b>			1,795,080	Hansteen Holdings	1,763	1.19
338,398	Entertainment One	734	0.50	515,118	LSL Property Services	2,395	1.62
	<b>General retailers 6.79% (6.39%)</b>			924,104	Newriver Retail	2,162	1.46
138,039	Dunelm Group	1,286	0.87	648,610	Regus	1,183	0.80
194,627	Majestic Wine	982	0.66	280,000	Telford Homes	854	0.58
1,968,566	Moss Bros Group	1,348	0.91		<b>Speciality &amp; other finance 3.52% (1.21%)</b>		
499,637	N. Brown Group	2,788	1.88	1,816,866	F&C Asset Management	1,761	1.19
188,039	Ted Baker	3,648	2.47	402,966	Intermediate Capital Group	1,797	1.22
	<b>Leisure entertainment &amp; hotels 6.68% (6.31%)</b>			440,714	Moneysupermarket.com	764	0.52
233,695	Greene King	1,955	1.32	695,651	Plus500	870	0.59
1,396,252	Rank Group	2,147	1.45		<b>Total financials</b>	<b>27,999</b>	<b>18.94</b>
409,323	Restaurant Group	2,259	1.53	<b>GENERAL INDUSTRIALS 10.88% (11.84%)</b>			
4,651,307	Spirit Pub Company	3,523	2.38		<b>Diversified industrials 0.37% (0.51%)</b>		
	<b>Media &amp; photography 5.48% (5.22%)</b>			131,074	New Britain Palm Oil	551	0.37
207,014	Euromoney Institutional Investor	2,457	1.66		<b>Electronic &amp; electrical equipment 6.91% (8.24%)</b>		
642,109	ITE Group	1,858	1.26	743,675	AZ Electronic Materials	2,367	1.60
1,182,408	STV Group	2,483	1.68	315,581	Domino Printing	2,125	1.44
701,864	Wilmington Group	1,298	0.88	727,512	Nanoco Group	1,271	0.86
	<b>Support services 13.83% (10.49%)</b>			188,676	Oxford Instruments	2,824	1.91
339,949	Ashtead Group	2,211	1.49	93,523	Renishaw	1,619	1.10
235,877	Berendsen	2,121	1.43		<b>Engineering &amp; machinery 3.60% (3.09%)</b>		
467,424	Homeserve	1,178	0.80	561,112	Fenner	2,027	1.37
884,100	Howden Joinery Group	2,572	1.74	888,774	Senior	2,473	1.67
259,615	Hyder Consulting	1,285	0.87	1,466,571	Severfield-Rowen	825	0.56
1,535,331	IP Group	2,027	1.37		<b>Total general industrials</b>	<b>16,082</b>	<b>10.88</b>
616,150	Lavendon Group	1,131	0.76				
274,583	PayPoint	2,966	2.01				
425,000	†Regeneris	884	0.60				
391,923	Robert Walters	1,087	0.73				
545,303	RPS Group	1,388	0.94				
729,883	SKIL Ports & Logistics	620	0.42				
1,699,725	Speedy Hire	986	0.67				
	<b>Transport 0.83% (0.00%)</b>						
382,477	BBA Aviation	1,221	0.83				
	<b>Total cyclical services</b>	<b>50,443</b>	<b>34.11</b>				

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>INFORMATION TECHNOLOGY 12.21% (15.76%)</b>			
<b>Information technology hardware 2.25% (3.66%)</b>			
543,057	CSR	2,601	1.76
436,683	Wolfson Microelectronics	728	0.49
<b>Software &amp; computer services 9.96% (12.10%)</b>			
2,924,964	Advanced Computer Software	2,486	1.68
1,580,459	Anite	1,908	1.29
57,437	Aveva Group	1,382	0.93
336,409	Craneware	1,346	0.91
85,000	Delcam	1,373	0.93
66,442	Fidessa Group	1,395	0.94
1,750,015	GB Group	1,960	1.33
508,160	†Progressive Digital Media Group	1,067	0.72
805,939	Ubisense Group	1,813	1.23
<b>Total information technology</b>		<b>18,059</b>	<b>12.21</b>
<b>NON-CYCLICAL CONSUMER GOODS 4.92% (6.15%)</b>			
<b>Food producers &amp; processors 1.69% (2.10%)</b>			
5,066,766	Domino's Pizza Poland	937	0.63
116,970	Genus	1,562	1.06
<b>Health 3.23% (4.05%)</b>			
315,286	Dechra Pharmaceuticals	2,201	1.49
1,647,345	Optos	2,570	1.74
<b>Total non-cyclical consumer goods</b>		<b>7,270</b>	<b>4.92</b>
<b>NON-CYCLICAL SERVICES 3.03% (6.27%)</b>			
<b>Telecommunications services 3.03% (6.27%)</b>			
54,678,090	†Expansys	328	0.22
173,500	Gooch & Housego	876	0.59
932,475	iomart Group	2,676	1.81
99,567	†Lo-Q	597	0.41
<b>Total non-cyclical services</b>		<b>4,477</b>	<b>3.03</b>
<b>RESOURCES 4.26% (7.15%)</b>			
<b>Mining 1.10% (0.71%)</b>			
901,298	Petra Diamonds	1,108	0.75
11,358,877	†Weatherly International	511	0.35
<b>Oil &amp; gas 3.16% (6.11%)</b>			
2,508,318	Enteq Upstream	1,405	0.95
1,180,571	Faroe Petroleum	1,526	1.03
209,959	Hunting	1,748	1.18
<b>Total resources</b>		<b>6,298</b>	<b>4.26</b>
<b>UTILITIES 0.70% (0.65%)</b>			
<b>Electricity 0.70% (0.65%)</b>			
79,256	XP Power	1,031	0.70
<b>Total utilities</b>		<b>1,031</b>	<b>0.70</b>
<b>Total value of investments</b>		<b>142,299</b>	<b>96.24</b>
<b>Net other assets (6.18%)</b>		<b>5,561</b>	<b>3.76</b>
<b>Net assets</b>		<b>147,860</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

†Alternative Investment Market.

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 4.69% (4.18%)</b>				<b>GENERAL INDUSTRIALS 14.37% (13.89%)</b>			
	<b>Chemicals 2.59% (2.20%)</b>				<b>Aerospace &amp; defence 8.92% (8.45%)</b>		
205,991	Johnson Matthey	6,128	2.59	1,286,219	BAE Systems	5,720	2.42
				1,614,620	Cobham	4,786	2.02
	<b>Forestry &amp; paper 2.10% (1.98%)</b>			553,942	Rolls-Royce Holdings	6,359	2.69
1,816,287	DS Smith	4,984	2.10	318,961	Smiths Group	4,236	1.79
	<b>Total basic industries</b>	<b>11,112</b>	<b>4.69</b>				
<b>CYCLICAL CONSUMER GOODS 2.92% (2.60%)</b>					<b>Engineering &amp; machinery 5.45% (5.44%)</b>		
	<b>Automobiles &amp; parts 2.92% (2.60%)</b>			349,201	IMI	5,147	2.17
1,998,680	GKN	6,905	2.92	1,592,693	Melrose Industries	4,777	2.02
	<b>Total cyclical consumer goods</b>	<b>6,905</b>	<b>2.92</b>	982,779	Morgan Advanced Materials	2,997	1.26
<b>CYCLICAL SERVICES 25.33% (24.50%)</b>					<b>Total general industrials</b>	<b>34,022</b>	<b>14.37</b>
	<b>Distributors 2.72% (2.88%)</b>			<b>INFORMATION TECHNOLOGY 1.08% (1.19%)</b>			
190,807	Wolseley	6,432	2.72		<b>Information technology hardware 1.08% (1.19%)</b>		
				532,800	CSR	2,552	1.08
	<b>General retailers 3.46% (2.91%)</b>				<b>Total information technology</b>	<b>2,552</b>	<b>1.08</b>
1,646,294	Home Retail Group	2,524	1.07	<b>NON-CYCLICAL CONSUMER GOODS 16.13% (18.73%)</b>			
1,130,286	Marks & Spencer Group	5,651	2.39		<b>Food producers &amp; processors 3.66% (4.23%)</b>		
				356,222	Unilever	8,656	3.66
	<b>Leisure entertainment &amp; hotels 2.45% (2.21%)</b>						
489,814	J.D. Wetherspoon	3,536	1.49		<b>Pharmaceuticals &amp; biotechnology 9.47% (8.89%)</b>		
1,475,417	Rank Group	2,269	0.96	315,676	AstraZeneca	9,841	4.16
				765,482	GlaxoSmithKline	12,577	5.31
	<b>Media &amp; photography 7.38% (6.63%)</b>				<b>Tobacco 3.00% (5.61%)</b>		
3,992,854	ITV	6,888	2.91	317,808	Imperial Tobacco Group	7,106	3.00
320,314	Pearson	4,090	1.73		<b>Total non-cyclical consumer goods</b>	<b>38,180</b>	<b>16.13</b>
805,539	Reed Elsevier	6,481	2.74	<b>NON-CYCLICAL SERVICES 12.05% (9.24%)</b>			
					<b>Food &amp; drug retailers 5.67% (4.93%)</b>		
	<b>Support services 7.38% (8.15%)</b>			5,496,249	Booker Group	7,162	3.03
678,481	Compass Group	5,781	2.44	2,122,828	Morrison (Wm) Supermarkets	6,258	2.64
1,036,897	Electrocomponents	2,831	1.19				
4,624,081	Rentokil Initial	4,989	2.11		<b>Telecommunications services 6.38% (4.31%)</b>		
319,147	WS Atkins	3,881	1.64	2,878,024	BT Group	9,903	4.18
				1,463,189	Colt Group	1,624	0.69
	<b>Transport 1.94% (1.72%)</b>			2,722,741	Spirent Communications	3,570	1.51
1,090,363	Stagecoach Group	3,518	1.48		<b>Total non-cyclical services</b>	<b>28,517</b>	<b>12.05</b>
1,123,261	Wincanton	1,090	0.46	<b>RESOURCES 6.46% (7.12%)</b>			
	<b>Total cyclical services</b>	<b>59,961</b>	<b>25.33</b>		<b>Mining 0.66% (0.88%)</b>		
<b>FINANCIALS 10.59% (10.48%)</b>				101,121	Anglo American	1,565	0.66
	<b>Insurance 1.84% (1.85%)</b>						
3,664,617	RSA Insurance Group	4,343	1.84		<b>Oil &amp; gas 5.80% (6.24%)</b>		
				577,011	BG Group	7,380	3.12
	<b>Investment companies 5.14% (5.23%)</b>			294,117	Royal Dutch Shell 'B' Shares	6,335	2.68
1,599,626	3i Group	5,859	2.48		<b>Total resources</b>	<b>15,280</b>	<b>6.46</b>
2,352,862	Sherborne Investors	2,682	1.13	<b>RESOURCES 6.46% (7.12%)</b>			
3,554,326	Sherborne Investors (Guernsey) 'B' Shares	3,625	1.53				
					<b>Life assurance 3.56% (3.40%)</b>		
4,429,791	Legal & General	8,430	3.56		<b>Speciality &amp; other finance 0.05% (0.00%)</b>		
				130,000	†W&G Investment	130	0.05
	<b>Total financials</b>	<b>25,069</b>	<b>10.59</b>				

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UTILITIES 6.15% (6.29%)</b>			
<b>Gas distribution 4.03% (3.91%)</b>			
1,201,451	Centrica	4,758	2.01
643,654	National Grid	4,779	2.02
<b>Water 2.12% (2.38%)</b>			
284,871	Pennon Group	2,060	0.87
435,083	United utilities Group	2,954	1.25
<b>Total utilities</b>		<b>14,551</b>	<b>6.15</b>
<b>Total value of investments</b>		<b>236,149</b>	<b>99.77</b>
<b>Net other assets (1.78%)</b>		<b>535</b>	<b>0.23</b>
<b>Net assets</b>		<b>236,684</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

†Alternative Investment Market.



## Threadneedle UK Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UTILITIES 7.36% (5.69%)</b>			
<b>Gas distribution 4.93% (3.11%)</b>			
9,508,071	Centrica	37,652	1.72
9,458,078	National Grid	70,226	3.21
<b>Water 2.43% (2.58%)</b>			
3,972,985	Pennon Group	28,725	1.31
3,601,221	United Utilities Group	24,452	1.12
<b>Total utilities</b>		<b>161,055</b>	<b>7.36</b>
<b>Total value of investments</b>		<b>2,168,989</b>	<b>99.09</b>
<b>Net other assets (3.95%)</b>		<b>19,825</b>	<b>0.91</b>
<b>Net assets</b>		<b>2,188,814</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

<sup>t</sup>Alternative Investment Market.



## Threadneedle UK Monthly Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>NON-CYCLICAL CONSUMER GOODS 18.51% (18.42%)</b>			
<b>Beverages 1.78% (2.59%)</b>			
315,000	Diageo	6,258	1.04
145,000	SABMiller	4,437	0.74
<b>Food producers &amp; processors 1.01% (2.34%)</b>			
250,000	Unilever	6,075	1.01
<b>Pharmaceuticals &amp; biotechnology 9.12% (7.33%)</b>			
640,000	AstraZeneca	19,952	3.32
2,120,000	GlaxoSmithKline	34,832	5.80
<b>Tobacco 6.60% (6.16%)</b>			
690,000	British American Tobacco	22,487	3.75
765,000	Imperial Tobacco Group	17,105	2.85
<b>Total non-cyclical consumer goods</b>		<b>111,146</b>	<b>18.51</b>
<b>NON-CYCLICAL SERVICES 7.28% (5.19%)</b>			
<b>Telecommunications services 7.28% (5.19%)</b>			
7,250,000	BT Group	24,947	4.16
2,746,206	KCOM Group	2,408	0.40
7,800,000	Vodafone Group	16,361	2.72
<b>Total non-cyclical services</b>		<b>43,716</b>	<b>7.28</b>
<b>RESOURCES 8.28% (9.32%)</b>			
<b>Mining 1.69% (2.07%)</b>			
535,000	BHP Billiton	10,173	1.69
<b>Oil &amp; gas 6.59% (7.25%)</b>			
900,000	BG Group	11,511	1.92
1,065,000	BP	4,733	0.79
1,080,000	Royal Dutch Shell 'B' Shares	23,263	3.88
<b>Total resources</b>		<b>49,680</b>	<b>8.28</b>
<b>UTILITIES 5.37% (6.68%)</b>			
<b>Electricity 0.92% (2.22%)</b>			
775,000	Drax Group	5,526	0.92
<b>Gas distribution 2.69% (2.78%)</b>			
2,175,000	National Grid	16,149	2.69
<b>Water 1.76% (1.68%)</b>			
1,465,000	Pennon Group	10,592	1.76
<b>Total utilities</b>		<b>32,267</b>	<b>5.37</b>
<b>Total value of investments</b>		<b>589,286</b>	<b>98.16</b>
<b>Net other assets (0.80%)</b>		<b>11,060</b>	<b>1.84</b>
<b>Net assets</b>		<b>600,346</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

†Alternative Investment Market.

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

as at 7 September 2013

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value	
<b>AUSTRALIA 0.28% (0.28%)</b>					<b>LUXEMBOURG 0.69% (0.75%)</b>					
<b>Corporate bonds 0.28% (0.28%)</b>					<b>Corporate bonds 0.69% (0.75%)</b>					
GBP	100,000	QBE Insurance Group 6.125% 28/09/2015	108	0.06	GBP	125,000	Finmeccanica Finance 8% 16/12/2019	139	0.07	
EUR	450,000	Santos Finance 8.25% 22/09/2070	409	0.22	USD	300,000	Gaz Capital 6.51% 07/03/2022	200	0.11	
<b>Total Australia</b>				<b>517</b>	<b>0.28</b>	GBP	700,000	Glencore Finance Europe 6.5% 27/02/2019	766	0.42
<b>BELGIUM 0.30% (0.28%)</b>					<b>Total Luxembourg</b>					
<b>Corporate bonds 0.30% (0.28%)</b>					<b>1,277 0.69</b>					
GBP	200,000	Anheuser-Busch InBev 9.75% 30/07/2024	299	0.16	EUR	200,000	Hannover Finance 5% 30/06/2043	172	0.09	
USD	400,000	KBC Bank 8% 25/01/2023	261	0.14	<b>Total Mexico</b>				<b>1,570 0.85</b>	
<b>Total Belgium</b>				<b>560</b>	<b>0.30</b>	<b>MEXICO 0.85% (0.72%)</b>				
<b>CAYMAN ISLANDS 0.71% (0.74%)</b>					<b>Corporate bonds 0.53% (0.34%)</b>					
<b>Corporate bonds 0.71% (0.74%)</b>					<b>Alpek 5.375% 08/08/2023</b>					
GBP	125,000	DWR Cymru Financing 6.015% 31/03/2028	146	0.08	USD	230,000	Alpek 5.375% 08/08/2023	141	0.08	
USD	300,000	Hutchison Whampoa International 6% 28/10/2049	202	0.11	GBP	285,000	América Móvil 5% 27/10/2026	291	0.16	
GBP	350,000	IPIC GMTN 6.875% 14/03/2026	423	0.23	GBP	359,000	América Móvil 6.375% 06/09/2073	351	0.19	
USD	450,000	QNB Finance 2.875% 29/04/2020	268	0.14	USD	300,000	BBVA Bancomer 6.75% 30/09/2022	192	0.10	
GBP	250,000	South East Water Finance 5.6577% 30/09/2019	277	0.15	<b>Government bonds 0.32% (0.38%)</b>					
<b>Total Cayman Islands</b>				<b>1,316</b>	<b>0.71</b>	GBP	500,000	United Mexican States 6.75% 06/02/2024	595	0.32
<b>DENMARK 0.33% (0.20%)</b>					<b>Total Mexico</b>					
<b>Corporate bonds 0.33% (0.20%)</b>					<b>1,570 0.85</b>					
GBP	400,000	Danske Bank 5.375% 29/09/2021	404	0.22	<b>NETHERLANDS 0.99% (1.40%)</b>					
GBP	200,000	DONG Energy 4.875% 12/01/2032	199	0.11	<b>Corporate bonds 0.99% (1.40%)</b>					
<b>Total Denmark</b>				<b>603</b>	<b>0.33</b>	GBP	100,000	Generali Finance 6.214% 29/06/2049	92	0.05
<b>FRANCE 0.93% (0.54%)</b>					<b>Corporate bonds 0.99% (1.40%)</b>					
<b>Corporate bonds 0.93% (0.54%)</b>					<b>HeidelbergCement Finance 8% 31/01/2017</b>					
GBP	250,000	AXA 7.125% 15/12/2020	288	0.16	EUR	335,000	HeidelbergCement Finance 8% 31/01/2017	326	0.17	
GBP	100,000	CNP Assurances 7.375% 30/09/2041	109	0.06	USD	600,000	*ING Bank 0.9731% 03/07/2017	371	0.20	
GBP	350,000	Credit Agricole 7.375% 18/12/2023	394	0.21	GBP	300,000	ING Bank 6.875% 29/05/2023	327	0.18	
GBP	300,000	Electricite de France 6% 29/12/2049	298	0.16	GBP	390,000	Linde Finance 8.125% 14/07/2066	441	0.24	
GBP	550,000	Electricite de France 6.125% 02/06/2034	626	0.34	GBP	250,000	Siemens Finanzierungsamt 6.125% 14/09/2066	271	0.15	
<b>Total France</b>				<b>1,715</b>	<b>0.93</b>	<b>Total Netherlands</b>				<b>1,828 0.99</b>
<b>GERMANY 0.00% (0.13%)</b>					<b>NORWAY 0.27% (0.25%)</b>					
<b>Corporate bonds 0.00% (0.13%)</b>					<b>Corporate bonds 0.27% (0.25%)</b>					
<b>Total Germany</b>				<b>-</b>	<b>-</b>	USD	267,000	Eksporthfinans 3% 17/11/2014	171	0.09
<b>ITALY 0.48% (0.55%)</b>					<b>Corporate bonds 0.06% (0.00%)</b>					
<b>Corporate bonds 0.48% (0.55%)</b>					<b>Alicorp 3.875% 20/03/2023</b>					
GBP	777,000	††Acquedotto Pugliese 6.92% 29/06/2018	771	0.42	USD	150,000	Alicorp 3.875% 20/03/2023	83	0.04	
EUR	133,000	*Romulus Finance 1.11% 20/02/2015	107	0.06	USD	58,000	Banco de Crédito del Per 4.25% 01/04/2023	31	0.02	
<b>Total Italy</b>				<b>878</b>	<b>0.48</b>	<b>Total Peru</b>				<b>114 0.06</b>
<b>QATAR 0.20% (0.26%)</b>					<b>Corporate bonds 0.20% (0.26%)</b>					
<b>Corporate bonds 0.20% (0.26%)</b>					<b>Qatari Diar Finance 5% 21/07/2020</b>					
USD	550,000	Qatari Diar Finance 5% 21/07/2020	377	0.20	<b>Total Qatar</b>				<b>377 0.20</b>	

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>REPUBLIC OF IRELAND 0.73% (0.46%)</b>					GBP	264,000	Bank of Scotland 7.286% 30/05/2049	263	0.14
<b>Corporate bonds 0.73% (0.46%)</b>					GBP	560,000	Barclays Bank 10% 21/05/2021	708	0.38
GBP	381,000	*Argon Capital 2.84038% 29/10/2049	244	0.13	GBP	125,000	Barclays Bank 5.75% 17/08/2021	141	0.08
GBP	575,000	GE Capital UK Funding 5.125% 24/05/2023	625	0.34	GBP	386,000	BAT International Finance 4% 04/09/2026	375	0.20
GBP	300,000	GE Capital UK Funding 5.875% 18/01/2033	340	0.19	GBP	345,000	BG Energy Capital 6.5% 30/11/2072	370	0.20
EUR	155,000	RZD Capital 3.3744% 20/05/2021	121	0.07	GBP	404,000	Bupa Finance 5% 25/04/2023	386	0.21
GBP	790,000	**Saphir Finance 0% 04/07/2049	8	–	GBP	450,000	**Cattles 0% 05/07/2017	11	0.01
<b>Total Republic of Ireland</b>			<b>1,338</b>	<b>0.73</b>	GBP	125,000	Clydesdale Bank 4.625% 08/06/2026	130	0.07
<b>RUSSIAN FEDERATION 0.07% (0.09%)</b>					GBP	100,000	Co-operative Bank 5.125% 20/09/2017	94	0.05
<b>Government bonds 0.07% (0.09%)</b>					GBP	300,000	Direct Line Insurance 9.25% 27/04/2042	353	0.19
USD	200,000	Russian Federation 4.5% 04/04/2022	127	0.07	GBP	305,000	Enterprise Inns 6.5% 06/12/2018	308	0.17
<b>Total Russian Federation</b>			<b>127</b>	<b>0.07</b>	GBP	264,000	ENW Finance 6.125% 21/07/2021	304	0.16
<b>SLOVENIA 0.07% (0.00%)</b>					GBP	750,000	Eversholt Funding 5.831% 02/12/2020	847	0.46
<b>Government bonds 0.07% (0.00%)</b>					GBP	270,000	First Hydro Finance 9% 31/07/2021	351	0.19
USD	210,000	Republika Slovenija 5.85% 10/05/2023	126	0.07	GBP	264,000	G4S 7.75% 13/05/2019	309	0.17
<b>Total Slovenia</b>			<b>126</b>	<b>0.07</b>	GBP	275,000	GKN Holdings 6.75% 28/10/2019	303	0.16
<b>SPAIN 0.17% (0.19%)</b>					GBP	250,000	Heathrow Funding 6.25% 10/09/2018	280	0.15
<b>Corporate bonds 0.17% (0.19%)</b>					GBP	300,000	Heathrow Funding 6.75% 03/12/2026	367	0.20
GBP	300,000	Telefonica Emisiones 5.597% 12/03/2020	311	0.17	GBP	200,000	HSBC Capital Funding LP 5.844% 05/11/2049	197	0.11
<b>Total Spain</b>			<b>311</b>	<b>0.17</b>	GBP	240,000	HSBC Capital Funding LP 8.208% 30/06/2049	259	0.14
<b>SWITZERLAND 0.28% (0.20%)</b>					GBP	275,000	HSBC Holdings 6% 29/03/2040	293	0.16
<b>Corporate bonds 0.28% (0.20%)</b>					GBP	350,000	HSBC Holdings 6.5% 20/05/2024	417	0.23
USD	300,000	Credit Suisse 6.5% 08/08/2023	195	0.11	GBP	180,000	Imperial Tobacco Finance 8.125% 15/03/2024	230	0.12
USD	465,000	UBS Jersey 7.25% 22/02/2022	319	0.17	GBP	250,000	Imperial Tobacco Finance 9% 17/02/2022	333	0.18
<b>Total Switzerland</b>			<b>514</b>	<b>0.28</b>	GBP	286,732	*Integrated Accomodation Service 6.48% 31/03/2029	345	0.19
<b>UNITED KINGDOM 88.55% (85.54%)</b>					GBP	346,000	InterContinental Hotels 3.875% 28/11/2022	339	0.18
<b>Aerospace &amp; defence 5.97% (5.87%)</b>					GBP	300,000	LBG Capital No 1 11.04% 19/03/2020	347	0.19
	768,059	BAE Systems	3,415	1.85	GBP	250,000	Legal and General Group 10% 23/07/2041	326	0.18
	801,991	Cobham	2,377	1.29	GBP	149,000	Lloyds TSB Bank 10.75% 16/12/2021	177	0.10
	237,312	Rolls-Royce Holdings	2,724	1.48	GBP	200,000	Lloyds TSB Bank 7.625% 22/04/2025	224	0.12
	187,858	Smiths Group	2,495	1.35	GBP	357,361	*Longstone Finance 4.791% 19/04/2030	384	0.21
<b>Automobiles &amp; parts 1.78% (1.72%)</b>					GBP	112,000	Marks & Spencer 4.75% 12/06/2025	109	0.06
	946,480	GKN	3,270	1.78	GBP	350,000	National Express Group 6.25% 13/01/2017	384	0.21
<b>Chemicals 1.43% (1.30%)</b>					GBP	260,000	National Grid Electricity Transmission 7.375% 13/01/2031	346	0.19
	88,358	Johnson Matthey	2,629	1.43	EUR	330,000	Nationwide Building Society 6.75% 22/07/2020	308	0.17
<b>Construction % building 0.00% (1.71%)</b>					GBP	425,000	NGG Finance 5.625% 18/06/2073	417	0.23
<b>Corporate bonds 10.52% (10.14%)</b>					GBP	273,444	*Octagon Healthcare 5.333% 31/12/2035	290	0.16
GBP	125,000	3I Group 6.875% 09/03/2023	139	0.08	GBP	450,000	Pennon Group 6.75% 08/03/2049	465	0.25
GBP	200,000	AA Bond Co. 9.5% 31/07/2019	214	0.12	GBP	225,000	Royal Bank of Scotland 6.625% 17/09/2018	261	0.14
GBP	115,000	Abbey National Treasury Service 5.25% 16/02/2029	128	0.07	GBP	175,000	Royal Bank of Scotland 7.5% 29/04/2024	215	0.12
GBP	300,000	Anglian Water (Osprey) Financing 7% 31/01/2018	322	0.17	USD	333,000	Royal Bank of Scotland 9.5% 16/03/2022	244	0.13
GBP	445,000	Aviva 6.625% 03/06/2041	466	0.25	GBP	525,000	RSA Insurance Group 9.375% 20/05/2039	638	0.35
					GBP	300,000	Scottish Widows 5.5% 16/06/2023	286	0.16
					GBP	250,000	South Eastern Power Networks 6.375% 12/11/2031	300	0.16
					GBP	350,000	Southern Electric Power Distribution 4.625% 20/02/2037	353	0.19
					GBP	175,000	Southern Water Greensand 8.5% 15/04/2019	189	0.10

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

			Value	% of			Value	% of
	Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
<b>UNITED KINGDOM 88.55% (85.54%) (continued)</b>					<b>Investment companies 3.24% (3.50%)</b>			
GBP	69,000	Spirit Issuer 5.86% 28/12/2021	68	0.04	819,160	3i Group	3,000	1.63
GBP	155,000	SSE 5.453% 01/10/2049	160	0.09	1,150,000	Sherborne Investors	1,311	0.71
GBP	150,000	Standard Chartered Bank 8.103% 11/05/2049	161	0.09	1,633,187	Sherborne Investors (Guernsey) 'B' Shares	1,666	0.90
GBP	100,000	Standard Life 5.5% 04/12/2042	100	0.05	<b>Leisure entertainment &amp; hotels 1.58% (1.57%)</b>			
GBP	500,000	Standard Life 6.75% 12/07/2049	535	0.29	223,115	J.D. Wetherspoon	1,611	0.87
GBP	250,000	Tate & Lyle International Finance 6.75% 25/11/2019	293	0.16	847,239	Rank Group	1,303	0.71
GBP	256,621	*Telereal Securitisation 5.9478% 10/12/2031	305	0.17	<b>Life assurance 4.80% (4.25%)</b>			
GBP	260,000	Tesco 6.125% 24/02/2022	297	0.16	512,217	Aviva	2,005	1.09
GBP	148,717	*Tesco Property Finance 3.5.744% 13/04/2040	157	0.09	750,000	Chesnara	1,959	1.06
GBP	240,320	*Tesco Property Finance 7.6227% 13/07/2039	303	0.16	2,561,998	Legal & General	4,875	2.65
GBP	200,000	Unique Pub Finance 6.542% 30/3/2021	200	0.11	<b>Media &amp; photography 5.42% (4.44%)</b>			
GBP	500,000	Virgin Media Secured Finance 7% 15/01/2018	521	0.28	2,184,765	ITV	3,769	2.05
GBP	355,000	Western Power Distribution 5.75% 16/04/2032	398	0.22	252,060	Pearson	3,219	1.75
					371,207	Reed Elsevier	2,986	1.62
					<b>Oil &amp; gas 3.93% (4.02%)</b>			
					161,496	BG Group	2,065	1.12
					239,997	Royal Dutch Shell 'B' Shares	5,170	2.81
					<b>Pharmaceuticals &amp; biotechnology 9.37% (8.08%)</b>			
					82,298	Wolseley	2,774	1.51
					269,276	AstraZeneca	8,395	4.56
					538,924	GlaxoSmithKline	8,855	4.81
					<b>Speciality &amp; other finance 0.04% (0.00%)</b>			
					209,530	IMI	3,088	1.68
					812,442	Melrose Industries	2,437	1.32
					565,349	Morgan Advanced Materials	1,724	0.94
					<b>Support services 6.14% (6.62%)</b>			
					2,171,769	Booker Group	2,830	1.54
					1,072,935	Morrison (Wm) Supermarkets	3,163	1.72
					<b>Food &amp; drug retailers 3.26% (3.04%)</b>			
					185,188	Unilever	4,500	2.44
					<b>Food producers &amp; processors 2.44% (3.25%)</b>			
					1,386,572	DS Smith	3,805	2.07
					<b>Forestry &amp; paper 2.07% (2.08%)</b>			
					778,004	Centrica	3,081	1.67
					588,701	National Grid	4,371	2.37
					<b>Gas distribution 4.04% (3.23%)</b>			
					1,127,883	Home Retail Group	1,729	0.94
					701,712	Marks & Spencer Group	3,509	1.91
					<b>General retailers 2.85% (2.32%)</b>			
					705,000	UK Treasury 4% 07/03/2022	778	0.42
					200,000	UK Treasury 4.75% 07/09/2015	217	0.12
					235,000	UK Treasury 4.75% 07/12/2038	280	0.15
					685,000	UK Treasury 5% 07/03/2025	812	0.44
					250,000	UK Treasury 6% 07/12/2028	330	0.18
					<b>Water 1.95% (2.05%)</b>			
					4,739,837	RSA Insurance Group	5,617	3.05
					<b>Insurance 3.05% (2.39%)</b>			
					<b>Total United Kingdom</b>		<b>163,049</b>	<b>88.55</b>

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 1.25% (1.43%)</b>				
<b>Corporate bonds 1.25% (1.43%)</b>				
GBP	300,000	Ahold Finance 6.5% 14/03/2017	341	0.18
GBP	290,000	AT&T 4.25% 01/06/2043	247	0.13
GBP	150,000	AT&T 5.5% 15/03/2027	162	0.09
GBP	250,000	Bank of America 6.125% 15/09/2021	287	0.16
GBP	250,000	Bank of America 7% 31/07/2028	311	0.17
GBP	435,000	Citigroup 5.125% 12/12/2018	463	0.25
GBP	350,000	Directv Holdings 4.375% 14/09/2029	307	0.17
GBP	100,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	94	0.05
GBP	100,000	Time Warner Cable 5.75% 02/06/2031	91	0.05
<b>Total United States of America</b>			<b>2,303</b>	<b>1.25</b>
<b>DERIVATIVES 0.02% (-0.03%)</b>				
<b>Forward foreign exchange contracts 0.02% (-0.03%)</b>				
		Sell EUR 1,955,000		
		Buy GBP 1,680,846 UBS	34	0.01
		Sell USD 5,174,935		
		Buy GBP 3,331,455 UBS	6	0.01
<b>Total derivatives</b>			<b>40</b>	<b>0.02</b>
<b>Total value of investments</b>			<b>179,064</b>	<b>97.24</b>
<b>Net other assets (6.02%)</b>			<b>5,077</b>	<b>2.76</b>
<b>Net assets</b>			<b>184,141</b>	<b>100.00</b>
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
		Equity	141,289	78.91
		Fixed interest	35,229	19.67
		Floating rate notes	2,506	1.40
		Derivatives	40	0.02
<b>Total value of investments</b>			<b>179,064</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Variable rate bonds.

\*\*These are unlisted securities and are valued at the ACD's best estimate.

†Alternative Investment Market.

††At 7 September 2013, there were investments totalling £770,706 (£891,489) (0.42% (0.55%) of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 89.58% (87.68%)</b>									
		<b>AAA 2.23% (3.54%)</b>			EUR	2,800,000	Hannover Finance 5% 30/06/2043	2,409	0.37
					GBP	390,000	Legal & General Finance 5.875% 05/04/2033	455	0.07
GBP	3,570,000	Broadgate Financing 4.821% 05/07/2033	3,728	0.57	GBP	1,355,000	Longstone Finance 4.896% 19/04/2036	1,288	0.20
GBP	1,825,000	Fosse Master Issuer 4.635% 18/01/2017	1,975	0.30	EUR	2,200,000	Münchener Rückversicherungs 6% 26/05/2041	2,072	0.32
GBP	3,255,000	Nationwide Building Society 5.625% 28/01/2026	3,773	0.58	EUR	2,100,000	Münchener Rückversicherungs 6.25% 26/05/2042	2,009	0.31
GBP	2,880,000	Silverstone Masters Issuer 5.063% 21/10/2016	3,155	0.48	GBP	6,080,000	Royal Bank of Scotland 6.625% 17/09/2018	7,051	1.08
GBP	1,820,000	Temasek Financial (I) 4.625% 26/07/2022	1,996	0.30	GBP	2,180,000	UBS London 6.625% 11/04/2018	2,556	0.39
		<b>Aaa 2.23% (2.20%)</b>					<b>A2 0.26% (0.24%)</b>		
GBP	4,520,000	Barclays Bank 4.25% 12/01/2022	4,803	0.73	GBP	1,380,000	Prudential 6.875% 20/01/2023	1,698	0.26
GBP	3,275,000	Clydesdale Bank 4.625% 08/06/2026	3,414	0.52					
GBP	5,840,000	Lloyds TSB Bank 5.125% 07/03/2025	6,438	0.98					
		<b>AA+ 2.94% (1.59%)</b>			GBP	3,138,000	América Móvil 5% 27/10/2026	3,210	0.49
GBP	5,240,000	GE Capital UK Funding 5.125% 24/05/2023	5,695	0.87	GBP	6,234,000	AT&T 4.25% 01/06/2043	5,320	0.81
GBP	1,250,000	GE Capital UK Funding 5.875% 04/11/2020	1,428	0.22	GBP	2,850,000	AT&T 5.5% 15/03/2027	3,070	0.47
GBP	2,573,000	GE Capital UK Funding 5.875% 18/01/2033	2,919	0.45	GBP	6,450,000	Bank of America 6.125% 15/09/2021	7,417	1.13
GBP	3,225,000	UK Treasury 2.25% 07/09/2023	3,021	0.46	GBP	4,750,000	Bank of America 7% 31/07/2028	5,900	0.90
GBP	4,100,000	UK Treasury 4% 07/03/2022	4,523	0.69	GBP	3,453,000	BAT International Finance 4% 04/09/2026	3,354	0.51
GBP	1,500,000	UK Treasury 4.25% 07/03/2036	1,657	0.25	GBP	4,295,000	BAT International Finance 7.25% 12/03/2024	5,422	0.83
		<b>AA 2.54% (2.48%)</b>			GBP	450,000	Citigroup 5.15% 21/05/2026	482	0.07
GBP	2,800,000	IPIC GMTN 6.875% 14/03/2026	3,381	0.52	GBP	2,960,000	Citigroup 5.5% 18/11/2015	3,213	0.49
GBP	3,315,000	Land Securities Capital Markets 5.125% 07/02/2036	3,629	0.55	GBP	5,225,000	Citigroup 7.375% 01/09/2039	7,168	1.09
USD	4,750,000	Qatari Diar Finance 5% 21/07/2020	3,258	0.50	GBP	1,900,000	CNP Assurances 7.375% 30/09/2041	2,062	0.31
GBP	5,400,000	Wal-Mart Stores 5.625% 27/03/2034	6,379	0.97	GBP	2,685,000	Danske Bank 4% 09/12/2015	2,816	0.43
		<b>AA- 1.62% (2.46%)</b>			GBP	1,838,000	Heathrow Funding 5.225% 15/02/2025	2,009	0.31
GBP	5,175,000	General Electric 5.5% 15/09/2066	5,220	0.80	GBP	3,485,000	Heathrow Funding 6.75% 03/12/2026	4,268	0.65
GBP	1,350,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	1,270	0.19	GBP	3,164,000	HSBC Capital Funding LP 5.844% 05/11/2049	3,117	0.48
GBP	1,445,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	1,363	0.21	GBP	4,845,000	HSBC Holdings 6% 29/03/2040	5,169	0.79
GBP	2,645,000	Southern Gas Network 4.875% 21/03/2029	2,752	0.42	GBP	2,000,000	HSBC Holdings 6.375% 18/10/2022	2,204	0.34
		<b>Aa3 0.70% (0.00%)</b>			GBP	2,800,000	HSBC Holdings 7% 07/04/2038	3,355	0.51
USD	7,631,000	QNB Finance 2.875% 29/04/2020	4,552	0.70	GBP	2,665,000	Hutchison Ports 6.75% 07/12/2015	2,955	0.45
		<b>A+ 4.14% (6.26%)</b>			GBP	3,035,000	MetLife 5.375% 09/12/2024	3,286	0.50
GBP	4,465,000	BHP Billiton Finance 3.25% 25/09/2024	4,093	0.63	GBP	2,380,000	National Grid Electricity Transmission 4% 08/06/2027	2,282	0.35
USD	2,570,000	CNPC General Capital 2.75% 19/04/2017	1,650	0.25	GBP	2,230,000	National Grid Electricity Transmission 7.375% 13/01/2031	2,971	0.45
GBP	4,800,000	Electricite de France 5.5% 17/10/2041	5,056	0.77	GBP	4,750,000	National Grid Gas 6% 13/05/2038	5,688	0.87
GBP	2,200,000	Electricite de France 6.125% 02/06/2034	2,504	0.38	USD	5,581,000	Prudential 7.75% 23/03/2049	3,817	0.58
USD	4,230,000	Hongkong Electric Finance 4.25% 14/12/2020	2,745	0.42	GBP	2,285,000	QBE Insurance Group 6.125% 28/09/2015	2,471	0.38
GBP	2,610,000	HSBC Holdings 6.5% 20/05/2024	3,112	0.48	USD	2,220,000	Republika Slovenija 5.85% 10/05/2023	1,331	0.20
GBP	3,080,000	Motability Operations Group 4.375% 08/02/2027	3,121	0.48	GBP	2,825,000	RSA Insurance Group 6.701% 12/05/2049	2,917	0.45
GBP	2,600,000	Motability Operations Group 6.625% 10/12/2019	3,143	0.48	GBP	4,175,000	Southern Water Services 5% 31/03/2021	4,487	0.69
USD	2,585,000	Sinopec Group Oversea 2.75% 17/05/2017	1,660	0.25	GBP	2,175,000	SSE 8.375% 20/11/2028	3,065	0.47
		<b>A 6.22% (6.83%)</b>			GBP	3,200,000	Standard Life 6.75% 12/07/2049	3,422	0.52
USD	5,365,000	AIA Group 1.75% 13/03/2018	3,291	0.50	GBP	5,300,000	Thames Water Utilities Cayman 7.241% 09/04/2058	6,212	0.95
GBP	4,680,000	Anheuser-Busch InBev 9.75% 30/07/2024	7,000	1.07	GBP	2,040,000	Vattenfall 6.875% 15/04/2039	2,704	0.41
GBP	2,270,000	Annington Finance 6.5676% 10/01/2023	2,420	0.37					
USD	332,000	Banco Santander Chile 3.875% 20/09/2022	193	0.03					
GBP	2,805,000	Barclays Bank 5.75% 17/08/2021	3,167	0.48					
GBP	2,545,000	DWR Cymru Financing 6.015% 31/03/2028	2,965	0.45					
GBP	2,450,000	GDF Suez 7% 30/10/2028	3,132	0.48					
GBP	650,000	Greene King Finance 5.106% 15/03/2034	666	0.10					
		<b>A3 0.00% (0.50%)</b>							
		<b>BBB+ 10.26% (12.18%)</b>							
					GBP	2,126,000	Aspire Defence Finance 4.674% 31/03/2040	2,089	0.32
					USD	566,000	Banco de Crédito del Perú 4.25% 01/04/2023	305	0.05
					GBP	3,920,000	Citigroup 5.125% 12/12/2018	4,176	0.64
					GBP	1,700,000	Credit Agricole 7.375% 18/12/2023	1,912	0.29
					GBP	1,080,000	Direct Line Insurance 9.25% 27/04/2042	1,271	0.19



## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

	Value	% of		Value	% of		
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
<b>FIXED INTEREST 89.58% (87.68%) (continued)</b>							
<b>BB+ 1.91% (1.24%)</b>							
USD	3,260,000	Eksportfinans 3% 17/11/2014	2,090	0.32			
GBP	2,319,000	Finmeccanica Finance 8% 16/12/2019	2,582	0.39			
GBP	1,990,000	GKN Holdings 6.75% 28/10/2019	2,196	0.34			
USD	5,600,000	KBC Bank 8% 25/01/2023	3,660	0.56	GBP	2,246,431	*Canary Wharf Finance II 6.455% 22/04/2030
EUR	2,340,000	Softbank 4.625% 15/04/2020	1,962	0.30	GBP	3,069,336	*Longstone Finance 4.791% 19/04/2030
<b>BB 0.84% (0.89%)</b>							
GBP	1,177,000	AA Bond Co. 9.5% 31/07/2019	1,259	0.19			
GBP	400,000	Daily Mail & General Trust 6.375% 21/06/2027	398	0.06	GBP	5,000,000	*J.P. Morgan Chase 1.05188% 30/05/2017
GBP	3,345,000	LBG Capital No 1 11.04% 19/03/2020	3,867	0.59	GBP	4,240,156	*Juturna 5.0636% 10/08/2033
<b>Ba2 0.32% (0.30%)</b>							
EUR	2,170,000	HeidelbergCement Finance 8% 31/01/2017	2,113	0.32	EUR	2,050,000	*Bank of America 1.062% 28/03/2018
<b>BB- 1.62% (1.08%)</b>							
GBP	3,668,000	Enterprise Inns 6.5% 06/12/2018	3,702	0.57	USD	2,575,000	*ING Bank 0.9731% 03/07/2017
GBP	1,500,000	Southern Water Greensand 8.5% 15/04/2019	1,617	0.25	GBP	4,297,923	*Tesco Property Finance 3 5.744% 13/04/2040
GBP	1,084,000	Spirit Issuer 5.86% 28/12/2021	1,070	0.16	GBP	2,576,233	*Tesco Property Finance 7.6227% 13/07/2039
GBP	4,000,000	Virgin Media Secured Finance 7% 15/01/2018	4,170	0.64	<b>BBB 0.37% (0.33%)</b>		
<b>Ba3 0.29% (0.26%)</b>							
GBP	1,770,000	Anglian Water (Osprey) Financing 7% 31/01/2018	1,897	0.29	USD	3,750,000	*ING Bank 0.9371% 23/05/2016
<b>C 0.00% (0.00%)</b>							
GBP	2,811,000	**Saphir Finance 0% 04/07/2049	28	-	USD	1,413,195	*Tengizchevroil Finance 6.124% 15/11/2014
<b>Caa1 0.27% (0.00%)</b>							
GBP	1,885,000	Co-operative Bank 5.125% 20/09/2017	1,773	0.27	<b>BBB- 0.31% (0.29%)</b>		
<b>D 0.00% (0.02%)</b>							
<b>Not Rated 2.83% (3.01%)</b>							
GBP	4,453,000	**Cattles 0% 17/01/2014	111	0.02	GBP	1,894,882	*RMPA Services 5.337% 30/09/2038
USD	5,466,000	CGS Guernsey I 7.875% 24/02/2041	3,714	0.57	<b>Baa3 0.40% (0.00%)</b>		
EUR	3,624,000	Davide Campari-Milano 4.5% 25/10/2019	3,166	0.48	EUR	3,245,000	*Romulus Finance 1.11% 20/02/2015
GBP	2,940,000	First Hydro Finance 9% 31/07/2021	3,825	0.58	GBP	1,942,000	*Argon Capital 2.84038% 29/10/2049
GBP	4,660,000	Pennon Group 6.75% 08/03/2049	4,820	0.74	<b>BB 0.19% (0.17%)</b>		
USD	4,240,000	Rabobank Nederland 8.375% 26/07/2049	2,896	0.44	GBP	744,752	*Annington Finance No5 13% 15/01/2023
<b>Total fixed interest</b>							
			<b>586,567</b>	<b>89.58</b>			

### FLOATING RATE NOTES 8.29% (7.19%)

<b>AAA 0.26% (0.26%)</b>							
GBP	1,592,004	*Meadowhall Finance 4.986% 12/01/2032	1,714	0.26			
<b>AA 0.83% (0.77%)</b>							
GBP	4,551,386	*Telereal Securitisation 5.9478% 10/12/2031	5,404	0.83			
<b>AA- 1.08% (0.96%)</b>							
GBP	3,641,494	*Integrated Accomodation Service 6.48% 31/03/2029	4,386	0.67			
GBP	2,561,259	*Octagon Healthcare 5.333% 31/12/2035	2,715	0.41			

### DERIVATIVES 0.28% (-0.33%)

<b>Credit default swaps 0.00% (0.11%)</b>					
<b>Forward foreign exchange contracts 0.27% (-0.44%)</b>					
Sell GBP 1,219,942					
Buy EUR 1,400,000 J.P. Morgan					
			(41)		(0.01)
Sell USD 185,000					
Buy GBP 119,289 UBS					
			-		-
Sell USD 2,202,000					
Buy GBP 1,444,504 BNP					
			30		-
Sell GBP 1,625,247					
Buy EUR 1,900,000 UBS					
			(26)		-
Sell GBP 1,601,811					
Buy USD 2,500,000 UBS					
			4		-
Sell GBP 1,965,589					
Buy EUR 2,300,000 BNP					
			(29)		-

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value		Value £000	
<b>DERIVATIVES 0.28% (-0.33%) (continued)</b>				<b>ANALYSIS OF INVESTMENTS BY CREDIT RATINGS</b>		
	Sell USD 3,545,000					
	Buy GBP 2,313,827 Citigroup	37	-	AAA	16,341	
	Sell USD 5,049,699			Aaa	14,655	
	Buy GBP 3,240,000 RBS	(3)	-	AA+	19,243	
	Sell EUR 439,000			AA	22,051	
	Buy GBP 377,474 Citigroup	8	-	AA-	17,706	
	Sell EUR 47,678,000			Aa3	4,552	
	Buy GBP 41,111,595 HSBC	969	0.15	A+	28,531	
	Sell GBP 431,286			A	46,667	
	Buy EUR 505,000 Citigroup	(6)	-	A2	1,698	
	Sell GBP 465,177			A-	126,420	
	Buy EUR 540,000 RBS	(11)	-	BBB+	78,130	
	Sell USD 98,722,000			BBB	140,719	
	Buy GBP 64,283,477 J.P. Morgan	874	0.13	Baa2	7,346	
	Sell GBP 691,762			BBB-	48,445	
	Buy EUR 800,000 BNP	(18)	-	Baa3	13,365	
	Sell GBP 747,783			BB+	12,490	
	Buy EUR 870,000 J.P. Morgan	(15)	-	BB	6,768	
	Sell USD 1,210,000			Ba2	2,113	
	Buy GBP 777,068 Citigroup	-	-	BB-	10,559	
	Sell USD 1,400,000			Ba3	1,897	
	Buy GBP 897,822 RBS	(1)	-	CCC+	849	
				Caa1	1,773	
				C	28	
	<b>Future and options 0.01% (0.00%)</b>			Not rated	18,532	
EUR	(137) Nomura Euro-BUND Future Expiring December 2013	142	0.02	Total bonds	640,878	
GBP	349 Nomura Long Gilt Future Expiring December 2013	(541)	(0.08)	Derivatives	1,846	
USD	(529) UBS US 10 Year Note Future Expiring September 2013	473	0.07	<b>Total value of investments</b>	<b>642,724</b>	
	<b>Total derivatives</b>	<b>1,846</b>	<b>0.28</b>	<b>ANALYSIS OF COLLATERAL RECEIVED</b>		
<b>Total value of investments</b>		<b>642,724</b>	<b>98.15</b>	<b>Counterparty</b>	<b>Type</b>	<b>Value £000</b>
<b>Net other assets (5.46%)</b>		<b>12,096</b>	<b>1.85</b>	HSBC	Cash	540
<b>Net assets</b>		<b>654,820</b>	<b>100.00</b>	J.P. Morgan	Cash	1,060

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Variable rate bonds.

\*\*These are unlisted securities and are valued at the ACD's best estimate.

††At 7 September 2013, there were investments totalling £3,008,433 (£3,310,000) (0.46% (0.45%) of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.



## Threadneedle Sterling Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 77.98% (78.53%)</b>				
<b>Certificate of Deposit 48.52% (43.60%)</b>				
GBP	10,000,000	Bank of Nova Scotia 0.43% 03/12/2013	10,000	4.84
GBP	10,100,000	Commonwealth Bank of Australia 0.4% 16/09/2013	10,100	4.88
GBP	10,000,000	Mitsubishi UFJ Trust & Banking 0.49% 20/11/2013	10,000	4.84
GBP	10,000,000	National Australia Bank 0.42% 11/10/2013	10,000	4.84
GBP	10,000,000	National Bank of Abu Dhabi 0.48% 04/12/2013	10,000	4.84
GBP	10,000,000	Nordea Bank 0.5% 23/10/2013	10,000	4.84
GBP	9,100,000	Rabobank Nederland 0.44% 18/11/2013	9,100	4.40
GBP	11,000,000	Svenska Handelsbanken 0.47% 30/10/2013	11,000	5.32
GBP	10,100,000	Toronto Dominion Bank 0.51% 31/12/2013	10,100	4.88
GBP	10,000,000	Wells Fargo Bank International 0.5% 04/12/2013	10,000	4.84
<b>Euro commercial paper 29.46% (34.93%)</b>				
GBP	10,000,000	*Agence Centrale des Organismes 0.45947% 28/11/2013	9,989	4.83
GBP	10,000,000	*Bank Nederlandse Gemeenten 0.40459% 11/09/2013	9,990	4.83
GBP	10,000,000	*Banque et Caisse d'Épargne de l'État 0.40958% 25/10/2013	9,990	4.83
GBP	10,000,000	*Banque Fédérative du Crédit Mutuel 0.50935% 18/09/2013	9,987	4.83
GBP	10,000,000	*Caisse d'Amortissement De La Dette Sociale 0.38463% 10/10/2013	9,990	4.83
GBP	11,000,000	*Caisse des Dépôts et Consignations 0.42953% 25/10/2013	10,988	5.31
<b>Total fixed interest</b>			<b>161,234</b>	<b>77.98</b>
<b>Total value of investments</b>			<b>161,234</b>	<b>77.98</b>
<b>Net other assets (21.47%)</b>			<b>45,537</b>	<b>22.02</b>
<b>Net assets</b>			<b>206,771</b>	<b>100.00</b>

\*Variable rate bonds.

An analysis of investments by credit rating is not applicable since the fund holds Certificate of Deposits and Euro commercial paper which have short term credit ratings.

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle European Fund

### Portfolio Statement

as at 7 September 2013

	Value	% of		Value	% of
Holding	Investment	£000	Net Asset	Value	Net Asset
<b>BELGIUM 4.40% (3.88%)</b>					
	<b>Beverages 2.25% (1.89%)</b>				
169,803	Anheuser-Busch InBev	10,217	2.25		
	<b>Chemicals 2.15% (1.99%)</b>				
325,963	Umicore	9,732	2.15		
	<b>Total Belgium</b>	<b>19,949</b>	<b>4.40</b>		
<b>DENMARK 4.06% (3.08%)</b>					
	<b>Health 1.12% (1.12%)</b>				
93,212	William Demant	5,089	1.12		
	<b>Pharmaceuticals &amp; biotechnology 2.94% (1.96%)</b>				
128,169	Novo Nordisk	13,300	2.94		
	<b>Total Denmark</b>	<b>18,389</b>	<b>4.06</b>		
<b>FINLAND 1.40% (1.34%)</b>					
	<b>Insurance 1.40% (1.34%)</b>				
234,733	Sampo	6,315	1.40		
	<b>Total Finland</b>	<b>6,315</b>	<b>1.40</b>		
<b>FRANCE 18.08% (17.25%)</b>					
	<b>Banks 1.43% (1.93%)</b>				
157,184	BNP Paribas	6,512	1.43		
	<b>Beverages 1.95% (1.54%)</b>				
120,307	Pernod Ricard	8,859	1.95		
	<b>Electronic &amp; electrical equipment 4.78% (3.64%)</b>				
313,433	LeGrand	10,473	2.31		
380,068	Rexel	5,807	1.28		
105,421	Schneider Electric	5,380	1.19		
	<b>General retailers 1.49% (1.42%)</b>				
347,103	Edenred	6,749	1.49		
	<b>Health 1.57% (0.00%)</b>				
105,221	Essilor International	7,102	1.57		
	<b>Media &amp; photography 2.45% (2.25%)</b>				
224,266	Publicis Groupe	11,121	2.45		
	<b>Personal care &amp; household products 2.01% (1.52%)</b>				
86,858	L'Oreal	9,103	2.01		
	<b>Software &amp; computer services 2.40% (2.08%)</b>				
72,480	Iliad	10,890	2.40		
	<b>Telecommunications services 0.00% (1.26%)</b>				
	<b>Tobacco 0.00% (1.61%)</b>				
	<b>Total France</b>	<b>81,996</b>	<b>18.08</b>		
<b>GERMANY 26.11% (26.55%)</b>					
	<b>Automobiles &amp; parts 3.89% (3.65%)</b>				
108,256	Continental	11,145	2.46		
44,813	Volkswagen	6,509	1.43		
	<b>Chemicals 6.09% (6.48%)</b>				
103,928	BASF	5,824	1.28		
127,863	Brenntag	12,684	2.79		
218,133	Lanxess	9,149	2.02		
	<b>Construction &amp; building materials 1.80% (2.01%)</b>				
130,370	Bilfinger	8,185	1.80		
	<b>General retailers 0.79% (0.00%)</b>				
171,988	Wirecard	3,602	0.79		
	<b>Health 1.88% (2.07%)</b>				
210,321	Fresenius Medical Care	8,525	1.88		
	<b>Household goods &amp; textiles 1.63% (0.00%)</b>				
110,542	Adidas	7,389	1.63		
	<b>Insurance 3.28% (4.26%)</b>				
125,584	Allianz	11,665	2.57		
28,460	Münchener Rückversicherungs	3,229	0.71		
	<b>Media &amp; photography 0.00% (1.70%)</b>				
	<b>Pharmaceuticals &amp; biotechnology 4.41% (3.48%)</b>				
151,192	Bayer	10,569	2.33		
100,860	Merck	9,432	2.08		
	<b>Software &amp; computer services 2.34% (2.90%)</b>				
236,964	SAP	10,615	2.34		
	<b>Total Germany</b>	<b>118,522</b>	<b>26.11</b>		
<b>ITALY 1.20% (2.78%)</b>					
	<b>Automobiles &amp; parts 0.00% (2.03%)</b>				
	<b>Beverages 1.20% (0.00%)</b>				
1,056,375	Davide Campari-Milano	5,446	1.20		
	<b>Health 0.00% (0.75%)</b>				
	<b>Total Italy</b>	<b>5,446</b>	<b>1.20</b>		
<b>NETHERLANDS 6.83% (7.36%)</b>					
	<b>Food producers &amp; processors 1.64% (1.84%)</b>				
310,837	Unilever	7,414	1.64		
	<b>Information technology hardware 1.37% (1.13%)</b>				
108,696	ASML Holdings	6,223	1.37		
	<b>Insurance 0.00% (1.60%)</b>				
	<b>Life assurance 1.45% (0.73%)</b>				
1,397,430	Aegon	6,584	1.45		
	<b>Telecommunications services 2.37% (2.06%)</b>				
405,344	Ziggo	10,765	2.37		
	<b>Total Netherlands</b>	<b>30,986</b>	<b>6.83</b>		
<b>NORWAY 2.77% (3.60%)</b>					
	<b>Banks 2.77% (2.81%)</b>				
1,255,266	DnB NOR Bank	12,553	2.77		
	<b>Oil &amp; gas 0.00% (0.79%)</b>				
	<b>Total Norway</b>	<b>12,553</b>	<b>2.77</b>		
<b>PORTUGAL 2.27% (1.84%)</b>					
	<b>Oil &amp; gas 2.27% (1.84%)</b>				
918,416	Galp Energia SGPS	10,293	2.27		
	<b>Total Portugal</b>	<b>10,293</b>	<b>2.27</b>		

## Threadneedle European Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>REPUBLIC OF IRELAND 3.48% (2.69%)</b>			
<b>Food producers &amp; processors 1.50% (1.23%)</b>			
170,793	Kerry Group 'A' Shares	6,784	1.50
<b>Transport 1.98% (1.46%)</b>			
1,760,156	Ryanair Holdings	9,004	1.98
<b>Total Republic of Ireland</b>		<b>15,788</b>	<b>3.48</b>
<b>SPAIN 3.65% (3.56%)</b>			
<b>Banks 2.22% (2.58%)</b>			
1,581,654	Banco Bilbao Vizcaya Argentaria	10,052	2.22
<b>Software &amp; computer services 1.43% (0.98%)</b>			
312,403	Amadeus IT Group	6,507	1.43
<b>Total Spain</b>		<b>16,559</b>	<b>3.65</b>
<b>SWEDEN 8.20% (9.09%)</b>			
<b>Banks 1.75% (1.70%)</b>			
290,610	Svenska Handelsbanken 'A' Shares	7,964	1.75
<b>Engineering &amp; machinery 3.91% (4.09%)</b>			
446,429	Assa Abloy 'B' Shares	12,823	2.83
283,073	Atlas Copco 'A' Shares	4,919	1.08
<b>Health 1.33% (2.25%)</b>			
609,808	Elekta	6,019	1.33
<b>Tobacco 1.21% (1.05%)</b>			
240,423	Swedish Match	5,474	1.21
<b>Total Sweden</b>		<b>37,199</b>	<b>8.20</b>
<b>SWITZERLAND 16.52% (16.28%)</b>			
<b>Chemicals 3.02% (2.20%)</b>			
54,574	Syngenta	13,675	3.02
<b>Diversified industrials 0.00% (1.03%)</b>			
<b>Food producers &amp; processors 4.65% (4.27%)</b>			
508,764	Nestle	21,103	4.65
<b>Household goods &amp; textiles 1.87% (1.91%)</b>			
22,723	Swatch Group	8,484	1.87
<b>Pharmaceuticals &amp; biotechnology 1.45% (1.81%)</b>			
137,496	Novartis	6,581	1.45
<b>Speciality &amp; other finance 3.35% (2.55%)</b>			
1,196,842	UBS	15,182	3.35
<b>Support services 1.33% (1.52%)</b>			
4,066	SGS	6,009	1.33
<b>Transport 0.85% (0.99%)</b>			
48,250	Kuehne & Nagel International	3,872	0.85
<b>Total Switzerland</b>		<b>74,906</b>	<b>16.52</b>
<b>Total value of investments</b>		<b>448,901</b>	<b>98.97</b>
<b>Net other assets (0.70%)</b>		<b>4,661</b>	<b>1.03</b>
<b>Net assets</b>		<b>453,562</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle European Select Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 5.89% (6.03%)</b>				<b>Health 1.46% (4.86%)</b>			
	<b>Beverages 5.89% (6.03%)</b>			755,527	Fresenius Medical Care	30,625	1.46
2,053,840	Anheuser-Busch InBev	123,576	5.89		<b>Insurance 3.39% (1.61%)</b>		
	<b>Total Belgium</b>	<b>123,576</b>	<b>5.89</b>	557,609	Allianz	51,795	2.47
				170,675	Münchener Rückversicherungs	19,366	0.92
<b>DENMARK 4.92% (2.89%)</b>				<b>Media &amp; photography 0.00% (1.40%)</b>			
	<b>Health 0.95% (1.06%)</b>				<b>Pharmaceuticals &amp; biotechnology 6.04% (4.12%)</b>		
362,036	William Demant	19,766	0.95	1,811,810	Bayer	126,659	6.04
	<b>Pharmaceuticals &amp; biotechnology 3.97% (1.83%)</b>				<b>Software &amp; computer services 1.49% (2.06%)</b>		
803,369	Novo Nordisk	83,362	3.97	694,874	SAP	31,129	1.49
	<b>Total Denmark</b>	<b>103,128</b>	<b>4.92</b>		<b>Total Germany</b>	<b>436,687</b>	<b>20.82</b>
<b>FINLAND 6.41% (5.91%)</b>				<b>ITALY 0.00% (1.10%)</b>			
	<b>Engineering &amp; machinery 1.41% (0.80%)</b>				<b>Health 0.00% (1.10%)</b>		
263,525	Kone	14,363	0.69		<b>Total Italy</b>	<b>-</b>	<b>-</b>
509,655	Wartsila	15,041	0.72	<b>LUXEMBOURG 1.01% (0.99%)</b>			
	<b>Insurance 5.00% (5.11%)</b>				<b>Oil &amp; gas 1.01% (0.99%)</b>		
3,897,467	Sampo	104,851	5.00	1,635,100	Subsea 7	21,252	1.01
	<b>Total Finland</b>	<b>134,255</b>	<b>6.41</b>		<b>Total Luxembourg</b>	<b>21,252</b>	<b>1.01</b>
<b>FRANCE 14.85% (17.21%)</b>				<b>NETHERLANDS 9.85% (7.60%)</b>			
	<b>Chemicals 1.85% (3.21%)</b>				<b>Food producers &amp; processors 6.12% (6.08%)</b>		
462,667	Air Liquide	38,922	1.85	5,379,106	Unilever	128,297	6.12
	<b>Diversified industrials 1.01% (0.90%)</b>				<b>Media &amp; photography 2.05% (0.00%)</b>		
1,085,633	Bureau Veritas	21,123	1.01	3,636,981	Reed Elsevier	43,105	2.05
	<b>Electronic &amp; electrical equipment 3.55% (4.51%)</b>				<b>Telecommunications services 1.68% (1.52%)</b>		
1,233,432	LeGrand	41,213	1.97	1,324,105	Ziggo	35,164	1.68
647,667	Schneider Electric	33,054	1.58		<b>Total Netherlands</b>	<b>206,566</b>	<b>9.85</b>
	<b>General retailers 1.02% (1.00%)</b>			<b>NORWAY 1.02% (2.39%)</b>			
1,098,123	Edenred	21,352	1.02		<b>Banks 1.02% (1.72%)</b>		
	<b>Health 0.95% (0.00%)</b>			2,135,569	DnB NOR Bank	21,357	1.02
295,594	Essilor International	19,953	0.95		<b>Oil &amp; gas 0.00% (0.67%)</b>		
	<b>Household goods &amp; textiles 0.00% (1.47%)</b>				<b>Total Norway</b>	<b>21,357</b>	<b>1.02</b>
417,754	Publicis Groupe	20,715	0.99	<b>REPUBLIC OF IRELAND 3.38% (3.76%)</b>			
	<b>Media &amp; photography 0.99% (1.96%)</b>				<b>Food producers &amp; processors 0.70% (1.40%)</b>		
688,113	L'Oreal	72,113	3.44	367,644	Kerry Group	14,604	0.70
	<b>Personal care &amp; household products 3.44% (2.37%)</b>				<b>Transport 2.68% (2.36%)</b>		
285,088	Iliad	42,835	2.04	11,009,209	Ryanair Holdings	56,316	2.68
	<b>Software &amp; computer services 2.04% (1.79%)</b>				<b>Total Republic of Ireland</b>	<b>70,920</b>	<b>3.38</b>
	<b>Total France</b>	<b>311,280</b>	<b>14.85</b>	<b>SPAIN 2.07% (0.00%)</b>			
<b>GERMANY 20.82% (24.14%)</b>					<b>Pharmaceuticals &amp; biotechnology 1.05% (0.00%)</b>		
	<b>Aerospace &amp; defence 1.02% (1.00%)</b>			1,112,448	Grifols	21,982	1.05
362,755	MTU Aero Engines Holding	21,463	1.02		<b>Software &amp; computer services 1.02% (0.00%)</b>		
	<b>Automobiles &amp; parts 1.07% (1.25%)</b>			1,030,377	Amadeus IT Group	21,462	1.02
346,703	Bayerische Motoren Werke	22,483	1.07		<b>Total Spain</b>	<b>43,444</b>	<b>2.07</b>
	<b>Chemicals 5.81% (7.84%)</b>			<b>REPUBLIC OF IRELAND 3.38% (3.76%)</b>			
1,020,635	Brenntag	101,247	4.83		<b>Food producers &amp; processors 0.70% (1.40%)</b>		
751,576	Symrise	20,643	0.98		<b>Transport 2.68% (2.36%)</b>		
	<b>General retailers 0.54% (0.00%)</b>				<b>Total Republic of Ireland</b>	<b>70,920</b>	<b>3.38</b>
538,461	Wirecard	11,277	0.54	<b>SPAIN 2.07% (0.00%)</b>			

## Threadneedle European Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>SWEDEN 7.88% (9.38%)</b>			
<b>Banks 4.40% (4.24%)</b>			
3,366,465	Svenska Handelsbanken 'A' Shares	92,252	4.40
<b>Engineering &amp; machinery 3.48% (3.21%)</b>			
1,385,192	Assa Abloy 'B' Shares	39,788	1.90
1,912,530	Atlas Copco 'A' Shares	33,237	1.58
<b>Health 0.00% (1.93%)</b>			
<b>Total Sweden</b>		<b>165,277</b>	<b>7.88</b>
<b>SWITZERLAND 20.36% (17.67%)</b>			
<b>Chemicals 5.43% (5.05%)</b>			
454,868	Syngenta	113,980	5.43
<b>Diversified industrials 0.93% (0.98%)</b>			
11,124	Sika	19,432	0.93
<b>Food producers &amp; processors 4.46% (5.35%)</b>			
2,256,011	Nestle	93,579	4.46
<b>General retailers 2.20% (0.00%)</b>			
745,566	Cie Financiere Richemont	46,199	2.20
<b>Household goods &amp; textiles 1.40% (2.24%)</b>			
78,727	Swatch Group	29,393	1.40
<b>Speciality &amp; other finance 2.93% (1.64%)</b>			
4,852,966	UBS	61,560	2.93
<b>Support services 1.98% (1.62%)</b>			
28,146	SGS	41,594	1.98
<b>Transport 1.03% (0.79%)</b>			
269,041	Kuehne & Nagel International	21,588	1.03
<b>Total Switzerland</b>		<b>427,325</b>	<b>20.36</b>
<b>Total value of investments</b>		<b>2,065,067</b>	<b>98.46</b>
<b>Net other assets (0.93%)</b>		<b>32,248</b>	<b>1.54</b>
<b>Net assets</b>		<b>2,097,315</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.



## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 19.45% (18.54%) (continued)</b>				<b>REPUBLIC OF IRELAND 5.34% (2.70%)</b>			
	<b>Steel &amp; other metals 1.99% (2.00%)</b>				<b>Banks 0.59% (0.00%)</b>		
1,171,471	Norma Group	30,598	1.99	47,371,977	Bank of Ireland	9,092	0.59
	<b>Support services 0.59% (0.00%)</b>				<b>Construction &amp; building materials 1.16% (1.04%)</b>		
753,172	Takkt	9,056	0.59	1,784,940	Kingspan Group	17,774	1.16
	<b>Total Germany</b>	<b>298,351</b>	<b>19.45</b>		<b>Food producers &amp; processors 0.87% (1.01%)</b>		
				336,867	Kerry Group	13,381	0.87
<b>ISRAEL 0.25% (0.30%)</b>					<b>General retailers 0.58% (0.00%)</b>		
	<b>Software &amp; computer services 0.25% (0.30%)</b>			1,633,721	Grafton	8,880	0.58
1,951,359	Vizrt	3,776	0.25		<b>Real estate 0.59% (0.00%)</b>		
	<b>Total Israel</b>	<b>3,776</b>	<b>0.25</b>	8,906,201	Green REIT	9,071	0.59
					<b>Transport 1.55% (0.65%)</b>		
<b>ITALY 6.63% (5.84%)</b>					<b>Irish Continental Group</b>	9,623	0.63
	<b>Banks 1.08% (0.47%)</b>			459,511	Ryanair Holdings	14,187	0.92
1,200,894	Banca Generali	16,659	1.08	2,773,424	<b>Total Republic of Ireland</b>	<b>82,008</b>	<b>5.34</b>
	<b>Beverages 1.03% (0.89%)</b>						
3,052,722	Davide Campari-Milano	15,739	1.03	<b>SPAIN 2.53% (1.94%)</b>			
	<b>General retailers 1.23% (2.01%)</b>				<b>Construction &amp; building materials 1.35% (1.02%)</b>		
897,884	Salvatore Ferragamo	18,872	1.23	723,291	Tecnicas Reunidas	20,642	1.35
	<b>Health 2.85% (2.47%)</b>				<b>Food producers &amp; processors 1.18% (0.92%)</b>		
1,093,397	DiaSorin	28,228	1.84	543,876	Viscofan	18,148	1.18
8,803,448	Sorin	15,576	1.01		<b>Total Spain</b>	<b>38,790</b>	<b>2.53</b>
	<b>Household goods &amp; textiles 0.44% (0.00%)</b>			<b>SWEDEN 5.20% (7.40%)</b>			
729,793	De'Longhi	6,733	0.44		<b>Automobiles &amp; parts 1.59% (1.60%)</b>		
	<b>Total Italy</b>	<b>101,807</b>	<b>6.63</b>	1,127,649	Mekonomen	24,456	1.59
<b>LUXEMBOURG 3.71% (3.75%)</b>					<b>Construction &amp; building materials 0.41% (0.44%)</b>		
	<b>Oil &amp; gas 1.63% (1.80%)</b>			533,643	Nibe Industrier	6,255	0.41
1,930,326	Subsea 7	25,089	1.63		<b>Engineering &amp; machinery 1.66% (1.91%)</b>		
	<b>Support services 2.08% (1.95%)</b>			1,636,111	Alfa Laval	23,261	1.52
209,992	Eurofins Scientific	31,844	2.08	308,218	Concentric	2,176	0.14
	<b>Total Luxembourg</b>	<b>56,933</b>	<b>3.71</b>		<b>Health 1.29% (1.94%)</b>		
<b>NETHERLANDS 4.94% (4.97%)</b>				1,998,359	Elekta	19,724	1.29
	<b>Food producers &amp; processors 0.93% (1.09%)</b>				<b>Household goods &amp; textiles 0.25% (0.00%)</b>		
584,976	Sligro Food Group	14,295	0.93	739,775	Nobia	3,868	0.25
	<b>Telecommunications services 2.19% (2.04%)</b>				<b>Steel &amp; other metals 0.00% (1.51%)</b>		
1,265,196	Ziggo	33,600	2.19		<b>Total Sweden</b>	<b>79,740</b>	<b>5.20</b>
	<b>Transport 1.82% (1.84%)</b>			<b>SWITZERLAND 10.38% (9.36%)</b>			
754,237	Koninklijke Vopak	27,852	1.82		<b>Distributors 0.94% (1.07%)</b>		
	<b>Total Netherlands</b>	<b>75,747</b>	<b>4.94</b>	11,579	Vetropack Holding	14,413	0.94
<b>NORWAY 3.03% (2.72%)</b>					<b>Diversified industrials 4.05% (3.63%)</b>		
	<b>Health 0.93% (0.98%)</b>			17,263	Sika	30,156	1.97
565,070	Algeta	14,320	0.93	328,691	Sulzer	31,980	2.08
	<b>Oil &amp; gas 1.03% (0.99%)</b>				<b>Electronic &amp; electrical equipment 1.01% (1.02%)</b>		
827,325	TGS-NOPEC Geophysical	15,808	1.03	37,657	LEM Holding	15,466	1.01
	<b>Transport 1.07% (0.75%)</b>				<b>Engineering &amp; machinery 3.76% (3.64%)</b>		
2,835,327	Wilhelmsen	16,324	1.07	18,997	Belimo Holdings	29,790	1.94
	<b>Total Norway</b>	<b>46,452</b>	<b>3.03</b>	108,529	Burckhardt Compression Holding	27,910	1.82

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 10.38% (9.36%) (continued)</b>			
<b>Speciality &amp; other finance 0.62% (0.00%)</b>			
56,014	Partners Group	9,492	0.62
<b>Total Switzerland</b>		<b>159,207</b>	<b>10.38</b>
<b>UNITED KINGDOM 0.53% (0.00%)</b>			
<b>Information technology hardware 0.53% (0.00%)</b>			
652,417	Dialog Semiconductor	8,158	0.53
<b>Total United Kingdom</b>		<b>8,158</b>	<b>0.53</b>
<b>UNITED STATES OF AMERICA 1.13% (1.05%)</b>			
<b>Automobiles &amp; parts 1.13% (1.05%)</b>			
325,264	Autoliv	17,385	1.13
<b>Total United States of America</b>		<b>17,385</b>	<b>1.13</b>
<b>Total value of investments</b>		<b>1,520,309</b>	<b>99.09</b>
<b>Net other assets (1.68%)</b>		<b>13,946</b>	<b>0.91</b>
<b>Net assets</b>		<b>1,534,255</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 2.71% (3.63%)</b>				<b>Health 1.93% (1.70%)</b>			
	<b>Chemicals 0.70% (1.27%)</b>			751,283	Medica	10,485	0.82
193,156	Lenzing	8,978	0.70	476,098	Orpea	14,195	1.11
	<b>Engineering &amp; machinery 1.72% (2.05%)</b>			<b>Household goods &amp; textiles 1.04% (0.00%)</b>			
606,021	Andritz	21,943	1.72	177,437	Societe Bic	13,293	1.04
	<b>Oil &amp; gas 0.29% (0.31%)</b>			<b>Insurance 1.18% (0.98%)</b>			
53,116	Schoeller Bleckmann Oilfield	3,676	0.29	207,198	Euler Hermes	15,106	1.18
	<b>Total Austria</b>	<b>34,597</b>	<b>2.71</b>	<b>Media &amp; photography 0.57% (0.60%)</b>			
<b>BELGIUM 3.15% (3.00%)</b>				1,487,408	Havas	7,333	0.57
	<b>Chemicals 1.42% (1.12%)</b>			<b>Oil &amp; gas 1.31% (1.52%)</b>			
608,517	Umicore	18,168	1.42	433,672	Rubis	16,781	1.31
	<b>Household goods &amp; textiles 0.32% (0.34%)</b>			<b>Pharmaceuticals &amp; biotechnology 0.73% (0.85%)</b>			
49,993	Kinopolis	4,137	0.32	78,121	Virbac	9,341	0.73
	<b>Telecommunications services 1.41% (1.54%)</b>			<b>Software &amp; computer services 2.02% (2.00%)</b>			
588,569	Telenet Group Holding	18,004	1.41	171,911	Iliad	25,830	2.02
	<b>Total Belgium</b>	<b>40,309</b>	<b>3.15</b>	<b>Telecommunications services 0.00% (1.20%)</b>			
<b>CYPRUS 0.43% (0.97%)</b>				<b>Total France</b>			
	<b>Oil &amp; gas 0.43% (0.97%)</b>					<b>181,140</b>	<b>14.17</b>
957,603	Prosafte	5,498	0.43	<b>GERMANY 14.49% (16.81%)</b>			
	<b>Total Cyprus</b>	<b>5,498</b>	<b>0.43</b>	387,548	MTU Aero Engines Holding	22,930	1.79
<b>DENMARK 3.36% (5.38%)</b>				<b>Aerospace &amp; defence 1.79% (1.78%)</b>			
	<b>Food producers &amp; processors 0.70% (0.86%)</b>			247,611	Brenntag	24,563	1.92
413,159	Christian Hansen Holding	8,910	0.70	436,355	Symrise	11,985	0.94
	<b>Health 1.83% (2.03%)</b>			<b>Construction &amp; building materials 1.17% (1.44%)</b>			
429,490	William Demant	23,449	1.83	238,625	Bilfinger	14,982	1.17
	<b>Insurance 0.83% (0.97%)</b>			<b>Electronic &amp; electrical equipment 0.62% (0.39%)</b>			
196,093	Tryg	10,649	0.83	106,316	Pfeiffer Vacuum Technology	7,975	0.62
	<b>Transport 0.00% (1.52%)</b>			<b>Engineering &amp; machinery 1.05% (0.99%)</b>			
	<b>Total Denmark</b>	<b>43,008</b>	<b>3.36</b>	527,363	ErlingKlinger	13,395	1.05
<b>FINLAND 0.66% (1.39%)</b>				142,207	Delticom	4,627	0.36
	<b>Engineering &amp; machinery 0.40% (1.39%)</b>			<b>General retailers 0.36% (0.41%)</b>			
593,015	Outotec	5,082	0.40	153,842	Stratec Biomedical Systems	3,782	0.30
	<b>Transport 0.26% (0.00%)</b>			<b>Information technology hardware 0.30% (0.44%)</b>			
143,458	Cargotec	3,318	0.26	423,540	CTS Eventim	11,387	0.89
	<b>Total Finland</b>	<b>8,400</b>	<b>0.66</b>	<b>Leisure entertainment &amp; hotels 0.89% (0.43%)</b>			
<b>FRANCE 14.17% (14.32%)</b>				<b>Media &amp; photography 0.00% (1.02%)</b>			
	<b>Beverages 0.66% (0.89%)</b>			<b>Oil &amp; gas 0.44% (1.69%)</b>			
127,483	Remy Cointreau	8,428	0.66	110,124	Fuchs Petrolub	5,616	0.44
	<b>Diversified industrials 0.99% (1.41%)</b>			<b>Packaging 1.91% (2.06%)</b>			
647,886	Bureau Veritas	12,606	0.99	655,361	Gerresheimer	24,400	1.91
	<b>Electronic &amp; electrical equipment 2.74% (1.69%)</b>			<b>Real estate 0.65% (1.24%)</b>			
457,735	Ingenico	21,785	1.71	259,903	Deutsche Annington Immobilien	4,047	0.32
859,155	Rexel	13,126	1.03	559,547	TAG Immobilien	4,198	0.33
	<b>Food producers &amp; processors 0.00% (0.21%)</b>			<b>Speciality &amp; other finance 0.82% (0.86%)</b>			
	<b>General retailers 1.00% (1.27%)</b>			188,523	Grenkeleasing	10,504	0.82
659,884	Edenred	12,831	1.00	<b>Steel &amp; other metals 1.07% (1.06%)</b>			
				526,274	Norma Group	13,746	1.07

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 14.49% (16.81%) (continued)</b>				<b>REPUBLIC OF IRELAND 4.73% (2.86%)</b>			
	<b>Support services 0.56% (0.00%)</b>				<b>Banks 0.57% (0.00%)</b>		
593,023	Takkt	7,131	0.56	37,868,346	Bank of Ireland	7,268	0.57
	<b>Total Germany</b>	<b>185,268</b>	<b>14.49</b>		<b>Construction &amp; building materials 1.19% (0.95%)</b>		
				1,524,617	Kingspan Group	15,182	1.19
<b>ITALY 4.90% (4.39%)</b>					<b>Food producers &amp; processors 0.48% (0.50%)</b>		
	<b>Banks 1.06% (0.68%)</b>			154,979	Kerry Group	6,156	0.48
974,813	Banca Generali	13,523	1.06		<b>General retailers 0.56% (0.00%)</b>		
	<b>General retailers 1.43% (1.50%)</b>			1,326,642	Grafton	7,211	0.56
871,242	Salvatore Ferragamo	18,312	1.43		<b>Real estate 0.57% (0.00%)</b>		
	<b>Health 1.48% (1.25%)</b>			7,136,068	Green REIT BBR67J5	7,268	0.57
485,393	DiaSorin	12,531	0.98		<b>Transport 1.36% (1.41%)</b>		
3,622,166	Sorin	6,409	0.50	286,410	Irish Continental Group	5,998	0.47
	<b>Household goods &amp; textiles 0.93% (0.96%)</b>			2,230,000	Ryanair Holdings	11,407	0.89
1,293,439	De'Longhi	11,933	0.93		<b>Total Republic of Ireland</b>	<b>60,490</b>	<b>4.73</b>
	<b>Total Italy</b>	<b>62,708</b>	<b>4.90</b>				
<b>LUXEMBOURG 2.82% (2.54%)</b>				<b>SPAIN 1.96% (1.62%)</b>			
	<b>Automobiles &amp; parts 0.52% (0.28%)</b>				<b>Construction &amp; building materials 0.99% (0.71%)</b>		
921,207	SAF Holland	6,680	0.52	441,499	Tecnicas Reunidas	12,600	0.99
	<b>Electronic &amp; electrical equipment 0.63% (0.50%)</b>				<b>Food producers &amp; processors 0.97% (0.91%)</b>		
2,509,668	AZ Electronic Materials	7,988	0.63	373,065	Viscofan	12,448	0.97
	<b>Oil &amp; gas 0.67% (0.80%)</b>				<b>Total Spain</b>	<b>25,048</b>	<b>1.96</b>
661,542	Subsea 7	8,598	0.67				
	<b>Support services 1.00% (0.96%)</b>			<b>SWEDEN 1.64% (4.07%)</b>			
84,377	Eurofins Scientific	12,795	1.00		<b>Automobiles &amp; parts 0.81% (0.94%)</b>		
	<b>Total Luxembourg</b>	<b>36,061</b>	<b>2.82</b>	473,911	Mekonomen	10,278	0.81
<b>NETHERLANDS 5.05% (4.21%)</b>					<b>Diversified industrials 0.00% (0.53%)</b>		
	<b>Engineering &amp; machinery 0.72% (0.00%)</b>				<b>Health 0.83% (1.92%)</b>		
558,113	Aalberts Industries	9,213	0.72	1,078,850	Elekta	10,648	0.83
	<b>Food producers &amp; processors 0.98% (1.09%)</b>				<b>Steel &amp; other metals 0.00% (0.68%)</b>		
415,829	Nutreco	12,524	0.98		<b>Total Sweden</b>	<b>20,926</b>	<b>1.64</b>
	<b>Telecommunications services 2.15% (2.02%)</b>			<b>SWITZERLAND 3.95% (2.97%)</b>			
1,033,849	Ziggo	27,456	2.15		<b>Diversified industrials 2.69% (2.34%)</b>		
	<b>Transport 1.20% (1.10%)</b>			13,741	Sika	24,003	1.88
417,731	Koninklijke Vopak	15,426	1.20	106,831	Sulzer	10,394	0.81
	<b>Total Netherlands</b>	<b>64,619</b>	<b>5.05</b>		<b>Engineering &amp; machinery 0.66% (0.63%)</b>		
				5,370	Belimo Holdings	8,421	0.66
<b>NORWAY 2.54% (2.28%)</b>					<b>Speciality &amp; other finance 0.60% (0.00%)</b>		
	<b>Health 0.48% (0.00%)</b>			45,463	Partners Group	7,704	0.60
240,876	Algeta	6,105	0.48		<b>Total Switzerland</b>	<b>50,522</b>	<b>3.95</b>
	<b>Insurance 0.42% (0.38%)</b>			<b>UNITED KINGDOM 29.56% (26.91%)</b>			
1,432,342	Storebrand	5,449	0.42		<b>Aerospace &amp; defence 1.08% (0.89%)</b>		
	<b>Oil &amp; gas 0.94% (1.27%)</b>			729,730	Ultra Electronics Holdings	13,792	1.08
629,243	TGS-NOPEC Geophysical	12,023	0.94		<b>Chemicals 4.54% (3.59%)</b>		
	<b>Transport 0.70% (0.63%)</b>			1,010,195	Croda International	26,336	2.06
1,551,790	Wilhelmsen	8,934	0.70	7,488,672	Elementis	18,849	1.47
	<b>Total Norway</b>	<b>32,511</b>	<b>2.54</b>	800,453	Victrex	12,983	1.01

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 29.56% (26.91%) (continued)</b>			
<b>Electronic &amp; electrical equipment 3.48% (3.42%)</b>			
1,566,635	Domino Printing	10,551	0.82
393,789	Oxford Instruments	5,895	0.46
753,253	Renishaw	13,039	1.02
651,331	Spectris	15,078	1.18
<b>Engineering &amp; machinery 6.30% (6.71%)</b>			
4,531,231	Fenner	16,371	1.28
2,424,276	Halma	13,624	1.07
1,671,124	IMI	24,632	1.93
375,119	Spirax-Sarco Engineering	11,430	0.89
646,120	Weir Group	14,499	1.13
<b>General retailers 0.51% (0.60%)</b>			
444,318	Dignity	6,527	0.51
<b>Information technology hardware 0.00% (0.22%)</b>			
<b>Insurance 1.14% (0.95%)</b>			
3,877,208	Amlin	14,551	1.14
<b>Life assurance 1.97% (1.46%)</b>			
4,165,931	St. James's Place	25,162	1.97
<b>Media &amp; photography 1.41% (1.17%)</b>			
3,450,816	Informa	18,048	1.41
<b>Oil &amp; gas 1.59% (1.77%)</b>			
1,683,929	Hunting	14,019	1.10
791,694	Wood Group	6,282	0.49
<b>Real estate 2.27% (2.23%)</b>			
258,093	Derwent London	5,882	0.46
3,999,603	Shaftesbury	23,178	1.81
<b>Speciality &amp; other finance 0.95% (0.92%)</b>			
2,096,534	IG Group Holdings	12,097	0.95
<b>Support services 3.34% (1.94%)</b>			
1,903,424	Ashtead Group	12,382	0.97
875,509	Berendsen	7,871	0.62
412,775	Intertek Group	13,729	1.07
1,851,156	RPC Group	8,689	0.68
<b>Water 0.98% (1.04%)</b>			
1,729,381	Pennon Group	12,503	0.98
<b>Total United Kingdom</b>		<b>377,999</b>	<b>29.56</b>
<b>UNITED STATES OF AMERICA 1.51% (0.97%)</b>			
<b>Automobiles &amp; parts 1.51% (0.97%)</b>			
360,648	Autoliv	19,276	1.51
<b>Total United States of America</b>		<b>19,276</b>	<b>1.51</b>
<b>Total value of investments</b>		<b>1,248,380</b>	<b>97.63</b>
<b>Net other assets (1.68%)</b>		<b>30,303</b>	<b>2.37</b>
<b>Net assets</b>		<b>1,278,683</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle Pan European Fund

### Portfolio Statement

as at 7th September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 2.11% (2.40%)</b>				<b>Media &amp; photography 0.00% (1.94%)</b>			
	<b>Beverages 2.11% (2.40%)</b>			<b>Pharmaceuticals &amp; biotechnology 3.68% (4.19%)</b>			
80,158	Anheuser-Busch InBev	4,823	2.11	78,019	Bayer	5,454	2.38
	<b>Total Belgium</b>	<b>4,823</b>	<b>2.11</b>	31,857	Merck	2,979	1.30
<b>CANADA 0.00% (0.55%)</b>				<b>Software &amp; computer services 1.62% (2.99%)</b>			
	<b>Mining 0.00% (0.55%)</b>			82,982	SAP	3,718	1.62
	<b>Total Canada</b>	<b>-</b>	<b>-</b>	<b>Total Germany</b>			
<b>DENMARK 1.80% (1.93%)</b>				<b>ITALY 0.00% (0.48%)</b>			
	<b>Pharmaceuticals &amp; biotechnology 1.80% (1.93%)</b>			<b>Speciality &amp; other finance 0.00% (0.48%)</b>			
39,651	Novo Nordisk	4,115	1.80	<b>Total Italy</b>			
	<b>Total Denmark</b>	<b>4,115</b>	<b>1.80</b>	<b>LUXEMBOURG 0.00% (0.58%)</b>			
<b>FINLAND 0.83% (0.00%)</b>				<b>Oil &amp; gas 0.00% (0.58%)</b>			
	<b>Engineering &amp; machinery 0.83% (0.00%)</b>			<b>Total Luxembourg</b>			
34,967	Kone	1,906	0.83	<b>NETHERLANDS 12.11% (6.65%)</b>			
	<b>Total Finland</b>	<b>1,906</b>	<b>0.83</b>	<b>Aerospace &amp; defence 2.27% (2.04%)</b>			
<b>FRANCE 11.91% (12.69%)</b>				137,386	EADS	5,199	2.27
	<b>Aerospace &amp; defence 0.98% (0.00%)</b>			<b>Information technology hardware 2.35% (1.29%)</b>			
66,497	Thales	2,239	0.98	93,895	ASML Holdings	5,375	2.35
	<b>Banks 1.46% (3.12%)</b>			<b>Insurance 1.97% (1.86%)</b>			
80,685	BNP Paribas	3,343	1.46	642,138	ING Groep	4,513	1.97
	<b>Chemicals 0.63% (0.70%)</b>			<b>Life assurance 1.39% (1.46%)</b>			
17,167	Air Liquide	1,444	0.63	677,379	Aegon	3,191	1.39
	<b>Electronic &amp; electrical equipment 1.57% (2.39%)</b>			<b>Media &amp; photography 1.84% (0.00%)</b>			
107,745	LeGrand	3,600	1.57	355,806	Reed Elsevier	4,217	1.84
	<b>General retailers 0.72% (0.94%)</b>			<b>Software &amp; computer services 1.12% (0.00%)</b>			
84,146	Edenred	1,636	0.72	36,037	Gemalto	2,575	1.12
	<b>Health 1.04% (0.00%)</b>			<b>Telecommunications services 1.17% (0.00%)</b>			
35,381	Essilor International	2,388	1.04	100,585	Ziggo	2,671	1.17
	<b>Media &amp; photography 2.01% (1.84%)</b>			<b>Total Netherlands</b>			
92,734	Publicis Groupe	4,599	2.01	<b>NORWAY 1.48% (0.00%)</b>			
	<b>Personal care &amp; household products 0.91% (0.99%)</b>			<b>Banks 1.48% (0.00%)</b>			
19,823	L'Oreal	2,077	0.91	338,374	DnB NOR Bank	3,384	1.48
	<b>Software &amp; computer services 2.59% (2.71%)</b>			<b>Total Norway</b>			
40,783	Atos	1,953	0.85	<b>PORTUGAL 1.07% (0.72%)</b>			
26,575	Iliad	3,993	1.74	<b>Oil &amp; gas 1.07% (0.72%)</b>			
	<b>Total France</b>	<b>27,272</b>	<b>11.91</b>	217,982	Galp Energia SGPS	2,443	1.07
<b>GERMANY 13.25% (22.54%)</b>				<b>Total Portugal</b>			
	<b>Automobiles &amp; parts 3.16% (3.00%)</b>			<b>REPUBLIC OF IRELAND 1.35% (1.36%)</b>			
38,368	Continental	3,950	1.73	<b>Transport 1.35% (1.36%)</b>			
22,523	Volkswagen	3,271	1.43	606,112	Ryanair Holdings	3,101	1.35
	<b>Chemicals 2.30% (5.46%)</b>			<b>Total Republic of Ireland</b>			
53,204	Brenntag	5,278	2.30	<b>3,101 1.35</b>			
	<b>Health 0.00% (1.86%)</b>						
	<b>Insurance 2.49% (3.10%)</b>						
61,378	Allianz	5,701	2.49				

## Threadneedle Pan European Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
Holding	Investment			Holding	Investment		
<b>SPAIN 3.42% (4.78%)</b>					<b>Chemicals 1.06% (0.86%)</b>		
	<b>Banks 0.00% (1.28%)</b>			81,753	Johnson Matthey	2,432	1.06
	<b>General retailers 1.26% (1.52%)</b>				<b>Construction &amp; building materials 2.79% (2.05%)</b>		
32,916	Inditex	2,875	1.26	374,207	Persimmon	4,251	1.86
	<b>Oil &amp; gas 0.00% (0.70%)</b>			133,058	Travis Perkins	2,122	0.93
	<b>Software &amp; computer services 1.18% (1.28%)</b>				<b>Distributors 0.95% (1.03%)</b>		
129,238	Amadeus IT Group	2,692	1.18	64,205	Wolseley	2,164	0.95
	<b>Transport 0.98% (0.00%)</b>				<b>Electronic &amp; electrical equipment 0.64% (0.74%)</b>		
757,392	International Consolidated Airlines Group	2,256	0.98	62,805	Spectris	1,454	0.64
	<b>Total Spain</b>	<b>7,823</b>	<b>3.42</b>		<b>Engineering &amp; machinery 1.34% (1.37%)</b>		
				208,341	IMI	3,071	1.34
<b>SWEDEN 3.67% (1.90%)</b>					<b>Food producers &amp; processors 2.42% (3.52%)</b>		
	<b>Banks 1.64% (0.65%)</b>			228,388	Unilever	5,550	2.42
271,547	Nordea Bank	2,064	0.90		<b>Health 0.79% (0.91%)</b>		
61,590	Svenska Handelsbanken 'A' Shares	1,688	0.74	239,115	Smith & Nephew	1,816	0.79
	<b>Health 0.85% (1.25%)</b>				<b>Leisure entertainment &amp; hotels 1.23% (1.24%)</b>		
196,889	Elektro	1,943	0.85	149,714	InterContinental Hotels Group	2,812	1.23
	<b>Investment companies 1.18% (0.00%)</b>				<b>Life assurance 4.75% (3.89%)</b>		
123,852	Investment Kinnevik 'B' Shares	2,710	1.18	2,380,617	Legal & General	4,530	1.98
	<b>Total Sweden</b>	<b>8,405</b>	<b>3.67</b>	323,047	Prudential	3,592	1.57
				455,419	St. James's Place	2,751	1.20
<b>SWITZERLAND 12.74% (15.46%)</b>					<b>Oil &amp; gas 3.26% (1.65%)</b>		
	<b>Chemicals 1.16% (2.30%)</b>			376,041	BG Group	4,810	2.10
10,595	Syngenta	2,655	1.16	335,800	Wood Group	2,665	1.16
	<b>Diversified industrials 0.96% (1.04%)</b>				<b>Personal care &amp; household products 1.41% (1.61%)</b>		
1,260	Sika	2,201	0.96	74,252	Reckitt Benckiser	3,239	1.41
	<b>Food producers &amp; processors 0.00% (3.45%)</b>				<b>Speciality &amp; other finance 0.82% (0.56%)</b>		
	<b>General retailers 1.75% (0.00%)</b>			78,954	Schroders	1,887	0.82
64,778	Cie Financiere Richemont	4,014	1.75		<b>Support services 2.02% (1.92%)</b>		
	<b>Household goods &amp; textiles 1.43% (2.65%)</b>			399,386	Ashtead Group	2,598	1.13
50,733	Swatch Group	3,283	1.43	176,354	Experian Group	2,026	0.89
	<b>Pharmaceuticals &amp; biotechnology 2.82% (2.56%)</b>				<b>Telecommunications services 4.59% (0.00%)</b>		
134,619	Novartis	6,444	2.82	905,663	BT Group	3,116	1.36
	<b>Speciality &amp; other finance 3.15% (2.47%)</b>			3,521,512	Vodafone Group	7,386	3.23
568,769	UBS	7,215	3.15		<b>Total United Kingdom</b>	<b>74,634</b>	<b>32.59</b>
	<b>Support services 1.47% (0.99%)</b>						
54,665	Adecco	2,268	0.99		<b>Total value of investments</b>	<b>225,183</b>	<b>98.33</b>
748	SGS	1,105	0.48		<b>Net other assets (0.95%)</b>	<b>3,819</b>	<b>1.67</b>
	<b>Total Switzerland</b>	<b>29,185</b>	<b>12.74</b>		<b>Net assets</b>	<b>229,002</b>	<b>100.00</b>
<b>UNITED KINGDOM 32.59% (27.01%)</b>							
	<b>Automobiles &amp; parts 1.24% (1.22%)</b>						
823,795	GKN	2,846	1.24				
	<b>Banks 1.56% (1.67%)</b>						
1,201,136	Barclays	3,582	1.56				
	<b>Beverages 1.72% (2.77%)</b>						
198,054	Diageo	3,934	1.72				

The calculation of the % Net Asset Value may not sum to 100% due to rounding.  
March 2013 comparatives in brackets.

## Threadneedle European Bond Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value		
<b>AUSTRALIA 0.80% (0.33%)</b>					<b>CAYMAN ISLANDS 1.16% (0.97%)</b>						
		<b>A+ 0.36% (0.33%)</b>					<b>AA 0.94% (0.44%)</b>				
EUR	760,000	BHP Billiton Finance 2.125% 29/11/2018	647	0.36	EUR	1,700,000	IPIC GMTN 5.875% 14/03/2021	1,664	0.94		
		<b>BBB+ 0.29% (0.00%)</b>					<b>A- 0.00% (0.28%)</b>				
EUR	620,000	SPI Electricity & Gas 2.375% 24/07/2020	509	0.29			<b>BBB 0.22% (0.25%)</b>				
		<b>BBB 0.15% (0.00%)</b>			EUR	450,000	Petrobras International Finance 4.875% 07/03/2018	395	0.22		
EUR	300,000	Santos Finance 8.25% 22/09/2070	273	0.15			<b>Total Cayman Islands</b>	<b>2,059</b>	<b>1.16</b>		
		<b>Total Australia</b>	<b>1,429</b>	<b>0.80</b>							
<b>AUSTRIA 2.02% (4.10%)</b>					<b>DENMARK 0.18% (0.37%)</b>						
		<b>Aaa 0.68% (0.75%)</b>					<b>A- 0.00% (0.25%)</b>				
EUR	1,500,000	Hypo Alpe-Adria International 2.375% 13/12/2022	1,215	0.68			<b>BBB- 0.18% (0.00%)</b>				
		<b>AA+ 1.34% (3.35%)</b>			GBP	325,000	Danske Bank 5.375% 29/09/2021	328	0.18		
EUR	3,000,000	Republic of Austria 1.75% 20/10/2023	2,374	1.34			<b>BB+ 0.00% (0.12%)</b>				
		<b>Total Austria</b>	<b>3,589</b>	<b>2.02</b>			<b>Total Denmark</b>	<b>328</b>	<b>0.18</b>		
<b>BELGIUM 5.98% (3.95%)</b>					<b>FINLAND 0.29% (1.63%)</b>						
		<b>Aa3 5.56% (3.49%)</b>					<b>AAA 0.00% (1.16%)</b>				
EUR	3,000,000	Belgium Kingdom 1.25% 22/06/2018	2,486	1.40			<b>Aaa 0.00% (0.47%)</b>				
EUR	6,450,000	Belgium Kingdom 3% 28/09/2019	5,754	3.24			<b>BBB- 0.29% (0.00%)</b>				
EUR	1,550,000	Belgium Kingdom 5.5% 28/03/2028	1,632	0.92	EUR	625,000	Citycon 3.75% 24/06/2020	521	0.29		
		<b>A 0.00% (0.32%)</b>					<b>Total Finland</b>	<b>521</b>	<b>0.29</b>		
		<b>Baa1 0.29% (0.00%)</b>									
EUR	600,000	Brussels Air Holding 3.25% 01/07/2020	517	0.29	<b>FRANCE 6.25% (6.73%)</b>						
		<b>BB+ 0.13% (0.14%)</b>					<b>Aaa 0.82% (0.89%)</b>				
EUR	275,000	KBC Bank 8% 14/05/2049	238	0.13	EUR	1,600,000	AXA Bank Europe 3.5% 05/11/2020	1,462	0.82		
		<b>Total Belgium</b>	<b>10,627</b>	<b>5.98</b>			<b>AAA 0.45% (0.00%)</b>				
<b>BERMUDA 0.30% (0.00%)</b>							EUR	1,000,000	HSBC France 2% 16/10/2023	800	0.45
		<b>BBB+ 0.30% (0.00%)</b>					<b>AA+ 0.00% (2.69%)</b>				
EUR	650,000	Bacardi 2.75% 03/07/2023	531	0.30			<b>Aa1u 4.16% (0.00%)</b>				
		<b>Total Bermuda</b>	<b>531</b>	<b>0.30</b>	EUR	6,000,000	Government of France 1% 25/11/2018	4,931	2.78		
<b>BRAZIL 0.00% (0.71%)</b>							EUR	3,100,000	Government of France 3.25% 25/05/2045	2,444	1.38
		<b>BBB 0.00% (0.71%)</b>					<b>BBB+ 0.33% (0.00%)</b>				
		<b>Total Brazil</b>	<b>-</b>	<b>-</b>	EUR	300,000	GDF Suez 3.875% 10/07/2049	253	0.14		
<b>CANADA 0.98% (0.00%)</b>							EUR	400,000	Thales 1.625% 20/03/2018	335	0.19
		<b>Aaa 0.75% (0.00%)</b>					<b>A+ 0.00% (0.26%)</b>				
EUR	1,600,000	Canadian Imperial Bank 1.25% 07/08/2018	1,332	0.75			<b>A 0.00% (0.79%)</b>				
		<b>AA- 0.23% (0.00%)</b>					<b>BBB+ 0.00% (0.42%)</b>				
EUR	500,000	Total Capital Canada 1.875% 09/07/2020	413	0.23	EUR	500,000	Eutelsat 3.125% 10/10/2022	408	0.23		
		<b>Total Canada</b>	<b>1,745</b>	<b>0.98</b>			<b>BBB 0.23% (0.79%)</b>				
							<b>Baa2 0.14% (0.15%)</b>				
					EUR	295,000	Caisse Central du Cr�dit Immobilier de France 3.75% 10/03/2014	251	0.14		
							<b>BBB- 0.00% (0.61%)</b>				
							<b>BB+ 0.12% (0.13%)</b>				
					EUR	250,000	Banque PSA Finance 3.625% 29/04/2014	212	0.12		
							<b>Total France</b>	<b>11,096</b>	<b>6.25</b>		

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 8.16% (8.65%)</b>					<b>Ba2 0.00% (0.05%)</b>				
		<b>AAA 0.98% (1.22%)</b>					<b>Not rated 0.34% (0.36%)</b>		
GBP	1,800,000	L-Bank Foerderbank 0.875% 15/12/2017	1,743	0.98	EUR	685,000	Davide Campari-Milano 4.5% 25/10/2019	598	0.34
		<b>Aaa 0.00% (5.65%)</b>					<b>Total Italy</b>	<b>19,981</b>	<b>11.25</b>
		<b>Aaau 5.80% (0.00%)</b>			<b>JAPAN 0.16% (0.00%)</b>				
EUR	8,400,000	*Bundesobligation 0.79571% 15/04/2018	7,815	4.40			<b>BB+ 0.16% (0.00%)</b>		
EUR	3,100,000	Bundesrepublik Deutschland 2.5% 04/07/2044	2,478	1.40	EUR	340,000	Softbank 4.625% 15/04/2020	285	0.16
		<b>AA- 0.96% (1.03%)</b>					<b>Total Japan</b>	<b>285</b>	<b>0.16</b>
EUR	1,800,000	NRW Bank 4.5% 29/05/2017	1,697	0.96	<b>LUXEMBOURG 2.64% (1.32%)</b>				
		<b>A 0.16% (0.17%)</b>			EUR	1,400,000	EFSF 1.25% 31/07/2018	1,162	0.65
EUR	300,000	Münchener Rückversicherungs 6% 26/05/2041	283	0.16			<b>Aa2 0.24% (0.00%)</b>		
EUR	300,000	Talanx 3.125% 13/02/2023	254	0.14	EUR	535,000	Nestle Finance International 1.25% 04/05/2020	430	0.24
		<b>BBB- 0.00% (0.19%)</b>					<b>A 0.10% (0.11%)</b>		
		<b>BB- 0.00% (0.13%)</b>			EUR	200,000	Hannover Finance 5% 30/06/2043	172	0.10
EUR	235,000	Unitymedia Hessen 7.5% 15/03/2019	214	0.12	EUR	590,000	Gaz Capital 3.755% 15/03/2017	509	0.29
		<b>Total Germany</b>	<b>14,484</b>	<b>8.16</b>	EUR	1,313,000	Gelf Bond Issuer 3.125% 03/04/2018	1,109	0.62
					EUR	915,000	Glencore Finance Europe 4.125% 03/04/2018	826	0.47
<b>ITALY 11.25% (10.50%)</b>							<b>Baa2 0.00% (0.18%)</b>		
		<b>A 0.42% (0.36%)</b>					<b>BB+ 0.14% (0.09%)</b>		
EUR	365,000	ENI 3.25% 10/07/2023	302	0.17	GBP	225,000	Finmeccanica Finance 8% 16/12/2019	250	0.14
EUR	495,000	Eni 4.25% 03/02/2020	451	0.25			<b>BB- 0.13% (0.13%)</b>		
		<b>A- 0.00% (0.33%)</b>			EUR	260,000	Wind Acquisition Finance 7.375% 15/02/2018	223	0.13
		<b>BBB+ 0.32% (0.16%)</b>					<b>Total Luxembourg</b>	<b>4,681</b>	<b>2.64</b>
EUR	630,000	SNAM 4.375% 11/07/2016	568	0.32	<b>MEXICO 2.17% (1.68%)</b>				
		<b>BBB 0.00% (0.42%)</b>					<b>A- 0.17% (0.24%)</b>		
		<b>Baa2 2.24% (8.82%)</b>			EUR	325,000	América Móvil 4.125% 25/10/2019	293	0.17
EUR	4,700,000	Buoni Poliennali Del Tes 3.5% 01/06/2018	3,978	2.24			<b>BBB 2.00% (1.44%)</b>		
EUR	300,000	Telecom Italia 5.125% 25/01/2016	265	0.15	EUR	625,000	América Móvil 5.125% 06/09/2073	515	0.29
GBP	200,000	Telecom Italia 7.375% 15/12/2017	216	0.12	EUR	2,000,000	Petroleos Mexicanos 5.5% 09/01/2017	1,861	1.05
EUR	400,000	UBI Banca 4.125% 21/10/2013	338	0.19	EUR	1,500,000	United Mexican States 2.75% 22/04/2023	1,175	0.66
		<b>Baa3 0.20% (0.00%)</b>					<b>Total Mexico</b>	<b>3,844</b>	<b>2.17</b>
EUR	450,000	*Romulus Finance 1.11% 20/02/2015	362	0.20					
		<b>Baa2u 7.27% (0.00%)</b>							
EUR	4,800,000	Buoni Poliennali Del Tes 3.75% 15/04/2016	4,183	2.36					
EUR	5,200,000	Buoni Poliennali Del Tes 4.75% 01/09/2044	4,110	2.31					
EUR	5,100,000	Buoni Poliennali Del Tes 5.5% 01/11/2022	4,610	2.60					

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 4.96% (7.50%)</b>					<b>NORWAY 1.35% (1.58%)</b>				
		<b>AAA 0.25% (1.45%)</b>					<b>AAA 0.00% (0.58%)</b>		
EUR	525,000	Bank Nederlandse Gemeenten 1.875% 06/06/2019	445	0.25	EUR	1,000,000	<b>Aaa 0.53% (0.58%)</b> SpareBank 1 Boligkreditt 4% 03/02/2021	948	0.53
		<b>AA 0.26% (0.53%)</b>					<b>AA- 0.49% (0.00%)</b>		
EUR	530,000	Roche Finance Europe 2% 25/06/2018	459	0.26	EUR	1,050,000	Statoil 2% 10/09/2020	873	0.49
		<b>AA- 0.21% (0.23%)</b>					<b>A2 0.00% (0.26%)</b>		
EUR	400,000	Nederlandse Gasunie 5.125% 31/03/2017	381	0.21	EUR	700,000	<b>A2e 0.33% (0.00%)</b> SpareBank 1 SR Bank 2.125% 27/02/2019	580	0.33
		<b>A+ 0.17% (0.69%)</b>					<b>A- 0.00% (0.16%)</b>		
EUR	325,000	ING Bank 4.5% 21/02/2022	302	0.17			<b>Total Norway</b>	<b>2,401</b>	<b>1.35</b>
		<b>A 0.00% (0.23%)</b>							
EUR	600,000	Aegon 3% 18/07/2017	531	0.30	<b>POLAND 1.01% (4.17%)</b>				
EUR	600,000	KBC IFIMA 2.125% 10/09/2018	501	0.28			<b>A 0.00% (2.69%)</b>		
		<b>BBB+ 1.24% (1.64%)</b>					<b>A- 1.01% (1.48%)</b>		
EUR	600,000	CRH 5% 25/01/2019	568	0.32	EUR	2,000,000	Republic of Poland 3.625% 01/02/2016	1,791	1.01
EUR	1,050,000	F. van Lanschot Bankiers 4.625% 22/04/2014	898	0.51			<b>Total Poland</b>	<b>1,791</b>	<b>1.01</b>
EUR	500,000	ING Bank 6.125% 29/05/2023	463	0.26	<b>REPUBLIC OF IRELAND 0.57% (4.89%)</b>				
EUR	290,000	Linde Finance 7.375% 14/07/2066	274	0.15			<b>AA+ 0.11% (0.12%)</b>		
		<b>Baa1 0.21% (0.00%)</b>			EUR	175,000	GE Capital European Funding 6.025% 01/03/2038	191	0.11
EUR	450,000	Wolters Kluwer 2.875% 21/03/2023	370	0.21			<b>A 0.00% (0.08%)</b>		
		<b>BBB 0.53% (0.62%)</b>			EUR	273,000	<b>BBB+ 0.31% (4.63%)</b> Bord Gais Eireann 3.625% 04/12/2017	242	0.13
EUR	150,000	ABN Amro Bank 6.375% 27/04/2021	138	0.08	EUR	365,000	ESB Finance 4.375% 21/11/2019	329	0.18
EUR	325,000	Achmea 6% 04/04/2043	284	0.16			<b>BBB 0.15% (0.00%)</b>		
EUR	600,000	Deutsche Annington 2.125% 25/07/2016	509	0.29	EUR	330,000	RZD Capital 3.3744% 20/05/2021	258	0.15
		<b>Baa2 0.15% (0.00%)</b>					<b>Not rated 0.00% (0.06%)</b>		
EUR	320,000	Volkswagen International Finance 3.875% 04/09/2049	267	0.15			<b>Total Republic of Ireland</b>	<b>1,020</b>	<b>0.57</b>
		<b>BBB- 0.89% (0.49%)</b>			<b>SLOVAKIA 0.00% (1.10%)</b>				
EUR	580,000	Madrileña Red de Gas 3.779% 11/09/2018	491	0.28			<b>A 0.00% (1.10%)</b>		
EUR	300,000	Repsol International Finance 4.375% 20/02/2018	270	0.15			<b>Total Slovakia</b>	-	-
EUR	475,000	Repsol International Finance 4.625% 08/10/2014	415	0.23	<b>SLOVENIA 4.14% (0.91%)</b>				
EUR	465,000	Ziggo Finance 6.125% 15/11/2017	405	0.23			<b>A 0.00% (0.91%)</b>		
		<b>Baa3 0.38% (0.33%)</b>					<b>A- 4.14% (0.00%)</b>		
EUR	700,000	HIT Finance 5.75% 09/03/2018	666	0.38	EUR	7,300,000	Republika Slovenija 4% 22/03/2018	5,822	3.28
		<b>BB+ 0.00% (0.27%)</b>			EUR	1,800,000	Republika Slovenija 4.375% 02/04/2014	1,523	0.86
		<b>Ba2 0.09% (0.10%)</b>					<b>Total Slovenia</b>	<b>7,345</b>	<b>4.14</b>
EUR	170,000	HeidelbergCement Finance 8% 31/01/2017	166	0.09					
		<b>Total Netherlands</b>	<b>8,803</b>	<b>4.96</b>					

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SOUTH KOREA 1.23% (0.00%)</b>					<b>SWITZERLAND 0.96% (0.51%)</b>				
		<b>Aa3 0.99% (0.00%)</b>					<b>Aaa 0.47% (0.00%)</b>		
EUR	2,150,000	Korea Development Bank 1.5% 30/05/2018	1,759	0.99	EUR	950,000	Credit Suisse Guernsey 2.625% 01/12/2015	833	0.47
		<b>A+ 0.24% (0.00%)</b>					<b>A+ 0.00% (0.27%)</b>		
EUR	525,000	Export-Import Bank of Korea 2% 30/04/2020	420	0.24	EUR	500,000	Credit Suisse London 3.875% 25/01/2017	455	0.26
		<b>Total South Korea</b>	<b>2,179</b>	<b>1.23</b>			<b>AAA 1.80% (5.69%)</b>		
					EUR	450,000	UBS Jersey 7.152% 12/06/2049	417	0.23
<b>SPAIN 4.45% (4.36%)</b>					<b>Total Switzerland</b>				
		<b>AA- 0.19% (0.20%)</b>					<b>1,705</b>	<b>0.96</b>	
EUR	400,000	Kutxabank 3% 01/02/2017	342	0.19	<b>UNITED KINGDOM 21.01% (20.83%)</b>				
		<b>A3 0.00% (0.63%)</b>					<b>Aaa 1.14% (0.00%)</b>		
EUR	285,000	Ferrovial Emisiones 3.375% 30/01/2018	245	0.14	GBP	2,000,000	*Coventry Building Society 2.1125% 10/02/2015	2,033	1.14
EUR	600,000	Santander International Debt 4.625% 21/03/2016	528	0.30			<b>AAA 1.80% (5.69%)</b>		
GBP	820,000	Telefonica Emisiones 5.375% 02/02/2018	864	0.49	EUR	1,400,000	Abbey National Treasury Service 4.375% 24/01/2018	1,320	0.74
		<b>BBB- 3.33% (3.23%)</b>			GBP	1,000,000	Bank of Scotland 4.875% 20/12/2024	1,076	0.61
EUR	300,000	BBVA Senior Finance 3.75% 17/01/2018	255	0.14	EUR	925,000	Barclays Bank 2.25% 22/02/2017	808	0.45
EUR	4,200,000	Bonos y Obligaciones del Estado 3.75% 31/10/2018	3,579	2.02			<b>Aaa 0.59% (2.09%)</b>		
EUR	2,500,000	Bonos y Obligaciones del Estado 4.4% 31/10/2023	2,080	1.17	EUR	1,100,000	Lloyds TSB Bank 4% 29/09/2020	1,040	0.59
		<b>Total Spain</b>	<b>7,893</b>	<b>4.45</b>	EUR	2,200,000	Northern Rock Asset Management 3.875% 16/11/2020	2,036	1.15
<b>SWEDEN 4.83% (8.42%)</b>							<b>AA+ 10.02% (6.49%)</b>		
		<b>AAA 4.29% (5.49%)</b>			GBP	1,600,000	UK Treasury 2.25% 07/03/2014	1,615	0.91
EUR	1,000,000	Swedish Covered Bond 3.25% 30/03/2017	904	0.51	GBP	1,200,000	UK Treasury 4% 22/01/2060	1,297	0.73
SEK	65,000,000	Swedish Government 3.5% 01/06/2022	6,705	3.78	GBP	1,500,000	UK Treasury 4.25% 07/03/2036	1,657	0.93
		<b>AA 0.00% (2.07%)</b>			GBP	2,500,000	UK Treasury 4.25% 07/12/2027	2,766	1.56
		<b>AA- 0.26% (0.27%)</b>			GBP	3,205,000	UK Treasury 4.25% 07/12/2040	3,546	2.00
EUR	500,000	Nordea Bank 3.75% 24/02/2017	454	0.26	GBP	240,000	UK Treasury 4.75% 07/09/2015	260	0.15
		<b>A+ 0.14% (0.44%)</b>			GBP	2,100,000	UK Treasury 4.75% 07/12/2030	2,460	1.39
EUR	275,000	Skandinaviska Enskilda 3.875% 12/04/2017	252	0.14	GBP	3,000,000	UK Treasury 8% 07/06/2021	4,170	2.35
		<b>BBB- 0.14% (0.15%)</b>					<b>A 0.45% (0.48%)</b>		
EUR	280,000	Skandinaviska Enskilda 9.25% 29/10/2049	255	0.14	EUR	825,000	Lloyds TSB Bank 6.375% 17/06/2016	791	0.45
		<b>Total Sweden</b>	<b>8,570</b>	<b>4.83</b>			<b>A- 0.80% (1.13%)</b>		
					EUR	491,000	Experian Finance 4.75% 04/02/2020	466	0.26
					EUR	600,000	Heathrow Funding 4.6% 15/02/2018	563	0.32
					EUR	400,000	HSBC Holdings 6.25% 19/03/2018	384	0.22
							<b>A3 0.32% (0.00%)</b>		
					EUR	675,000	HSBC Holdings 3.375% 10/01/2024	567	0.32
							<b>BBB+ 0.71% (1.31%)</b>		
					EUR	425,000	Legal & General Group 4% 08/06/2025	364	0.20
					GBP	435,000	London Power Networks 5.375% 11/11/2016	479	0.27
					GBP	375,000	Tesco 5.5% 13/12/2019	420	0.24

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 21.01% (20.83%) (continued)</b>					<b>BBB 0.43% (0.45%)</b>				
<b>BBB 1.80% (1.12%)</b>					GBP	750,000	Pemex Project Funding Master Trust 7.5% 18/12/2013	760	0.43
EUR	150,000	Aviva 5.25% 02/10/2023	126	0.07	<b>Total United States of America</b>				
EUR	170,000	Aviva 6.125% 05/07/2043	148	0.08	<b>4,100 2.31</b>				
EUR	325,000	Barclays Bank 6% 23/01/2018	302	0.17	<b>DERIVATIVES 0.01% (-0.01%)</b>				
EUR	560,000	BG Energy Capital 6.5% 30/11/2072	516	0.29	<b>Forward foreign exchange contracts 0.01% (-0.01%)</b>				
GBP	490,000	British Telecom 8.5% 07/12/2016	586	0.33	Sell PLN 1,680,000				
GBP	500,000	ENW Finance 6.75% 20/06/2015	542	0.31	Buy EUR 3,920,836 SEB				
EUR	690,000	Imperial Tobacco Finance 8.375% 17/02/2016	678	0.38	Sell SEK 64,000,000				
EUR	315,000	Nationwide Building Society 6.75% 22/07/2020	294	0.17	Buy EUR 7,346,925 J.P. Morgan				
<b>Baa2 0.00% (0.33%)</b>					<b>Total derivatives</b>				
<b>BBB- 0.92% (1.80%)</b>					<b>26 0.01</b>				
EUR	635,000	G4S 2.625% 06/12/2018	524	0.30	<b>Total value of investments</b>				
EUR	475,000	Rentokil Initial 3.375% 24/09/2019	406	0.23	<b>158,346 89.17</b>				
EUR	292,000	Royal Bank of Scotland 10.5% 16/03/2022	292	0.16	<b>Net other assets (2.54%)</b>				
EUR	200,000	Royal Bank of Scotland 6.934% 09/04/2018	182	0.10	<b>19,226 10.83</b>				
GBP	210,000	UBM 6.5% 23/11/2016	233	0.13	<b>Net assets</b>				
<b>BB+ 0.13% (0.14%)</b>					<b>177,572 100.00</b>				
GBP	215,000	GKN Holdings 6.75% 28/10/2019	237	0.13	<b>ANALYSIS OF INVESTMENTS BY CREDIT RATINGS</b>				
<b>Ba1 0.19% (0.00%)</b>					AAA				
EUR	390,000	Prosecure Funding 4.668% 30/06/2016	338	0.19	15,837				
<b>BB 0.13% (0.00%)</b>					Aaa				
GBP	200,000	LBG Capital No 1 11.04% 19/03/2020	231	0.13	8,863				
<b>BB- 0.33% (0.00%)</b>					Aaau				
GBP	570,000	Virgin Media Secured Finance 7% 15/01/2018	594	0.33	10,293				
<b>Caa1 0.09% (0.00%)</b>					AA+				
GBP	175,000	Co-operative Bank 5.125% 20/09/2017	165	0.09	21,498				
<b>Not rated 0.44% (0.25%)</b>					Aa1u				
GBP	295,000	**Cattles 0% 05/07/2017	7	0.00	7,375				
GBP	360,000	First Hydro Finance 9% 31/07/2021	468	0.26	2,123				
GBP	315,000	Pennon Group 6.75% 08/03/2049	326	0.18	430				
<b>Total United Kingdom</b>					AA-				
					4,763				
					Aa3				
					11,631				
					A+				
					2,210				
					A				
					2,454				
					A2e				
					580				
					A-				
					13,645				
					A3				
					567				
					BBB+				
					6,864				
					Baa1				
					887				
					BBB				
					13,849				
					Baa2				
					4,496				
					Baa2u				
					12,903				
					BBB-				
					11,472				
					Baa3				
					1,028				
					BB+				
					1,222				
					Ba1				
					338				
					BB				
					231				
					Ba2				
					166				
					BB-				
					817				
					B+				
					214				
					Caa1				
					165				
					Not rated				
					1,399				
					Total bonds & equities				
					158,320				
					Derivatives				
					26				
					<b>Total value of investments</b>				
					<b>158,346</b>				
<b>UNITED STATES OF AMERICA 2.31% (2.26%)</b>									
<b>AA- 0.34% (0.37%)</b>									
EUR	750,000	Metropolitan Life Global Funding I 2.375% 11/01/2023	603	0.34					
<b>A+ 0.33% (0.53%)</b>									
EUR	708,000	Oracle 2.25% 10/01/2021	589	0.33					
<b>A- 0.86% (0.91%)</b>									
EUR	900,000	Bank of America 4.625% 07/08/2017	834	0.47					
EUR	640,000	Citigroup 7.375% 04/09/2019	683	0.39					
<b>BBB+ 0.35% (0.00%)</b>									
EUR	450,000	*Citigroup 0.868% 31/05/2017	360	0.20					
EUR	325,000	Bank of America 4.75% 06/05/2019	271	0.15					

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Variable rate bonds.

\*\*These are unlisted securities and are valued at the ACD's best estimate.

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 3.03% (1.20%)</b>					<b>FRANCE 3.42% (12.84%)</b>				
		<b>A+ 1.51% (1.20%)</b>					<b>A+ 0.19% (1.15%)</b>		
EUR	1,175,000	BHP Billiton Finance 2.125% 29/11/2018	1,000	1.51	EUR	125,000	Electricite de France 5.625% 21/02/2033	129	0.19
		<b>BBB+ 0.97% (0.00%)</b>					<b>A 0.00% (3.31%)</b>		
EUR	782,000	SPI Electricity & Gas 2.375% 24/07/2020	642	0.97			<b>BBB+ 1.14% (1.53%)</b>		
		<b>BBB 0.55% (0.00%)</b>			EUR	400,000	GDF Suez 3.875% 10/07/2049	338	0.51
EUR	400,000	Santos Finance 8.25% 22/09/2070	364	0.55	EUR	500,000	Thales 1.625% 20/03/2018	419	0.63
		<b>Total Australia</b>	<b>2,006</b>	<b>3.03</b>			<b>BBB 0.99% (3.57%)</b>		
<b>BELGIUM 1.50% (1.45%)</b>					EUR	800,000	Eutelsat 3.125% 10/10/2022	652	0.99
		<b>A 0.00% (1.06%)</b>					<b>Baa2 0.52% (0.52%)</b>		
		<b>Baa1 1.04% (0.00%)</b>			EUR	400,000	Caisse Central du Crédit Immobilier de France 3.75% 10/03/2014	341	0.52
EUR	800,000	Brussels Air Holding 3.25% 01/07/2020	690	1.04			<b>BBB- 0.00% (2.18%)</b>		
		<b>BB+ 0.46% (0.39%)</b>			EUR	450,000	Banque PSA Finance 3.625% 29/04/2014	382	0.58
EUR	350,000	KBC Bank 8% 14/05/2049	303	0.46			<b>Total France</b>	<b>2,261</b>	<b>3.42</b>
		<b>Total Belgium</b>	<b>993</b>	<b>1.50</b>	<b>GERMANY 7.81% (6.96%)</b>				
<b>BERMUDA 1.08% (0.00%)</b>							<b>Aaa 0.00% (3.20%)</b>		
		<b>BBB+ 1.08% (0.00%)</b>			EUR	1,250,000	KFW 0.875% 25/06/2018	1,035	1.57
EUR	875,000	Bacardi 2.75% 03/07/2023	714	1.08			<b>A 0.57% (0.45%)</b>		
		<b>Total Bermuda</b>	<b>714</b>	<b>1.08</b>	EUR	400,000	Münchener Rückversicherungs 6% 26/05/2041	377	0.57
<b>CANADA 1.00% (0.00%)</b>							<b>A- 0.51% (1.07%)</b>		
		<b>AA- 1.00% (0.00%)</b>			EUR	400,000	Talanx 3.125% 13/02/2023	339	0.51
EUR	800,000	Total Capital Canada 1.875% 09/07/2020	661	1.00			<b>BBB- 0.00% (0.32%)</b>		
		<b>Total Canada</b>	<b>661</b>	<b>1.00</b>			<b>BB- 0.00% (0.44%)</b>		
<b>CAYMAN ISLANDS 0.95% (3.33%)</b>					EUR	315,000	Unitymedia Hessen 7.5% 15/03/2019	287	0.43
		<b>AA 0.00% (0.99%)</b>					<b>Aaa 4.73% (0.00%)</b>		
		<b>A- 0.00% (1.18%)</b>			EUR	465,000	Bundesrepublik Deutschland 2.5% 04/07/2044	372	0.56
		<b>BBB 0.95% (1.16%)</b>			EUR	3,275,000	Bundesschatzanweisungen 0.25% 13/03/2015	2,758	4.17
EUR	715,000	Petrobras International Finance 4.875% 07/03/2018	628	0.95			<b>Total Germany</b>	<b>5,168</b>	<b>7.81</b>
		<b>Total Cayman Islands</b>	<b>628</b>	<b>0.95</b>	<b>ITALY 6.41% (5.50%)</b>				
<b>DENMARK 0.50% (1.26%)</b>							<b>A 1.52% (1.22%)</b>		
		<b>A- 0.00% (1.07%)</b>			EUR	410,000	ENI 3.25% 10/07/2023	339	0.51
		<b>BBB- 0.50% (0.00%)</b>			EUR	730,000	Eni 4.25% 03/02/2020	666	1.01
GBP	330,000	Danske Bank 5.375% 29/09/2021	333	0.50			<b>A- 0.00% (1.38%)</b>		
		<b>BB+ 0.00% (0.19%)</b>					<b>BBB+ 1.36% (0.54%)</b>		
		<b>Total Denmark</b>	<b>333</b>	<b>0.50</b>	EUR	405,000	Assicurazioni Generali 5.125% 16/09/2024	356	0.54
<b>FINLAND 1.07% (0.00%)</b>					EUR	600,000	SNAM 4.375% 11/07/2016	541	0.82
		<b>BBB- 1.07% (0.00%)</b>					<b>BBB 0.27% (0.89%)</b>		
EUR	850,000	Citycon 3.75% 24/06/2020	708	1.07	EUR	200,000	Assicurazione Generali 7.75% 12/12/2042	181	0.27
		<b>Total Finland</b>	<b>708</b>	<b>1.07</b>					

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ITALY 6.41% (5.50%) (continued)</b>					<b>NETHERLANDS 17.19% (17.60%)</b>				
		<b>BBB- 1.18% (0.00%)</b>					<b>AAA 0.96% (0.00%)</b>		
EUR	400,000	Telecom Italia 5.125% 25/01/2016	353	0.53	EUR	750,000	Bank Nederlandse Gemeenten 1.875% 06/06/2019	635	0.96
GBP	200,000	Telecom Italia 7.375% 15/12/2017	216	0.33			<b>AA 1.05% (1.35%)</b>		
EUR	250,000	UBI Banca 4.125% 21/10/2013	211	0.32	EUR	800,000	Roche Finance Europe 2% 25/06/2018	693	1.05
		<b>Baa3 0.55% (0.00%)</b>					<b>AA- 0.66% (0.69%)</b>		
EUR	458,000	*Romulus Finance 1.11% 20/02/2015	368	0.55	EUR	460,000	Nederlandse Gasunie 5.125% 31/03/2017	438	0.66
		<b>Ba2 0.00% (0.20%)</b>					<b>A+ 0.53% (2.02%)</b>		
		<b>Not Rated 1.53% (1.27%)</b>			EUR	375,000	ING Bank 4.5% 21/02/2022	349	0.53
EUR	1,160,000	Davide Campari-Milano 4.5% 25/10/2019	1,013	1.53			<b>A 0.00% (0.84%)</b>		
		<b>Total Italy</b>	<b>4,244</b>	<b>6.41</b>			<b>A- 1.39% (1.89%)</b>		
<b>JAPAN 0.56% (0.00%)</b>					EUR	1,100,000	KBC IFIMA 2.125% 10/09/2018	918	1.39
		<b>BB+ 0.56% (0.00%)</b>					<b>BBB+ 3.33% (4.34%)</b>		
EUR	440,000	Softbank 4.625% 15/04/2020	369	0.56	EUR	800,000	CRH 5% 25/01/2019	757	1.14
		<b>Total Japan</b>	<b>369</b>	<b>0.56</b>	EUR	750,000	F. van Lanschot Bankiers 4.625% 22/04/2014	642	0.97
<b>LUXEMBOURG 8.69% (6.06%)</b>					EUR	525,000	ING Bank 6.125% 29/05/2023	486	0.73
		<b>AAA 1.35% (0.00%)</b>			EUR	345,000	Linde Finance 7.375% 14/07/2066	327	0.49
EUR	1,000,000	European Investment Bank 2.625% 15/03/2018	893	1.35			<b>Baa1 0.93% (0.00%)</b>		
		<b>Aa2 1.01% (0.00%)</b>			EUR	750,000	Wolters Kluwer 2.875% 21/03/2023	617	0.93
EUR	830,000	Nestle Finance International 1.25% 04/05/2020	667	1.01			<b>BBB 1.94% (2.51%)</b>		
		<b>AA- 0.00% (0.96%)</b>			EUR	225,000	ABN Amro Bank 6.375% 27/04/2021	207	0.31
		<b>A 0.65% (0.55%)</b>			EUR	450,000	Achmea 6% 04/04/2043	394	0.60
EUR	500,000	Hannover Finance 5% 30/06/2043	430	0.65	EUR	800,000	Deutsche Annington 2.125% 25/07/2016	678	1.03
		<b>BBB 4.82% (2.70%)</b>					<b>Baa2 0.48% (0.00%)</b>		
EUR	860,000	Gaz Capital 3.755% 15/03/2017	742	1.12	EUR	380,000	Volkswagen International Finance 3.875% 04/09/2049	317	0.48
EUR	1,740,000	Gelf Bond Issuer 3.125% 03/04/2018	1,470	2.22			<b>BBB- 3.97% (2.18%)</b>		
EUR	1,085,000	Glencore Finance Europe 4.125% 03/04/2018	980	1.48	EUR	895,000	Madriena Red de Gas 3.779% 11/09/2018	758	1.15
		<b>Baa2 0.00% (0.57%)</b>			EUR	400,000	Repsol International Finance 4.375% 20/02/2018	360	0.54
		<b>BB+ 0.63% (1.05%)</b>			EUR	865,000	Repsol International Finance 4.625% 08/10/2014	756	1.14
GBP	225,000	Finmeccanica Finance 8% 16/12/2019	251	0.38	EUR	870,000	Ziggo Finance 6.125% 15/11/2017	757	1.14
EUR	170,000	FMC Finance VIII 6.5% 15/09/2018	166	0.25			<b>Baa3 1.58% (1.16%)</b>		
		<b>BB- 0.23% (0.23%)</b>			EUR	1,100,000	HIT Finance 5.75% 09/03/2018	1,046	1.58
EUR	175,000	Wind Acquisition Finance 7.375% 15/02/2018	150	0.23			<b>BB+ 0.00% (0.39%)</b>		
		<b>Total Luxembourg</b>	<b>5,749</b>	<b>8.69</b>	EUR	250,000	HeidelbergCement Finance 8% 31/01/2017	244	0.37
<b>MEXICO 1.93% (1.82%)</b>							<b>Total Netherlands</b>	<b>11,379</b>	<b>17.19</b>
		<b>A- 0.54% (0.95%)</b>			<b>NORWAY 3.24% (1.38%)</b>				
EUR	400,000	América Móvil 4.125% 25/10/2019	361	0.54			<b>AA- 1.99% (0.00%)</b>		
		<b>BBB 1.39% (0.87%)</b>			EUR	1,580,000	Statoil 2% 10/09/2020	1,314	1.99
EUR	800,000	América Móvil 5.125% 06/09/2073	659	1.00			<b>A2 0.00% (0.86%)</b>		
GBP	215,000	United Mexican States 6.75% 06/02/2024	256	0.39			<b>A2e 1.25% (0.00%)</b>		
		<b>Total Mexico</b>	<b>1,276</b>	<b>1.93</b>	EUR	1,000,000	SpareBank 1 SR Bank 2.125% 27/02/2019	829	1.25
							<b>A- 0.00% (0.52%)</b>		
							<b>Total Norway</b>	<b>2,143</b>	<b>3.24</b>





## Threadneedle European High Yield Bond Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value		
<b>AUSTRIA 0.33% (0.37%)</b>					<b>FINLAND 0.31% (0.50%)</b>						
		<b>BB 0.33% (0.37%)</b>					<b>BB 0.31% (0.32%)</b>				
EUR	1,250,000	Sappi Papier Holding 6.625% 15/04/2018	1,074	0.13	GBP	2,362,000	UPM-Kymmene 6.625% 23/01/2017	2,530	0.31		
USD	1,245,000	Sappi Papier Holding 7.75% 15/07/2017	831	0.10			<b>Not rated 0.00% (0.18%)</b>				
USD	1,205,000	Sappi Papier Holding 8.375% 15/06/2019	809	0.10			<b>Total Finland</b>	<b>2,530</b>	<b>0.31</b>		
		<b>Total Austria</b>	<b>2,714</b>	<b>0.33</b>							
<b>BELGIUM 0.40% (0.41%)</b>					<b>FRANCE 7.89% (7.08%)</b>						
		<b>BB+ 0.40% (0.41%)</b>					<b>BB+ 3.14% (2.83%)</b>				
USD	4,000,000	KBC Bank 8% 25/01/2023	2,614	0.32	EUR	3,525,000	Lafarge 4.75% 23/03/2020	3,077	0.38		
EUR	700,000	KBC Bank 8% 14/05/2049	607	0.08	EUR	1,900,000	Lafarge 5.375% 26/06/2017	1,701	0.21		
		<b>Total Belgium</b>	<b>3,221</b>	<b>0.40</b>	EUR	1,150,000	Lafarge 5.875% 09/07/2019	1,040	0.13		
<b>CANADA 0.65% (0.91%)</b>							GBP	850,000	Lafarge 6.625% 29/11/2017	922	0.11
		<b>BB 0.65% (0.91%)</b>			EUR	2,859,000	Lafarge 6.625% 29/11/2018	2,640	0.33		
EUR	5,973,000	Bombardier 6.125% 15/05/2021	5,278	0.65	EUR	1,370,000	Lafarge 6.75% 16/12/2019	1,269	0.16		
		<b>Total Canada</b>	<b>5,278</b>	<b>0.65</b>	GBP	1,371,000	Lafarge 10% 30/05/2017	1,622	0.20		
<b>CAYMAN ISLANDS 2.40% (3.35%)</b>							EUR	8,193,000	Renault 4.625% 18/09/2017	7,281	0.90
		<b>BB 1.21% (0.21%)</b>			EUR	4,381,000	SPCM 5.5% 15/06/2020	3,948	0.49		
USD	825,000	Sable International Finance 7.75% 15/02/2017	555	0.07	EUR	2,124,000	Tereos Europe 6.375% 15/04/2014	1,832	0.23		
USD	1,600,000	Sable International Finance 8.75% 01/02/2020	1,144	0.14			<b>BB 1.44% (1.60%)</b>				
EUR	1,205,000	UPCB Finance 6.375% 01/07/2020	1,065	0.13	EUR	4,100,000	Crown European Holdings 7.125% 15/08/2018	3,700	0.46		
EUR	6,661,000	UPCB Finance 7.625% 15/01/2020	6,022	0.75	EUR	800,000	Nexans 4.25% 19/03/2018	673	0.08		
USD	1,400,000	UPCB Finance VI 6.875% 15/01/2022	937	0.12	EUR	1,650,000	Nexans 5.75% 02/05/2017	1,483	0.18		
		<b>BB- 0.00% (1.23%)</b>			EUR	4,309,000	Rexel 5.125% 15/06/2020	3,681	0.45		
		<b>B 0.11% (0.12%)</b>			EUR	2,376,000	Rexel 7% 17/12/2018	2,182	0.27		
USD	1,250,000	RDS Ultra-Deepwater 11.875% 15/03/2017	891	0.11			<b>BB- 0.66% (0.67%)</b>				
		<b>B2 0.66% (0.82%)</b>			EUR	6,073,000	Peugeot 7.375% 06/03/2018	5,374	0.66		
EUR	600,000	Dubai Holding 4.75% 30/01/2014	503	0.06			<b>Ba3 0.30% (0.30%)</b>				
GBP	2,750,000	Dubai Holding Commercial Operations Group 6% 01/02/2017	2,709	0.34	EUR	2,446,000	Faurecia 9.375% 15/12/2016	2,410	0.30		
EUR	2,336,000	Viridian Group 11.125% 01/04/2017	2,109	0.26			<b>B+ 1.29% (1.08%)</b>				
		<b>Not Rated 0.42% (0.97%)</b>			EUR	1,595,000	Cerba European Lab 7% 01/02/2020	1,344	0.17		
USD	5,318,154	*PSOS Finance 12% 06/10/2015	3,415	0.42	EUR	6,504,000	Labco 8.5% 15/01/2018	5,768	0.71		
		<b>Total Cayman Islands</b>	<b>19,350</b>	<b>2.40</b>	EUR	3,787,000	Novalis 6% 15/06/2018	3,291	0.41		
<b>CROATIA 1.00% (1.01%)</b>							<b>B 0.00% (0.17%)</b>				
		<b>B 1.00% (1.01%)</b>					<b>B3 0.20% (0.26%)</b>				
EUR	1,635,000	Agrokor 9.125% 01/02/2020	1,480	0.18	EUR	1,673,000	Faurecia 8.75% 15/06/2019	1,590	0.20		
EUR	7,379,000	Agrokor 10% 07/12/2016	6,630	0.82			<b>CCC+ 0.46% (0.17%)</b>				
		<b>Total Croatia</b>	<b>8,110</b>	<b>1.00</b>	EUR	4,387,000	Europcar Groupe 9.375% 15/04/2018	3,708	0.46		
<b>CZECH REPUBLIC 0.66% (0.00%)</b>							<b>(P)B 0.40% (0.00%)</b>				
		<b>Ba2 0.66% (0.00%)</b>			EUR	3,739,000	Maisons du Monde 9% 01/08/2020	3,201	0.40		
EUR	6,526,000	RPG Byty 6.75% 01/05/2020	5,367	0.66			<b>Total France</b>	<b>63,737</b>	<b>7.89</b>		
		<b>Total Czech Republic</b>	<b>5,367</b>	<b>0.66</b>	<b>GERMANY 7.55% (7.28%)</b>						
<b>DENMARK 0.29% (0.46%)</b>							<b>BBB 0.00% (0.31%)</b>				
		<b>B 0.29% (0.46%)</b>					<b>BB+ 0.24% (0.00%)</b>				
EUR	2,689,333	*ISS Holdings 8.875% 15/05/2016	2,304	0.29	EUR	2,133,000	Kabel Deutschland 6.5% 29/06/2018	1,904	0.24		
		<b>Total Denmark</b>	<b>2,304</b>	<b>0.29</b>			<b>BB 1.14% (1.44%)</b>				
					EUR	10,900,000	ThyssenKrupp 4% 27/08/2018	9,224	1.14		
							<b>BB- 0.00% (2.44%)</b>				

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 7.55% (7.28%) (continued)</b>					<b>BB 0.60% (0.19%)</b>				
		<b>B+ 3.15% (0.28%)</b>			GBP	1,395,000	Cabot Financial Luxembourg 10.375% 01/10/2019	1,580	0.20
EUR	2,424,000	Kabel Deutsche Holding 6.5% 31/07/2017	2,199	0.27					
EUR	2,452,000	Techem 6.125% 01/10/2019	2,213	0.27	EUR	3,845,000	Gestamp Funding Luxembourg 5.875% 31/05/2020	3,219	0.40
EUR	1,500,000	Trionista Holdco 5% 30/04/2020	1,257	0.16					
EUR	2,750,000	Unitymedia Hessen 5.125% 21/01/2023	2,187	0.27					
EUR	3,850,000	Unitymedia Hessen 5.5% 15/09/2022	3,152	0.39					
EUR	6,255,000	Unitymedia Hessen 5.75% 15/01/2023	5,138	0.64	EUR	1,993,000	HeidelbergCement Finance 6.75% 15/12/2015	1,843	0.23
EUR	4,380,000	Unitymedia Hessen 7.5% 15/03/2019	3,994	0.50					
EUR	4,482,433	*Unitymedia Hessen 8.125% 01/12/2017	3,969	0.49	EUR	9,109,000	HeidelbergCement Finance 7.5% 03/04/2020	9,023	1.12
EUR	1,485,000	Wepa Hygieneprodukte 6.5% 15/05/2020	1,312	0.16	EUR	5,247,000	HeidelbergCement Finance 8.5% 31/10/2019	5,439	0.67
		<b>B 0.00% (0.28%)</b>			EUR	300,000	HeidelbergCement Finance 9.5% 15/12/2018	320	0.04
		<b>B- 1.48% (1.42%)</b>							
EUR	2,452,000	Techem Energy Metering Service 7.875% 01/10/2020	2,249	0.28					
EUR	2,680,000	Trionista Topco 6.875% 30/04/2021	2,274	0.28					
EUR	4,328,000	Unitymedia 9.5% 15/03/2021	4,130	0.51	EUR	6,465,000	Bormioli Rocco Holdings 10% 01/08/2018	5,899	0.73
EUR	3,586,000	Unitymedia 9.625% 01/12/2019	3,341	0.41	EUR	940,000	Elior Finance & Co. 6.5% 01/05/2020	821	0.10
		<b>B3 0.24% (0.26%)</b>			EUR	100,000	Fiat Finance & Trade 6.125% 08/07/2014	87	0.01
EUR	2,248,000	*Grohe Holding 8.75% 15/12/2017	1,965	0.24	EUR	1,920,000	Fiat Finance & Trade 6.375% 01/04/2016	1,691	0.21
		<b>CCC 1.01% (0.85%)</b>			EUR	4,453,000	Fiat Finance & Trade 6.625% 15/03/2018	3,872	0.48
EUR	8,359,000	KP Germany Erste 11.625% 15/07/2017	8,132	1.01	EUR	3,422,000	Fiat Finance & Trade 6.75% 14/10/2019	2,973	0.37
		<b>(P)CCC+ 0.29% (0.00%)</b>			EUR	3,743,000	Fiat Finance & Trade 6.875% 13/02/2015	3,313	0.41
EUR	2,770,000	Faenza 8.25% 15/08/2021	2,371	0.29	EUR	1,300,000	Fiat Finance & Trade 7.375% 09/07/2018	1,170	0.14
		<b>Total Germany</b>	<b>61,011</b>	<b>7.55</b>	EUR	4,643,000	Fiat Finance & Trade 7.625% 15/09/2014	4,103	0.51
					EUR	1,900,000	Fiat Finance & Trade 7.75% 17/10/2016	1,739	0.21
					EUR	3,512,000	*Mark IV Europe 8.875% 15/12/2017	3,163	0.39
					CHF	2,620,000	Sunrise Communications 5.625% 31/12/2017	1,840	0.23
<b>ITALY 0.99% (1.05%)</b>					CHF	250,000	Sunrise Communications 7% 31/12/2017 XS0548100246	179	0.02
		<b>BB 0.37% (0.37%)</b>			EUR	4,843,000	Sunrise Communications 7% 31/12/2017 XS0548101723	4,311	0.53
EUR	3,312,000	GTECH 8.25% 31/03/2066	2,941	0.37	EUR	8,678,000	Wind Acquisition Finance 7.375% 15/02/2018	7,446	0.92
		<b>B+ 0.29% (0.00%)</b>							
EUR	2,910,000	Gamenet 7.25% 01/08/2018	2,363	0.29					
		<b>B 0.33% (0.21%)</b>							
EUR	3,068,000	Zobe Holding 7.875% 01/02/2018	2,680	0.33	EUR	1,165,000	Albea Beauty Holdings 8.75% 01/11/2019	1,003	0.12
		<b>(P)B2 0.00% (0.19%)</b>			EUR	5,414,000	Cirsa Funding Luxembourg 8.75% 15/05/2018	4,612	0.57
		<b>(P)B3 0.00% (0.19%)</b>			CHF	1,033,333	*Matterhorn Mobile Holdings 5.393% 15/05/2019	712	0.09
		<b>D 0.00% (0.09%)</b>			CHF	3,186,000	Matterhorn Mobile Holdings 6.75% 15/05/2019	2,306	0.29
		<b>Total Italy</b>	<b>7,984</b>	<b>0.99</b>	EUR	1,750,000	SB Minerals Finance I 9.25% 15/08/2020	1,525	0.19
<b>JAPAN 0.57% (0.00%)</b>					EUR	4,031,000	Telenet Finance 6.25% 15/08/2022	3,410	0.42
		<b>BB+ 0.57% (0.00%)</b>			EUR	2,171,000	Telenet Finance 6.75% 15/08/2024	1,849	0.23
EUR	5,530,000	Softbank 4.625% 15/04/2020	4,637	0.57	EUR	2,764,000	Telenet Finance III Luxembourg 6.625% 15/02/2021	2,434	0.30
		<b>Total Japan</b>	<b>4,637</b>	<b>0.57</b>	EUR	2,308,000	Telenet Finance Luxembourg 6.375% 15/11/2020	2,029	0.25
<b>LUXEMBOURG 18.84% (19.19%)</b>									
		<b>Baa2 0.00% (0.14%)</b>							
		<b>BB+ 1.71% (1.84%)</b>							
USD	1,570,000	Arcelormittal 5% 25/02/2017	1,031	0.13	CHF	4,242,000	Aguila 3 7.875% 31/01/2018 XS0585440430	3,000	0.37
EUR	11,366,000	Fiat Industrial Finance 6.25% 09/03/2018	10,609	1.31	USD	890,000	Aguila 3 7.875% 31/01/2018 US008635AA20	599	0.07
EUR	2,238,000	FMC Finance VIII 6.5% 15/09/2018	2,179	0.27	EUR	2,057,000	*Numericable Finance 8.093% 15/10/2018	1,770	0.22
					EUR	5,201,000	Numericable Finance 8.75% 15/02/2019	4,829	0.60
					EUR	2,645,000	Numericable Finance 12.375% 15/02/2019	2,645	0.33

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 18.84% (19.19%) (continued)</b>					EUR	5,637,000	Portugal Telecom International Finance 5.875% 17/04/2018	4,837	0.60
EUR	12,323,000	Wind Acquisition Finance 11.75% 15/07/2017	10,873	1.35					
EUR	1,488,000	Zinc Capital 8.875% 15/05/2018	1,337	0.17					
		<b>B2 0.00% (0.08%)</b>			EUR	14,588,000	HeidelbergCement Finance 8% 31/01/2017	14,206	1.76
		<b>B- 1.61% (0.77%)</b>							
EUR	10,950,967	*Ineos Group Holdings 7.875% 15/02/2016	9,291	1.15	EUR	7,064,000	Ziggo Bond 8% 15/05/2018	6,340	0.78
CHF	1,330,000	Mobile Challenger Intermediate 8.75% 15/03/2019 XS0905879861	900	0.11					
EUR	760,000	Mobile Challenger Intermediate 8.75% 15/03/2019 XS0905930300	640	0.08	EUR	5,604,000	Carlson Wagonlit 7.5% 15/06/2019	4,942	0.61
EUR	675,000	Sunrise Communications 8.5% 31/12/2018	611	0.08	EUR	4,528,000	GMAC International Finance 7.5% 21/04/2015	4,092	0.51
EUR	1,975,000	Takko Luxembourg 9.875% 15/04/2019	1,575	0.19	GBP	3,177,000	Intergen 7.5% 30/06/2021	3,239	0.40
		<b>CCC+ 1.17% (2.28%)</b>			EUR	2,298,000	Interxion Holding 6% 15/07/2020	1,965	0.24
EUR	2,219,000	Beverage Packaging Holdings 8% 15/12/2016	1,868	0.23	EUR	1,827,000	Nokia Siemens Networks 6.75% 15/04/2018	1,642	0.20
EUR	1,787,000	Beverage Packaging Holdings 9.5% 15/06/2017	1,548	0.19	EUR	1,517,000	Nokia Siemens Networks 7.125% 15/04/2020	1,404	0.17
EUR	1,050,000	*Matterhorn Financing 9% 15/04/2019	880	0.11	EUR	2,190,000	Refresco Group 7.375% 15/05/2018	1,953	0.24
EUR	4,625,000	Matterhorn Mobile Holdings 8.25% 15/02/2020	4,133	0.51	EUR	3,016,000	Schaeffler Finance 4.25% 15/05/18	2,532	0.31
USD	1,620,000	*Orion Engineered Carbons 9.25% 01/08/2019	1,064	0.13	EUR	4,343,000	Schaeffler Finance 7.75% 15/02/2017	4,084	0.51
		<b>CCC 0.60% (0.63%)</b>			CHF	3,968,000	UPC Holding 6.75% 15/03/2023 XS0909771056	2,645	0.33
EUR	5,535,000	*Kleopatra Holdings 10.25% 15/08/2017	4,879	0.60	EUR	3,800,000	UPC Holding 6.75% 15/03/2023 XS0909769407	3,129	0.39
		<b>CC 0.26% (0.00%)</b>			EUR	3,266,000	UPC Holding 8.375% 15/08/2020	2,988	0.37
EUR	116,000	Codere Finance Luxembourg 8.25% 15/06/2015 XS0222158767	50	0.01					
EUR	4,762,000	Codere Finance Luxembourg 8.25% 15/06/2015 XS0528926354	2,004	0.25	EUR	1,118,000	Polish Television Holding 11.25% 15/05/2017	993	0.12
		<b>Not rated 0.00% (0.46%)</b>			EUR	9,980,000	*Schaeffler Finance 6.875% 15/08/2018	8,651	1.07
		<b>Total Luxembourg</b>	<b>152,226</b>	<b>18.84</b>					
<b>NETHERLANDS 13.19% (13.05%)</b>					EUR	10,753,777	*Boats Investment Netherlands 11% 31/03/2017	4,662	0.58
		<b>BBB- 0.00% (0.51%)</b>			USD	5,333,060	OSX 3 Leasing 9.25% 20/03/2015	2,808	0.35
		<b>BB+ 1.17% (2.14%)</b>							
EUR	4,312,000	EDP Finance 5.75% 21/09/2017	3,829	0.47					
EUR	3,793,000	OI European Group 4.875% 31/03/2021	3,209	0.40					
EUR	2,546,000	OI European Group 6.75% 15/09/2020	2,408	0.30					
		<b>BB 3.08% (1.29%)</b>							
EUR	1,728,000	Conti-Gummi Finance 6.5% 15/01/2016	1,508	0.19					
EUR	4,342,000	Conti-Gummi Finance 7.125% 15/10/2018	3,803	0.47					
EUR	1,446,000	Conti-Gummi Finance 7.5% 15/09/2017	1,262	0.16					
EUR	951,000	Koninklijke KPN 6.125% 29/03/2049	818	0.10					
GBP	3,871,000	Koninklijke KPN 6.875% 14/03/2073	3,901	0.48					
USD	3,400,000	Koninklijke KPN 7% 28/03/2073 US50048VAA89	2,169	0.27					
USD	825,000	Koninklijke KPN 7% 28/03/2073 USN4297BBC74	527	0.07					
EUR	2,314,000	Portugal Telecom International Finance 4.375% 24/03/17	1,957	0.24					
EUR	1,226,000	Portugal Telecom International Finance 4.625% 08/05/2020	970	0.12					
EUR	1,881,000	Portugal Telecom International Finance 5% 04/11/2019	1,546	0.19					
EUR	1,800,000	Portugal Telecom International Finance 5.625% 08/02/2016	1,571	0.19					
		<b>Not Rated 0.93% (1.06%)</b>							
		<b>Total Netherlands</b>	<b>106,590</b>	<b>13.19</b>					
<b>NORWAY 0.00% (0.16%)</b>									
		<b>CCC+ 0.00% (0.16%)</b>							
		<b>Total Norway</b>	<b>-</b>	<b>-</b>					
<b>POLAND 0.00% (0.37%)</b>									
		<b>B 0.00% (0.37%)</b>							
		<b>Total Poland</b>	<b>-</b>	<b>-</b>					
<b>PORTUGAL 1.20% (1.80%)</b>									
		<b>BB 0.15% (0.00%)</b>			EUR	1,400,000	Portucel 5.375% 15/05/2020	1,200	0.15
		<b>BB- 1.05% (1.80%)</b>			EUR	2,200,000	Banco Espirito Santo 4.75% 15/01/2018	1,794	0.22
EUR	2,314,000	Portugal Telecom International Finance 4.375% 24/03/17	1,957	0.24	EUR	3,500,000	Banco Espirito Santo 5.875% 09/11/2015	2,982	0.37
EUR	1,226,000	Portugal Telecom International Finance 4.625% 08/05/2020	970	0.12	EUR	4,300,000	Caixa Geral de Depositos 5.625% 04/12/2015	3,688	0.46
EUR	1,881,000	Portugal Telecom International Finance 5% 04/11/2019	1,546	0.19					
EUR	1,800,000	Portugal Telecom International Finance 5.625% 08/02/2016	1,571	0.19					
		<b>Total Portugal</b>	<b>9,664</b>	<b>1.20</b>					



## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Value	% of		Value	% of				
Holding	Investment	£000	Net Asset	Holding	Investment				
			Value						
			Value						
<b>UNITED KINGDOM 21.54% (20.70%) (continued)</b>									
GBP	2,350,000	Jaguar Land Rover 8.125% 15/05/2018	2,547	0.32	GBP	1,062,258	*Annington Finance No5 13% 15/01/2023	1,211	0.15
GBP	2,657,000	Jaguar Land Rover 8.25% 15/03/2020	2,948	0.36	GBP	1,390,000	IDH Finance 8.5% 01/06/2019	1,404	0.17
GBP	1,333,000	LBG Capital No 1 11.04% 19/03/2020	1,541	0.19					
GBP	1,161,000	Lowell Group Finance 10.75% 01/04/2019	1,312	0.16	GBP	7,264,000	Co-operative Bank 5.125% 20/09/2017	6,832	0.85
EUR	7,422,000	Rexam 6.75% 29/06/2067	6,446	0.80					
GBP	4,939,000	Taylor Wimpey 10.375% 31/12/2015	5,334	0.66	GBP	6,250,000	First Hydro Finance 9% 31/07/2021	8,131	1.01
<b>BB- 2.64% (4.56%)</b>									
GBP	4,700,000	Co-operative 6.875% 08/07/2020	4,438	0.55	EUR	5,575,000	International Personal Finance 11.5% 06/08/2015	5,366	0.66
GBP	1,533,000	Co-operative 7.5% 08/07/2026	1,427	0.18					
GBP	2,119,000	Enterprise Inns 6.375% 26/09/2031	1,803	0.22					
GBP	5,771,000	Enterprise Inns 6.5% 06/12/2018	5,824	0.72					
GBP	3,290,000	Enterprise Inns 6.875% 15/02/2021	3,203	0.40					
GBP	220,000	Enterprise Inns 6.875% 09/05/2025	209	0.03					
GBP	3,401,000	Southern Water Greensand 8.5% 15/04/2019	3,666	0.45					
GBP	700,000	Virgin Media Secured Finance 5.5% 15/01/2021	693	0.09					
<b>Ba3 0.40% (0.35%)</b>									
GBP	3,034,000	Anglian Water (Osprey) Financing 7% 31/01/2018	3,252	0.40					
<b>B+ 4.37% (4.26%)</b>									
GBP	5,050,000	Aston Martin Capital 9.25% 15/07/2018	5,339	0.66	USD	1,785,000	Chrysler Group 8% 15/06/2019	1,247	0.16
EUR	2,905,000	Boparan Finance 9.75% 30/04/2018	2,693	0.33	USD	2,738,000	Chrysler Group 8.25% 15/06/2021	1,931	0.24
GBP	1,900,000	Boparan Finance 9.875% 30/04/2018	2,093	0.26	EUR	2,524,000	Iron Mountain 6.75% 15/10/2018	2,152	0.27
GBP	5,904,000	Elli Finance UK 8.75% 15/06/2019	6,378	0.79	GBP	110,000	Iron Mountain 7.25% 15/04/2014	110	0.01
GBP	1,500,000	Gala Group Finance 8.875% 01/09/2018	1,598	0.20					
GBP	5,007,000	Matalan Finance 8.875% 29/04/2016	5,108	0.63					
EUR	6,250,000	OTE 4.625% 20/05/2016	5,083	0.63	EUR	2,631,000	Infor US 10% 01/04/19	2,436	0.30
EUR	265,000	OTE 7.25% 08/04/2014	227	0.03					
EUR	1,476,000	OTE 7.25% 12/02/2015	1,278	0.16	USD	4,200,000	Ocean Rig UDW 9.5% 27/04/2016	2,845	0.35
EUR	4,200,000	OTE 7.875% 07/02/2018	3,665	0.45					
GBP	1,850,000	Voyage Care BondCo 6.5% 01/08/2018	1,827	0.23					
<b>B1 0.51% (0.68%)</b>									
EUR	734,000	Investec Tier UK 7.075% 24/06/2049	595	0.07					
GBP	3,264,000	Thames Water Kemble Finance 7.75% 01/04/2019	3,529	0.44					
<b>B 3.60% (1.96%)</b>									
EUR	2,555,000	Avis Budget Finance 6% 01/03/2021	2,198	0.27	EUR	3,300,000	Barclays EUR Fiat Finance North America 5.625% 20/09/2018 Spread 500	51	0.01
GBP	6,982,000	Care UK 9.75% 01/08/2017	7,147	0.88	EUR	4,000,000	Barclays EUR Markit iTraxx Cross-Over 20/06/2018 Spread 500	117	0.01
GBP	1,762,000	Equiniti Newco 7.125% 15/12/2018	1,802	0.22	EUR	9,000,000	Barclays EUR Markit iTraxx Cross-Over 20/06/2018 Spread 500	263	0.03
GBP	1,940,000	House of Fraser 8.875% 15/08/2018	2,056	0.25	EUR	2,500,000	BNP EUR Finmeccanica Finance 5.75% 20/09/2018 Spread 100	(234)	(0.03)
GBP	2,537,000	IDH Finance 6% 01/12/2018	2,543	0.31	EUR	3,500,000	Citigroup EUR Virgin Media Finance 5.125% 20/09/2018 Spread 500	131	0.02
GBP	3,828,000	Odeon & UCI Finco 9% 01/08/2018	3,937	0.49	EUR	4,750,000	J.P. Morgan Schaeffler Finance 7.75% 20/06/2018 Spread 500	360	0.04
EUR	1,452,000	R&R Ice Cream 8.375% 15/11/2017	1,303	0.16	EUR	5,000,000	Merrill Lynch EUR Arcelormittal 6.125% 20/09/2018 Spread 100	(510)	(0.06)
EUR	2,835,000	Thomas Cook Finance 7.75% 15/06/2020	2,392	0.30	EUR	2,000,000	Merrill Lynch EUR Finmeccanica Finance 5.75% 20/09/2018 Spread 500	134	0.02
GBP	1,150,000	Thomas Cook Group 7.75% 22/06/2017	1,182	0.15	EUR	1,900,000	Merrill Lynch EUR OTE 20/09/2013 Spread 500	2	-
GBP	3,517,000	Virgin Media Finance 8.875% 15/10/2019	3,820	0.47					
GBP	819,000	Vougeot Bidco 7.875% 15/07/2020	847	0.10					
<b>B- 0.41% (0.60%)</b>									
EUR	3,663,000	Kerling 10.625% 28/01/2017	3,275	0.41					
<b>B3 0.13% (0.23%)</b>									
GBP	1,000,000	Arqiva Broadcast Finance 9.5% 31/03/2020	1,066	0.13					
<b>CCC+ 0.32% (0.14%)</b>									
<b>Caa1 0.85% (0.00%)</b>									
<b>Not Rated 1.67% (2.21%)</b>									
<b>Total United Kingdom</b>									
<b>UNITED STATES OF AMERICA 2.21% (2.01%)</b>									
<b>BB 0.11% (0.00%)</b>									
USD	1,293,000	Continental Rubber of America 4.5% 15/09/2019	845	0.11					
<b>BB- 0.77% (0.72%)</b>									
EUR	4,823,000	Chesapeake Energy 6.25% 15/01/2017	4,316	0.53					
EUR	2,380,000	Rain CII Carbon LLC 8.5% 15/01/2021	1,937	0.24					
<b>B+ 0.00% (0.29%)</b>									
<b>B 0.68% (0.12%)</b>									
USD	1,785,000	Chrysler Group 8% 15/06/2019	1,247	0.16					
USD	2,738,000	Chrysler Group 8.25% 15/06/2021	1,931	0.24					
EUR	2,524,000	Iron Mountain 6.75% 15/10/2018	2,152	0.27					
GBP	110,000	Iron Mountain 7.25% 15/04/2014	110	0.01					
<b>B- 0.30% (0.51%)</b>									
EUR	2,631,000	Infor US 10% 01/04/19	2,436	0.30					
<b>CCC+ 0.35% (0.37%)</b>									
USD	4,200,000	Ocean Rig UDW 9.5% 27/04/2016	2,845	0.35					
<b>Total United States of America</b>									
<b>DERIVATIVES -0.34% (0.16%)</b>									
<b>Credit default swaps 0.04% (0.06%)</b>									
EUR	3,300,000	Barclays EUR Fiat Finance North America 5.625% 20/09/2018 Spread 500	51	0.01					
EUR	4,000,000	Barclays EUR Markit iTraxx Cross-Over 20/06/2018 Spread 500	117	0.01					
EUR	9,000,000	Barclays EUR Markit iTraxx Cross-Over 20/06/2018 Spread 500	263	0.03					
EUR	2,500,000	BNP EUR Finmeccanica Finance 5.75% 20/09/2018 Spread 100	(234)	(0.03)					
EUR	3,500,000	Citigroup EUR Virgin Media Finance 5.125% 20/09/2018 Spread 500	131	0.02					
EUR	4,750,000	J.P. Morgan Schaeffler Finance 7.75% 20/06/2018 Spread 500	360	0.04					
EUR	5,000,000	Merrill Lynch EUR Arcelormittal 6.125% 20/09/2018 Spread 100	(510)	(0.06)					
EUR	2,000,000	Merrill Lynch EUR Finmeccanica Finance 5.75% 20/09/2018 Spread 500	134	0.02					
EUR	1,900,000	Merrill Lynch EUR OTE 20/09/2013 Spread 500	2	-					

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000
<b>DERIVATIVES –0.34% (0.16%) (continued)</b>				
<b>Forward foreign exchange contracts –0.38% (0.10%)</b>				
	Sell CHF 17,047,000			520
	Buy EUR 13,845,234 RBS	71	–	1,210
	Sell GBP 1,500,000			130
	Buy EUR 1,754,088 J.P. Morgan	(23)	–	470
	Sell GBP 2,400,000			430
	Buy EUR 2,838,826 UBS	(10)	–	1,410
	Sell EUR 3,146,282			
	Buy CHF 3,878,816 J.P. Morgan	(13)	–	
	Sell GBP 320,000			
	Buy EUR 374,401 UBS	(5)	–	
	Sell USD 51,417,000			
	Buy EUR 38,420,843 UBS	(677)	(0.08)	
	Sell USD 750,000			
	Buy EUR 561,192 J.P. Morgan	(9)	–	
	Sell GBP 80,437,000			
	Buy EUR 94,109,292 UBS	(1,206)	(0.15)	
	Sell GBP 81,000,000			
	Buy EUR 94,762,223 BNP	(1,219)	(0.15)	
	<b>Total derivatives</b>	<b>(2,777)</b>	<b>(0.34)</b>	
<b>Total value of investments</b>		<b>728,340</b>	<b>90.15</b>	
<b>Net other assets (6.87%)</b>		<b>79,540</b>	<b>9.85</b>	
<b>Net assets</b>		<b>807,880</b>	<b>100.00</b>	

### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
Barclays	Cash	520
BNP	Cash	1,210
Citigroup	Cash	130
J.P. Morgan	Cash	470
Merrill Lynch	Cash	430
UBS	Cash	1,410

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Variable rate bonds.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

Fixed interest	682,297	93.68
Floating rate notes	48,820	6.70
Derivatives	(2,777)	(0.38)
<b>Total value of investments</b>	<b>728,340</b>	<b>100.00</b>

### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
BBB–	6,755
Baa3	3,279
BB+	67,119
BB	134,388
Ba2	45,706
BB–	91,297
Ba3	5,662
B+	147,540
B1	5,012
B	89,678
(P)B	3,201
B2	5,321
B–	41,788
B3	4,621
Caa1	6,832
CCC+	28,835
(P)CCC+	2,371
CCC	13,011
CC	2,054
Not rated	26,647
<b>Total bonds &amp; equities</b>	<b>731,117</b>
<b>Derivatives</b>	<b>(2,777)</b>
<b>Total value of investments</b>	<b>728,340</b>

## Threadneedle Strategic Bond Fund

### Portfolio Statement

as at 7 September 2013

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.99% (0.98%)</b>					<b>BB 0.79% (0.00%)</b>				
		<b>AA- 0.00% (0.30%)</b>			EUR	500,000	UPCB Finance 6.375% 01/07/2020	442	0.12
		<b>A+ 0.31% (0.26%)</b>			EUR	2,360,000	UPCB Finance 7.625% 15/01/2020	2,134	0.59
GBP	1,230,000	BHP Billiton Finance 3.25% 25/09/2024	1,128	0.31	USD	460,000	UPCB Finance VI 6.875% 15/01/2022	308	0.08
		<b>A 0.00% (0.26%)</b>			<b>BB- 0.00% (0.78%)</b>				
		<b>A- 0.27% (0.00%)</b>			USD	500,000	RDS Ultra-Deepwater 11.875% 15/03/2017	356	0.10
GBP	915,000	QBE Insurance Group 6.125% 28/09/2015	989	0.27	<b>B 0.10% (0.10%)</b>				
		<b>BBB 0.41% (0.16%)</b>			GBP	300,000	Dubai Holding Commercial Operations Group 6% 01/02/2017	296	0.08
GBP	603,000	APT Pipelines 4.25% 26/11/2024	583	0.16	EUR	535,000	Viridian Group 11.125% 01/04/2017	483	0.13
EUR	975,000	Santos Finance 8.25% 22/09/2070	886	0.25	<b>Not rated 0.22% (0.52%)</b>				
		<b>Total Australia</b>	<b>3,586</b>	<b>0.99</b>	USD	1,233,846	*PSOS Finance 12% 06/10/2015	792	0.22
<b>AUSTRIA 0.20% (0.27%)</b>					<b>Total Cayman Islands</b>				
		<b>BB 0.20% (0.27%)</b>						<b>13,617</b>	<b>3.75</b>
EUR	400,000	Sappi Papier Holding 6.625% 15/04/2018	344	0.10	<b>CROATIA 0.53% (0.59%)</b>				
USD	235,000	Sappi Papier Holding 7.75% 15/07/2017	157	0.04			<b>B 0.53% (0.59%)</b>		
USD	350,000	Sappi Papier Holding 8.375% 15/06/2019	235	0.06	EUR	400,000	Agrokor 9.125% 01/02/2020	362	0.10
		<b>Total Austria</b>	<b>736</b>	<b>0.20</b>	EUR	1,740,000	Agrokor 10% 07/12/2016	1,563	0.43
<b>BELGIUM 0.79% (0.70%)</b>					<b>Total Croatia</b>				
		<b>A 0.54% (0.53%)</b>						<b>1,925</b>	<b>0.53</b>
GBP	1,300,000	Anheuser-Busch InBev 9.75% 30/07/2024	1,945	0.54	<b>CZECH REPUBLIC 0.35% (0.00%)</b>				
		<b>BB+ 0.25% (0.17%)</b>					<b>Ba2 0.35% (0.00%)</b>		
USD	1,400,000	KBC Bank 8% 25/01/2023	915	0.25	EUR	1,560,000	RPG Byty 6.75% 01/05/2020	1,283	0.35
		<b>Total Belgium</b>	<b>2,860</b>	<b>0.79</b>	<b>Total Czech Republic</b>				
<b>CANADA 0.45% (0.82%)</b>								<b>1,283</b>	<b>0.35</b>
		<b>BBB+ 0.00% (0.32%)</b>			<b>DENMARK 0.76% (1.29%)</b>				
		<b>BB 0.45% (0.50%)</b>					<b>A- 0.22% (0.21%)</b>		
EUR	1,865,000	Bombardier 6.125% 15/05/2021	1,648	0.45	GBP	760,000	Danske Bank 4% 09/12/2015	797	0.22
		<b>Total Canada</b>	<b>1,648</b>	<b>0.45</b>			<b>BBB+ 0.17% (0.30%)</b>		
<b>CAYMAN ISLANDS 3.75% (3.90%)</b>					GBP	627,000	DONG Energy 4.875% 12/01/2032	622	0.17
		<b>AA 0.28% (0.27%)</b>					<b>BBB 0.20% (0.19%)</b>		
GBP	840,000	IPIC GMTN 6.875% 14/03/2026	1,014	0.28	GBP	650,000	TDC 5.625% 23/02/2023	713	0.20
		<b>Aa3 0.34% (0.00%)</b>					<b>Baa2 0.00% (0.33%)</b>		
USD	2,065,000	QNB Finance 2.875% 29/04/2020	1,232	0.34	EUR	733,632	*ISS Holdings 8.875% 15/05/2016	629	0.17
		<b>A 0.29% (0.28%)</b>			<b>Total Denmark</b>				
GBP	897,000	DWR Cymru Financing 6.015% 31/03/2028	1,045	0.29				<b>2,761</b>	<b>0.76</b>
		<b>A- 0.70% (0.67%)</b>			<b>FINLAND 0.18% (0.45%)</b>				
GBP	830,000	Southern Water Services 5% 31/03/2021	892	0.25			<b>BB 0.18% (0.17%)</b>		
GBP	1,400,000	Thames Water utilities Cayman 7.241% 09/04/2058	1,641	0.45	GBP	623,000	UPM-Kymmene 6.625% 23/01/2017	667	0.18
		<b>BBB 0.82% (1.04%)</b>			<b>Not rated 0.00% (0.28%)</b>				
USD	1,365,000	Hutchison Whampoa International 6% 28/10/2049	921	0.25	<b>Total Finland</b>				
GBP	700,000	Petrobras International Finance 5.375% 01/10/2029	626	0.17				<b>667</b>	<b>0.18</b>
GBP	716,000	South East Water Finance 5.6577% 30/09/2019	792	0.22					
GBP	625,000	Southern Water Services 7.869% 31/03/2014	643	0.18					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FRANCE 6.09% (5.35%)</b>					<b>GERMANY 4.09% (4.50%)</b>				
		<b>A+ 0.57% (0.48%)</b>					<b>AAA 0.00% (0.52%)</b>		
GBP	1,300,000	Electricite de France 5.5% 17/10/2041	1,369	0.38			<b>A 0.32% (0.52%)</b>		
GBP	600,000	Electricite de France 6.125% 02/06/2034	683	0.19	EUR	600,000	Münchener Rückversicherungs 6% 26/05/2041	565	0.16
		<b>A 0.25% (0.24%)</b>			EUR	600,000	Münchener Rückversicherungs 6.25% 26/05/2042	574	0.16
GBP	700,000	GDF Suez 7% 30/10/2028	895	0.25			<b>BBB- 0.00% (0.20%)</b>		
		<b>A- 0.15% (0.16%)</b>					<b>BB+ 0.11% (0.00%)</b>		
GBP	500,000	CNP Assurances 7.375% 30/09/2041	543	0.15	EUR	470,000	Kabel Deutschland 6.5% 29/06/2018	419	0.11
		<b>BBB+ 0.44% (0.29%)</b>					<b>BB 0.63% (0.72%)</b>		
GBP	450,000	Credit Agricole 7.375% 18/12/2023	506	0.14	EUR	2,715,000	ThyssenKrupp 4% 27/08/2018	2,298	0.63
GBP	1,100,000	Electricite de France 6% 29/12/2049	1,092	0.30			<b>BB- 0.00% (1.05%)</b>		
		<b>BBB 0.17% (0.16%)</b>			EUR	730,000	Kabel Deutsche Holding 6.5% 31/07/2017	662	0.18
GBP	550,000	AXA 7.125% 15/12/2020	633	0.17	EUR	675,000	Techem 6.125% 01/10/2019	609	0.17
		<b>BBB- 0.24% (0.26%)</b>			EUR	350,000	Trionista Holdco 5% 30/04/2020	293	0.08
USD	1,400,000	Pernod Ricard 4.25% 15/07/2022	889	0.24	EUR	1,835,000	Unitymedia Hessen 5.75% 15/01/2023	1,507	0.41
		<b>BB+ 1.76% (1.52%)</b>			EUR	830,000	Unitymedia Hessen 7.5% 15/03/2019	757	0.21
EUR	700,000	Lafarge 4.75% 23/03/2020	611	0.17	EUR	1,548,330	*Unitymedia Hessen 8.125% 01/12/2017	1,371	0.38
EUR	500,000	Lafarge 5.375% 26/06/2017	448	0.12			<b>B 0.00% (0.18%)</b>		
EUR	345,000	Lafarge 5.875% 09/07/2019	312	0.09	EUR	675,000	Techem Energy Metering Service 7.875% 01/10/2020	619	0.17
GBP	330,000	Lafarge 6.625% 29/11/2017	358	0.10	EUR	630,000	Trionista Topco 6.875% 30/04/2021	535	0.15
EUR	1,170,000	Lafarge 6.625% 29/11/2018	1,081	0.30	EUR	1,370,000	Unitymedia 9.5% 15/03/2021	1,307	0.36
EUR	330,000	Lafarge 6.75% 16/12/2019	306	0.08	EUR	975,000	Unitymedia 9.625% 01/12/2019	908	0.25
GBP	155,000	Lafarge 10% 30/05/2017	183	0.05			<b>CCC 0.52% (0.00%)</b>		
EUR	2,370,000	Renault 4.625% 18/09/2017	2,106	0.58	EUR	1,936,000	KP Germany Erste 11.625% 15/07/2017	1,884	0.52
EUR	1,100,000	SPCM 5.5% 15/06/2020	991	0.27			<b>(P)CCC+ 0.15% (0.00%)</b>		
		<b>BB 0.86% (1.03%)</b>			EUR	640,000	Faenza 8.25% 15/08/2021	548	0.15
EUR	1,330,000	Crown European Holdings 7.125% 15/08/2018	1,200	0.33			<b>Not rated 0.00% (0.40%)</b>		
EUR	200,000	Nexans 4.25% 19/03/2018	168	0.05			<b>Total Germany</b>	<b>14,856</b>	<b>4.09</b>
EUR	450,000	Nexans 5.75% 02/05/2017	405	0.11					
EUR	1,238,000	Rexel 5.125% 15/06/2020	1,058	0.29			<b>HONG KONG 0.24% (0.24%)</b>		
EUR	300,000	Rexel 7% 17/12/2018	275	0.08	USD	1,425,000	AIA Group 1.75% 13/03/2018	874	0.24
		<b>BB- 0.34% (0.34%)</b>					<b>Not rated 0.00% (0.24%)</b>		
EUR	1,379,000	Peugeot 7.375% 06/03/2018	1,220	0.34			<b>Total Hong Kong</b>	<b>874</b>	<b>0.24</b>
		<b>Ba3 0.12% (0.11%)</b>							
EUR	446,000	Faurecia 9.375% 15/12/2016	439	0.12					
		<b>B+ 0.70% (0.55%)</b>							
EUR	400,000	Cerba European Lab 7% 01/02/2020	337	0.09					
EUR	1,645,000	Labco 8.5% 15/01/2018	1,459	0.40					
EUR	878,000	Novalis 6% 15/06/2018	763	0.21					
		<b>B 0.00% (0.08%)</b>							
		<b>B3 0.06% (0.13%)</b>							
EUR	235,000	Faurecia 8.75% 15/06/2019	223	0.06					
		<b>CCC+ 0.23% (0.00%)</b>							
EUR	985,000	Europcar Groupe 9.375% 15/04/2018	833	0.23					
		<b>(P)B 0.20% (0.00%)</b>							
EUR	867,000	Maisons du Monde 9% 01/08/2020	742	0.20					
		<b>Total France</b>	<b>22,128</b>	<b>6.09</b>					



## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 11.57% (11.86%) (continued)</b>					<b>BB 1.53% (0.79%)</b>				
		<b>CCC+ 0.76% (1.18%)</b>			EUR	990,000	Conti-Gummi Finance 7.125% 15/10/2018	867	0.24
EUR	500,000	Beverage Packaging Holdings 8% 15/12/2016	421	0.12	EUR	500,000	Conti-Gummi Finance 7.5% 15/09/2017	436	0.12
EUR	1,029,000	Beverage Packaging Holdings 9.5% 15/06/2017	892	0.25	EUR	213,000	Koninklijke KPN 6.125% 29/03/2049	183	0.05
EUR	265,000	*Matterhorn Financing 9% 15/04/2019	222	0.06	GBP	881,000	Koninklijke KPN 6.875% 14/03/2073	888	0.24
EUR	1,007,000	Matterhorn Mobile Holdings 8.25% 15/02/2020	900	0.25	USD	750,000	Koninklijke KPN 7% 28/03/2073 US50048VAA89	479	0.13
USD	445,000	*Orion Engineered Carbons 9.25% 01/08/2019	292	0.08	USD	225,000	Koninklijke KPN 7% 28/03/2073 US50048VAA89	144	0.04
		<b>CCC 0.30% (0.21%)</b>			EUR	640,000	Portugal Telecom International Finance 4.375% 24/03/17	541	0.15
EUR	1,255,000	*Kleopatra Holdings 10.25% 15/08/2017	1,106	0.30	EUR	650,000	Portugal Telecom International Finance 4.625% 08/05/2020	514	0.14
		<b>CC 0.06% (0.00%)</b>			EUR	410,000	Portugal Telecom International Finance 5% 04/11/2019	337	0.09
EUR	509,000	Codere Finance Luxembourg 8.25% 15/06/2015	221	0.06	EUR	590,000	Portugal Telecom International Finance 5.625% 08/02/2016	515	0.14
		<b>Not rated 0.00% (0.22%)</b>			EUR	794,000	Portugal Telecom International Finance 5.875% 17/04/2018	681	0.19
		<b>Total Luxembourg</b>	<b>42,032</b>	<b>11.57</b>					
<b>MEXICO 1.05% (0.88%)</b>					EUR	2,765,000	<b>Ba2 0.74% (0.73%)</b> HeidelbergCement Finance 8% 31/01/2017	2,693	0.74
		<b>A- 0.26% (0.27%)</b>							
GBP	925,000	América Móvil 5% 27/10/2026	946	0.26					
		<b>BBB 0.62% (0.43%)</b>			EUR	2,100,000	Ziggo Bond 8% 15/05/2018	1,885	0.52
GBP	665,000	América Móvil 6.375% 06/09/2073	650	0.18					
GBP	1,350,000	United Mexican States 6.75% 06/02/2024	1,606	0.44	EUR	1,385,000	Carlson Wagonlit 7.5% 15/06/2019	1,221	0.34
		<b>Baa2 0.17% (0.18%)</b>			EUR	1,492,000	GMAC International Finance 7.5% 21/04/2015	1,348	0.37
USD	925,000	BBVA Bancomer 6.75% 30/09/2022	592	0.17	GBP	899,000	Intergen 7.5% 30/06/2021	917	0.25
		<b>Total Mexico</b>	<b>3,794</b>	<b>1.05</b>	EUR	542,000	Interxion Holding 6% 15/07/2020	463	0.13
					EUR	451,000	Nokia Siemens Networks 6.75% 15/04/2018	405	0.11
<b>NETHERLANDS 9.00% (10.57%)</b>					EUR	374,000	Nokia Siemens Networks 7.125% 15/04/2020	346	0.10
		<b>A+ 0.00% (0.44%)</b>			EUR	420,000	Refresco Group 7.375% 15/05/2018	375	0.10
		<b>A- 0.00% (0.62%)</b>			EUR	964,000	Schaeffler Finance 4.25% 15/05/18	809	0.22
		<b>BBB+ 1.05% (1.53%)</b>			EUR	1,300,000	Schaeffler Finance 7.75% 15/02/2017	1,223	0.34
USD	930,000	*ING Bank 0.9731% 03/07/2017	576	0.16					
GBP	800,000	ING Bank 6.875% 29/05/2023	871	0.24	CHF	969,000	UPC Holding 6.75% 15/03/2023	646	0.18
GBP	1,130,000	Linde Finance 8.125% 14/07/2066	1,278	0.35	EUR	935,000	UPC Holding 6.75% 15/03/2023	770	0.21
GBP	995,000	Siemens Financierungsamt 6.125% 14/09/2066	1,077	0.30	EUR	685,000	UPC Holding 8.375% 15/08/2020	627	0.17
		<b>BBB 0.13% (0.23%)</b>							
GBP	550,000	Enel Finance International 5.75% 14/09/2040	471	0.13	EUR	230,000	Polish Television Holding 11.25% 15/05/2017	204	0.06
		<b>Baa2 0.15% (0.15%)</b>			EUR	2,306,000	*Schaeffler Finance 6.875% 15/08/2018	1,999	0.55
USD	900,000	*ING Bank 0.9371% 23/05/2016	558	0.15					
		<b>BBB- 0.28% (0.62%)</b>							
GBP	1,100,000	Generali Finance 6.214% 29/06/2049	1,012	0.28	EUR	2,521,165	*Boats Investment Netherlands 11% 31/03/2017	1,093	0.30
		<b>BB+ 0.68% (1.20%)</b>			USD	1,500,000	OSX 3 Leasing 9.25% 20/03/2015	790	0.22
EUR	1,120,000	EDP Finance 5.75% 21/09/2017	995	0.27	USD	1,410,000	Rabobank Nederland 8.375% 26/07/2049	963	0.27
EUR	932,000	OI European Group 4.875% 31/03/2021	789	0.22					
EUR	730,000	OI European Group 6.75% 15/09/2020	691	0.19					
		<b>Total Netherlands</b>						<b>32,680</b>	<b>9.00</b>

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NORWAY 0.17% (0.73%)</b>							<b>BB- 0.06% (0.16%)</b>		
		A- 0.00% (0.22%)			EUR	256,000	Rottapharm 6.125% 15/11/2019	216	0.06
		BBB 0.00% (0.28%)			EUR	975,000	B+ 1.13% (1.05%) Ardagh Glass Finance 9.25% 01/07/2016	863	0.24
USD	960,000	BB+ 0.17% (0.16%) Eksportfinans 3% 17/11/2014	615	0.17	EUR	1,550,000	Ardagh Packaging Finance 7.375% 15/10/2017	1,391	0.38
		CCC+ 0.00% (0.07%)			EUR	775,000	Ardagh Packaging Finance USA 5% 15/11/2022	638	0.18
		<b>Total Norway</b>	<b>615</b>	<b>0.17</b>	EUR	147,000	Nara Cable Funding 8.5% 01/03/2020	138	0.04
					EUR	860,000	Nara Cable Funding 8.875% 01/12/2018	766	0.21
<b>PERU 0.06% (0.00%)</b>							<b>B 0.10% (0.09%)</b>		
USD	152,000	BBB+ 0.02% (0.00%) Banco de Crédito del Perú 4.25% 01/04/2023	82	0.02	EUR	380,000	Bank of Ireland 10% 19/12/2022	361	0.10
USD	230,000	Baa2 0.04% (0.00%) Alicorp 3.875% 20/03/2023	128	0.04	EUR	450,000	B- 0.11% (0.11%) Ono Finance II 11.125% 15/07/2019	404	0.11
		<b>Total Peru</b>	<b>210</b>	<b>0.06</b>	EUR	847,273	CCC+ 0.20% (0.42%) ARD Finance 11% 01/06/2018	736	0.20
					EUR	965,000	Ardagh Glass Finance 7.125% 15/06/2017	817	0.22
<b>POLAND 0.00% (0.12%)</b>							<b>Not rated 0.19% (0.18%)</b>		
		B 0.00% (0.12%)			EUR	768,000	Bank of Ireland 10% 30/07/2016	676	0.19
		<b>Total Poland</b>	<b>-</b>	<b>-</b>	EUR	440	Smurfit Kappa Acquisitions Warrants 0% 30/09/2013	-	-
<b>PORTUGAL 0.44% (0.87%)</b>							<b>Total Republic of Ireland</b>	<b>15,952</b>	<b>4.39</b>
EUR	300,000	BB 0.07% (0.00%) Portucel 5.375% 15/05/2020	257	0.07	<b>RUSSIAN FEDERATION 0.17% (0.19%)</b>				
EUR	500,000	BB- 0.37% (0.87%) Banco Espirito Santo 4.75% 15/01/2018	408	0.11	USD	1,000,000	BBB 0.17% (0.19%) Russian Federation 4.5% 04/04/2022	634	0.17
EUR	1,100,000	Banco Espirito Santo 5.875% 09/11/2015	937	0.26			<b>Total Russian Federation</b>	<b>634</b>	<b>0.17</b>
		<b>Total Portugal</b>	<b>1,602</b>	<b>0.44</b>	<b>SINGAPORE 0.27% (0.27%)</b>				
					GBP	900,000	AAA 0.27% (0.27%) Temasek Financial (I) 4.625% 26/07/2022	987	0.27
<b>QATAR 0.23% (0.24%)</b>							<b>Total Singapore</b>	<b>987</b>	<b>0.27</b>
USD	1,200,000	AA 0.23% (0.24%) Qatari Diar Finance 5% 21/07/2020	823	0.23	<b>SLOVENIA 0.10% (0.00%)</b>				
		<b>Total Qatar</b>	<b>823</b>	<b>0.23</b>	USD	580,000	A- 0.10% (0.00%) Republika Slovenija 5.85% 10/05/2023	348	0.10
<b>REPUBLIC OF IRELAND 4.39% (4.68%)</b>							<b>Total Slovenia</b>	<b>348</b>	<b>0.10</b>
GBP	1,760,000	AA+ 0.75% (0.73%) GE Capital UK Funding 5.125% 24/05/2023	1,913	0.53	<b>SOUTH AFRICA 0.26% (0.30%)</b>				
GBP	700,000	GE Capital UK Funding 5.875% 04/11/2020	799	0.22	USD	860,000	BB 0.16% (0.15%) Sable International Finance 7.75% 15/02/2017	578	0.16
EUR	730,000	BBB 0.16% (0.00%) RZD Capital 3.3744% 20/05/2021	572	0.16	EUR	483,000	B 0.10% (0.15%) Edcon Proprietary 9.5% 01/03/2018	366	0.10
EUR	2,500,000	BB 1.47% (1.42%) Allied Irish Banks 5.625% 12/11/2014	2,157	0.59			<b>Total South Africa</b>	<b>944</b>	<b>0.26</b>
GBP	617,000	*Argon Capital 2.84038% 29/10/2049	395	0.11					
EUR	1,570,000	Smurfit Kappa Acquisition 7.25% 15/11/2017	1,379	0.38					
EUR	1,565,000	Smurfit Kappa Acquisition 7.75% 15/11/2019	1,422	0.39					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SPAIN 0.68% (1.31%)</b>					<b>Aaa 1.12% (1.21%)</b>				
		<b>BBB 0.26% (0.24%)</b>							
GBP	950,000	Telefonica Emisiones 5.289% 09/12/2022	939	0.26	GBP	1,173,000	Barclays Bank 4.25% 12/01/2022	1,247	0.34
		<b>BB 0.00% (0.15%)</b>			GBP	995,000	Clydesdale Bank 4.625% 08/06/2026	1,037	0.29
		<b>Ba2 0.42% (0.92%)</b>			GBP	1,600,000	Lloyds TSB Bank 5.125% 07/03/2025	1,764	0.49
EUR	200,000	Obrascon Huarte Lain 7.375% 28/04/2015	178	0.05	GBP	1,930,000	UK Treasury 2.25% 07/09/2023	1,808	0.50
EUR	400,000	Obrascon Huarte Lain 7.625% 15/03/2020	352	0.10	GBP	400,000	UK Treasury 4.25% 07/03/2036	442	0.12
EUR	1,100,000	Obrascon Huarte Lain 8.75% 15/03/2018	1,005	0.27	GBP	900,000	Land Securities Capital Markets 5.125% 07/02/2036	985	0.27
		<b>Total Spain</b>	<b>2,474</b>	<b>0.68</b>	GBP	1,221,127	*Telereal Securitisation 5.9478% 10/12/2031	1,450	0.40
<b>SWEDEN 1.42% (1.46%)</b>					<b>AA+ 0.62% (0.12%)</b>				
		<b>A- 0.20% (0.20%)</b>							
GBP	555,000	Vattenfall 6.875% 15/04/2039	736	0.20	GBP	1,163,313	*Integrated Accomodation Service 6.48% 31/03/2029	1,401	0.39
		<b>BB 0.03% (0.03%)</b>			GBP	624,364	*Octagon Healthcare 5.333% 31/12/2035	662	0.18
EUR	135,000	Stena 6.125% 01/02/2017	120	0.03	GBP	690,000	Southern Gas Network 4.875% 21/03/2029	718	0.20
		<b>B+ 0.77% (0.75%)</b>			USD	1,420,000	Hongkong Electric Finance 4.25% 14/12/2020	922	0.25
EUR	2,765,000	TVN Finance 10.75% 15/11/2017	2,485	0.69	GBP	915,000	HSBC Holdings 6.5% 20/05/2024	1,091	0.30
EUR	340,000	TVN Finance III 7.875% 15/11/2018	299	0.08	GBP	725,000	Motability Operations 6.625% 10/12/2019	876	0.24
		<b>B 0.28% (0.00%)</b>			GBP	845,000	Motability Operations Group 4.375% 08/02/2027	856	0.24
EUR	500,000	Ciech Group Financing 9.5% 30/11/2019	459	0.13			<b>A 1.80% (1.87%)</b>		
EUR	545,000	Eileme 2 11.75% 31/01/2020	537	0.15	GBP	650,000	Annington Finance 6.5676% 10/01/2023	693	0.19
		<b>B- 0.00% (0.21%)</b>			GBP	774,000	Barclays Bank 5.75% 17/08/2021	874	0.24
		<b>CCC+ 0.14% (0.27%)</b>			GBP	780,296	*Canary Wharf Finance II 6.455% 22/04/2030	936	0.26
EUR	580,000	Norcell Sweden 10.75% 29/09/2019	521	0.14	GBP	200,000	Greene King Finance 5.106% 15/03/2034	205	0.06
		<b>Total Sweden</b>	<b>5,157</b>	<b>1.42</b>	GBP	100,000	Legal & General Finance 5.875% 05/04/2033	117	0.03
<b>SWITZERLAND 1.15% (0.77%)</b>					<b>A2 0.13% (0.13%)</b>				
		<b>A 0.32% (0.32%)</b>							
GBP	1,000,000	UBS London 6.625% 11/04/2018	1,172	0.32	GBP	1,099,878	*Longstone Finance 4.791% 19/04/2030	1,182	0.33
		<b>BBB- 0.74% (0.36%)</b>			GBP	540,000	Longstone Finance 4.896% 19/04/2036	513	0.14
USD	1,200,000	Credit Suisse 6.5% 08/08/2023	779	0.22	GBP	1,720,000	Royal Bank of Scotland 6.625% 17/09/2018	1,995	0.55
USD	885,000	UBS 4.75% 22/05/2023	542	0.15			<b>A- 5.49% (6.60%)</b>		
USD	1,985,000	UBS Jersey 7.25% 22/02/2022	1,360	0.37	GBP	380,000	Prudential 6.875% 20/01/2023	468	0.13
		<b>BB+ 0.09% (0.09%)</b>			GBP	460,000	Anglian Water Services Financing 4.5% 05/10/2027	464	0.13
USD	500,000	Dufry Finance 5.5% 15/10/2020	324	0.09	GBP	953,000	BAT International Finance 4% 04/09/2026	926	0.26
		<b>Total Switzerland</b>	<b>4,177</b>	<b>1.15</b>	GBP	1,115,000	BAT International Finance 7.25% 12/03/2024	1,408	0.39
<b>UNITED KINGDOM 37.09% (36.44%)</b>					<b>BG Energy Capital 5.125% 07/12/2017</b>				
		<b>AAA 1.07% (1.64%)</b>			GBP	51,000	BG Energy Capital 5.125% 07/12/2017	57	0.02
GBP	1,190,000	Broadgate Financing 4.821% 05/07/2033	1,243	0.34	GBP	614,000	Heathrow Funding 5.225% 15/02/2025	671	0.18
GBP	505,000	Fosse Master Issuer 4.635% 18/01/2017	547	0.15	GBP	870,000	Heathrow Funding 6.75% 03/12/2026	1,066	0.29
GBP	905,000	Nationwide Building Society 5.625% 28/01/2026	1,049	0.29	GBP	947,000	HSBC Capital Funding LP 5.844% 05/11/2049	933	0.26
GBP	950,000	Silverstone Masters Issuer 5.063% 21/10/2016	1,041	0.29	GBP	1,285,000	HSBC Holdings 6% 29/03/2040	1,371	0.38
					GBP	650,000	HSBC Holdings 6.375% 18/10/2022	716	0.20
					GBP	700,000	HSBC Holdings 7% 07/04/2038	839	0.23
					GBP	795,000	Hutchison Ports 6.75% 07/12/2015	881	0.24
					GBP	1,124,356	*Juturna 5.0636% 10/08/2033	1,194	0.33
					GBP	580,000	National Grid Electricity Transmission 4% 08/06/2027	556	0.15

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	Net Asset Value	
<b>UNITED KINGDOM 37.09% (36.44%) (continued)</b>									
GBP	740,000	National Grid Electricity Transmission 7.375% 13/01/2031	986	0.27	GBP	600,000	InterContinental Hotels 3.875% 28/11/2022	588	0.16
GBP	1,300,000	National Grid Gas 6% 13/05/2038	1,557	0.43	EUR	1,205,000	Nationwide Building Society 6.75% 22/07/2020	1,125	0.31
USD	1,600,000	Prudential 7.75% 23/03/2049	1,094	0.30	GBP	1,070,000	NGG Finance 5.625% 18/06/2073	1,050	0.29
GBP	1,397,000	RSA Insurance Group 6.701% 12/05/2049	1,442	0.40	GBP	330,000	SPD Finance 5.875% 17/07/2026	368	0.10
GBP	570,000	RSA Insurance Group 9.375% 20/05/2039	693	0.19	GBP	790,000	SSE 5.453% 01/10/2049	816	0.22
GBP	765,000	SSE 8.375% 20/11/2028	1,078	0.30	GBP	491,000	Standard Life 5.5% 04/12/2042	490	0.14
GBP	484,000	Standard Chartered Bank 8.103% 11/05/2049	520	0.14	GBP	695,000	Tate & Lyle International Finance 6.75% 25/11/2019	814	0.22
GBP	905,000	Standard Life 6.75% 12/07/2049	968	0.27	GBP	975,000	*Telereal Securitisation 4.0902% 10/12/2033	954	0.26
GBP	388,000	Wales & West utilities Finance 6.25% 30/11/2021	459	0.13	GBP	505,000	Western Power Distribution 5.75% 16/04/2032	567	0.16
		<b>A3 0.00% (0.25%)</b>			GBP	960,000	Western Power Distribution West 6% 09/05/2025	1,101	0.30
		<b>BBB+ 3.70% (3.66%)</b>					<b>Baa2 0.13% (0.13%)</b>		
GBP	703,000	Aspire Defence Finance 4.674% 31/03/2040	691	0.19	GBP	425,000	Bupa Finance 7.5% 04/07/2016	483	0.13
GBP	325,000	Direct Line Insurance 9.25% 27/04/2042	382	0.11			<b>BBB- 2.06% (2.08%)</b>		
GBP	570,000	Eastern Power Networks 6.25% 12/11/2036	684	0.19	GBP	321,000	Barclays Bank 14% 15/06/2049	427	0.12
GBP	615,000	ENW Finance 6.125% 21/07/2021	708	0.20	GBP	490,000	Barclays Bank 6.875% 27/11/2049	489	0.13
GBP	559,000	Gatwick Funding 5.25% 23/01/2024	594	0.16	GBP	635,000	FirstGroup 6.875% 18/09/2024	697	0.19
GBP	746,000	HSBC Capital Funding LP 8.208% 30/06/2049	806	0.22	GBP	839,000	G4S 7.75% 13/05/2019	981	0.27
GBP	725,000	Legal & General Group 5.875% 01/10/2049	755	0.21	GBP	595,000	Lloyds TSB Bank 6.9625% 29/05/2020	616	0.17
GBP	1,200,000	Legal and General Group 10% 23/07/2041	1,564	0.43	GBP	550,000	Lloyds TSB Bank 7.625% 22/04/2025	615	0.17
GBP	750,000	NIE Finance 6.375% 02/06/2026	853	0.23	GBP	485,000	Marks & Spencer 4.75% 12/06/2025	472	0.13
GBP	537,000	Scottish Widows 5.5% 16/06/2023	512	0.14	GBP	450,000	Nationwide Building Society 5.769% 06/08/2049	425	0.12
GBP	403,000	Severn Trent Water utilities 4.875% 24/01/2042	412	0.11	USD	594,884	*RMPA Services 5.337% 30/09/2038	636	0.18
GBP	790,000	Severn Trent Water utilities 6% 22/01/2018	897	0.25	EUR	1,332,000	Royal Bank of Scotland 9.5% 16/03/2022	975	0.27
GBP	470,000	South Eastern Power Networks 6.375% 12/11/2031	564	0.16	EUR	34,000	Royal Bank of Scotland 10.5% 16/03/2022	34	0.01
GBP	1,695,000	Tesco 6.125% 24/02/2022	1,937	0.53	GBP	525,000	UBM 6.5% 23/11/2016	582	0.16
GBP	723,756	*Tesco Property Finance 3 5.744% 13/04/2040	762	0.21	GBP	500,000	Unique Pub Finance 6.542% 30/3/2021	500	0.14
GBP	1,033,377	*Tesco Property Finance 7.6227% 13/07/2039	1,305	0.36			<b>Baa3 0.88% (0.56%)</b>		
		<b>BBB 5.78% (3.91%)</b>			GBP	1,120,000	Bupa Finance 5% 25/04/2023	1,071	0.29
GBP	187,000	Anglian Water Services Financing 4.5% 22/02/2026	180	0.05	GBP	1,070,000	National Express Group 6.25% 13/01/2017	1,173	0.32
GBP	990,000	Aviva 6.125% 29/09/2049	971	0.27	GBP	865,000	Santander 10.0625% 06/04/2049	986	0.27
GBP	765,000	Aviva 6.625% 03/06/2041	800	0.22			<b>BB+ 0.61% (0.82%)</b>		
GBP	1,495,000	Barclays Bank 10% 21/05/2021	1,890	0.52	GBP	555,000	GKN Holdings 6.75% 28/10/2019	612	0.17
GBP	1,784,000	BG Energy Capital 6.5% 30/11/2072	1,915	0.53	GBP	185,000	LBG Capital No 2 10.5% 29/09/2023	210	0.06
GBP	430,000	British Telecom 6.625% 23/06/2017	495	0.14	GBP	105,000	LBG Capital No 2 15% 22/01/2029	167	0.05
GBP	1,270,000	ENW Finance 6.75% 20/06/2015	1,377	0.38	GBP	1,090,000	William Hill 7.125% 11/11/2016	1,204	0.33
GBP	830,000	Eversholt Funding 5.831% 02/12/2020	937	0.26			<b>BB 2.68% (2.24%)</b>		
GBP	780,000	Eversholt Funding 6.359% 02/12/2025	904	0.25	GBP	524,000	AA Bond Co. 9.5% 31/07/2019	561	0.15
GBP	555,000	Heathrow Funding 6.25% 10/09/2018	622	0.17	GBP	350,000	British Airways 8.75% 23/08/2016	394	0.11
GBP	310,000	Imperial Tobacco Finance 5.5% 28/09/2026	334	0.09	GBP	2,170,000	Crown Newco 3 7% 15/02/2018	2,214	0.61
GBP	715,000	Imperial Tobacco Finance 7.75% 24/06/2019	875	0.24	GBP	726,000	Daily Mail & General Trust 5.75% 07/12/2018	773	0.21
GBP	665,000	Imperial Tobacco Finance 8.125% 15/03/2024	850	0.23	GBP	300,000	Daily Mail & General Trust 10% 09/04/2021	379	0.10
GBP	750,000	Imperial Tobacco Finance 9% 17/02/2022	998	0.27	GBP	400,000	Jaguar Land Rover 8.125% 15/05/2018	434	0.12
					GBP	750,000	Jaguar Land Rover 8.25% 15/03/2020	832	0.23
					GBP	1,737,000	LBG Capital No 1 11.04% 19/03/2020	2,008	0.55
					GBP	296,000	Lowell Group Finance 10.75% 01/04/2019	334	0.09
					EUR	2,115,000	Rexam 6.75% 29/06/2067	1,837	0.51

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 37.09% (36.44%) (continued)</b>									
		<b>BB- 2.01% (2.34%)</b>			GBP	1,460,000	First Hydro Finance 9% 31/07/2021	1,899	0.52
					EUR	1,550,000	International Personal Finance 11.5% 06/08/2015	1,492	0.41
GBP	1,250,000	Co-operative 6.875% 08/07/2020	1,180	0.32					
GBP	2,832,000	Enterprise Inns 6.5% 06/12/2018	2,858	0.79					
GBP	50,000	Enterprise Inns 6.875% 15/02/2021	49	0.01					
GBP	1,050,000	Southern Water Greensand 8.5% 15/04/2019	1,132	0.31					
GBP	304,000	Spirit Issuer 5.86% 28/12/2021	300	0.08					
GBP	455,000	Virgin Media Secured Finance 5.5% 15/01/2021	451	0.12					
GBP	1,334,000	Virgin Media Secured Finance 7% 15/01/2018	1,391	0.38					
<b>Ba3 0.20% (0.19%)</b>									
GBP	680,000	Anglian Water (Osprey) Financing 7% 31/01/2018	729	0.20					
<b>B+ 2.14% (2.32%)</b>									
GBP	1,055,000	Aston Martin Capital 9.25% 15/07/2018	1,115	0.31					
GBP	650,000	Boparan Finance 9.875% 30/04/2018	716	0.20					
GBP	1,355,000	Elli Finance UK 8.75% 15/06/2019	1,464	0.40					
GBP	1,219,000	Matalan Finance 8.875% 29/04/2016	1,244	0.34					
EUR	1,500,000	OTE 4.625% 20/05/2016	1,220	0.34					
EUR	700,000	OTE 7.25% 12/02/2015	606	0.17					
EUR	1,080,000	OTE 7.875% 07/02/2018	942	0.26					
GBP	430,000	Voyage Care BondCo 6.5% 01/08/2018	425	0.12					
<b>B1 0.24% (0.48%)</b>									
GBP	810,000	Thames Water Kemble Finance 7.75% 01/04/2019	876	0.24					
<b>B 2.00% (1.04%)</b>									
EUR	627,000	Avis Budget Finance 6% 01/03/2021	540	0.15					
GBP	1,755,000	Care UK 9.75% 01/08/2017	1,797	0.49					
EUR	250,000	Eco-Bat Finance 7.75% 15/02/2017	215	0.06					
GBP	409,000	Equiniti Newco 7.125% 15/12/2018	418	0.12					
GBP	365,000	House of Fraser 8.875% 15/08/2018	387	0.11					
GBP	580,000	IDH Finance 6% 01/12/2018	581	0.16					
GBP	790,000	Odeon & UCI Finco 9% 01/08/2018	813	0.22					
EUR	635,000	R&R Ice Cream 8.375% 15/11/2017	570	0.16					
EUR	781,000	Thomas Cook Finance 7.75% 15/06/2020	659	0.18					
GBP	1,019,000	Virgin Media Finance 8.875% 15/10/2019	1,107	0.30					
GBP	190,000	Vougeot Bidco 7.875% 15/07/2020	196	0.05					
<b>B- 0.21% (0.35%)</b>									
EUR	870,000	Kerling 10.625% 28/01/2017	778	0.21					
<b>B3 0.13% (0.12%)</b>									
GBP	445,000	Arqiva Broadcast Finance 9.5% 31/03/2020	474	0.13					
<b>CCC+ 0.18% (0.08%)</b>									
GBP	288,738	*Annington Finance No5 13% 15/01/2023	329	0.09					
GBP	323,000	IDH Finance 8.5% 01/06/2019	326	0.09					
<b>Caa1 0.22% (0.00%)</b>									
GBP	854,000	Co-operative Bank 5.125% 20/09/2017	803	0.22					
<b>Not rated 1.22% (1.56%)</b>									
GBP	2,293,000	**Cattles 0% 17/01/2014	57	0.02					
USD	1,469,000	CGS Guernsey I 7.875% 24/02/2041	998	0.27					
<b>UNITED STATES OF AMERICA 7.69% (7.96%)</b>									
<b>AA 0.49% (0.53%)</b>									
GBP	1,500,000	Wal-Mart Stores 5.625% 27/03/2034	1,772	0.49					
<b>AA- 0.59% (0.56%)</b>									
GBP	1,370,000	General Electric 5.5% 15/09/2066	1,382	0.38					
GBP	390,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	367	0.10					
GBP	425,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	401	0.11					
<b>A+ 0.28% (0.88%)</b>									
USD	800,000	CNPC General Capital 2.75% 19/04/2017	514	0.14					
USD	805,000	Sinopec Group Oversea 2.75% 17/05/2017	517	0.14					
<b>A 0.00% (0.26%)</b>									
<b>A- 3.29% (2.76%)</b>									
GBP	1,962,000	AT&T 4.25% 01/06/2043	1,674	0.46					
GBP	1,000,000	AT&T 5.5% 15/03/2027	1,077	0.30					
GBP	1,850,000	Bank of America 6.125% 15/09/2021	2,127	0.59					
GBP	1,350,000	Bank of America 7% 31/07/2028	1,677	0.46					
GBP	755,000	Citigroup 5.5% 18/11/2015	820	0.23					
GBP	1,555,000	Citigroup 7.375% 01/09/2039	2,133	0.59					
GBP	1,550,000	*J.P. Morgan Chase 1.05188% 30/05/2017	1,473	0.41					
GBP	855,000	MetLife 5.375% 09/12/2024	926	0.25					
<b>BBB+ 0.96% (0.77%)</b>									
EUR	700,000	*Bank of America 1.062% 28/03/2018	558	0.15					
GBP	1,082,000	Citigroup 5.125% 12/12/2018	1,153	0.32					
USD	3,250,000	Verizon Communications 2.45% 01/11/2022	1,767	0.49					
<b>BBB 1.08% (1.13%)</b>									
GBP	550,000	*Capital One Multi-Asset 6.625% 17/06/2014	565	0.15					
GBP	1,170,000	Ahold Finance 6.5% 14/03/2017	1,328	0.37					
GBP	560,000	Directv Holdings 4.375% 14/09/2029	491	0.13					
GBP	927,000	Pemex Project Funding Master Trust 7.5% 18/12/2013	940	0.26					
GBP	741,000	Time Warner Cable 5.25% 15/07/2042	613	0.17					
<b>BB 0.00% (0.17%)</b>									
<b>BB- 0.39% (0.40%)</b>									
EUR	1,270,000	Chesapeake Energy 6.25% 15/01/2017	1,137	0.31					
EUR	340,000	Rain CII Carbon LLC 8.5% 15/01/2021	277	0.08					
<b>B 0.20% (0.00%)</b>									
USD	420,000	Chrysler Group 8% 15/06/2019	294	0.08					
USD	610,000	Chrysler Group 8.25% 15/06/2021	430	0.12					
<b>B- 0.19% (0.28%)</b>									
EUR	754,000	Infor US 10% 01/04/19	698	0.19					
<b>CCC+ 0.22% (0.22%)</b>									
USD	1,200,000	Ocean Rig UDW 9.5% 27/04/2016	813	0.22					
<b>Total United States of America</b>								<b>27,924</b>	<b>7.69</b>

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.42% (-0.87%)</b>					<b>Futures 0.07% (0.00%)</b>				
<b>Credit default swaps -0.21% (-0.29%)</b>					EUR	(247)	Barclays Euro-BUND Future		
EUR	(10,000,000)	Barclays EUR Markit iTraxx Cross-Over 20/06/2017 Spread 500	(569)	(0.16)	GBP	(126)	Barclays Long Gilt Future Expiring December 2013	155	0.04
EUR	(1,100,000)	BNP EUR Unicredit 4.5% 20/06/2018 Spread 500	(17)	(0.01)	USD	216	Barclays US 10 Year Note Future Expiring September 2013	199	0.06
EUR	(2,000,000)	Citigroup EUR Commerzbank 6.25% 20/09/2018 Spread 500	(90)	(0.02)				(113)	(0.03)
EUR	(1,500,000)	Citigroup EUR Unicredit 4.5% 20/09/2018 Spread 500	(17)	(0.01)			<b>Total derivatives</b>	<b>1,529</b>	<b>0.42</b>
EUR	(4,000,000)	Citigroup EUR Veolia Environment 5.375% 20/06/2018 Spread 100	33	0.01			<b>Total value of investments</b>	<b>349,882</b>	<b>96.34</b>
EUR	(1,400,000)	Credit Suisse EUR Finmeccanica Finance 5.75% 20/06/2018 Spread 500	89	0.02			<b>Net other assets (1.78%)</b>	<b>13,292</b>	<b>3.66</b>
EUR	(1,100,000)	Credit Suisse EUR Markit iTraxx Cross-Over 20/06/2018 Spread 500	(32)	(0.01)			<b>Net assets</b>	<b>363,174</b>	<b>100.00</b>
EUR	4,000,000	Credit Suisse EUR Markit iTraxx Europe 20/12/2017 Spread 100	6	-			<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
EUR	(4,000,000)	Credit Suisse Kelda Group 'B' Shares 20/03/2018 Spread 100	9	-			Fixed interest	321,946	92.02
EUR	(4,350,000)	Credit Suisse RWVE 5.75% 20/06/2018 Spread 100	-	-			Floating rate notes	26,407	7.54
EUR	500,000	Goldman Sachs EUR Virgin Media Finance 5.125% 20/09/2018 Spread 500	21	0.01			Derivatives	1,529	0.44
USD	(3,000,000)	Goldman Sachs USD Commonwealth Bank 6.25% 20/06/2018 Spread 100	(1)	-			<b>Total value of investments</b>	<b>349,882</b>	<b>100.00</b>
USD	(3,000,000)	Goldman Sachs USD National Australia Bank 3.50% 20/06/2018 Spread 100	1	-			<b>ANALYSIS OF INVESTMENTS BY CREDIT RATINGS</b>		
USD	(3,000,000)	Goldman Sachs USD Westpac Banking 4.25% 20/06/2018 Spread 100	2	-			Value £000		
EUR	2,500,000	HSBC EUR Markit iTraxx Europe 20/12/2017 Spread 100	4	-			AAA	4,867	
EUR	(8,500,000)	HSBC EUR Unilever 20/03/2018 Spread 100	(226)	(0.06)			Aaa	4,048	
EUR	5,000,000	J.P.Morgan EUR Markit iTraxx Europe 20/06/2018 Spread 100	(10)	-			AA+	4,962	
EUR	(1,375,000)	J.P.Morgan EUR United utilities 6.875% 20/06/2018 Spread 100	20	0.01			AA	6,044	
EUR	(1,375,000)	J.P.Morgan EUR United utilities 6.875% 20/06/2018 Spread 100	20	0.01			AA-	4,931	
EUR	390,000	Merrill Lynch EUR OTE 20/09/2013 Spread 500	-	-			Aa3	1,232	
		<b>Forward foreign exchange contracts 0.56% (-0.58%)</b>					A+	7,956	
		Sell GBP 102,453					A	14,273	
		Buy USD 160,000 J.P. Morgan					A2	468	
		Sell USD 3,100,000					A-	38,678	
		Buy GBP 1,985,070 J.P. Morgan	(6)	-			BBB+	23,008	
		Sell USD 39,731,000					BBB	38,983	
		Buy GBP 25,374,007 UBS	(144)	(0.04)			Baa2	2,114	
		Sell CHF 3,718,000					BBB-	12,602	
		Buy GBP 2,580,176 UBS	53	0.01			Baa3	4,879	
		Sell USD 80,000					BB+	18,678	
		Buy GBP 51,699 J.P. Morgan					BB	34,826	
		Sell EUR 83,000,000					Ba2	10,984	
		Buy GBP 70,942,507 UBS	1,064	0.29			BB-	23,901	
		Sell EUR 83,274,000					Ba3	1,168	
		Buy GBP 71,186,696 J.P. Morgan	1,078	0.30			B+	33,957	
							B1	876	
							B	21,031	
							(P)B	742	
							B2	779	
							B-	10,412	
							B3	697	
							CCC+	7,102	
							Caa1	803	
							CCC	2,990	
							(P)CCC+	548	
							CC	221	
							Not rated	9,593	
							Total bonds	348,353	
							Derivatives	1,529	
							<b>Total value of investments</b>	<b>349,882</b>	

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

		Value £000
<b>ANALYSIS OF COLLATERAL RECEIVED</b>		
<b>Counterparty</b>	<b>Type</b>	
Barclays	Cash	580
Citibank	Cash	40
Citigroup	Cash	120
HSBC	Cash	260
J.P. Morgan	Cash	890

\*Variable rate bonds.

\*\*These are unlisted securities and are valued at the ACD's best estimate.

††At 7 September 2013, there were investments totalling £930,402 (£6,026,000) (0.26% (1.54%) of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

## Threadneedle American Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 4.89% (5.03%)</b>				<b>Life assurance 1.49% (0.00%)</b>			
	<b>Chemicals 1.80% (2.09%)</b>			647,168	Prudential Financial	32,433	1.49
243,466	Airgas	16,315	0.75		<b>Speciality &amp; other finance 7.33% (6.15%)</b>		
503,872	LyondellBasell	22,760	1.05	511,265	American Express	24,240	1.11
	<b>Construction &amp; building materials 1.22% (1.07%)</b>			2,466,573	Blackstone Group	34,800	1.60
697,215	Jacobs Engineering Group	26,412	1.22	587,500	Capital One Financial	24,738	1.14
	<b>Forestry &amp; paper 1.87% (1.87%)</b>			1,028,757	Discover Financial Services	32,107	1.48
1,329,252	International Paper	40,658	1.87	384,462	Visa 'A' Shares	43,520	2.00
	<b>Total basic industries</b>	<b>106,145</b>	<b>4.89</b>		<b>Total financials</b>	<b>411,564</b>	<b>18.95</b>
<b>CYCLICAL CONSUMER GOODS 0.94% (1.04%)</b>				<b>GENERAL INDUSTRIALS 9.26% (7.98%)</b>			
	<b>Automobiles &amp; parts 0.94% (1.04%)</b>				<b>Aerospace &amp; defence 3.41% (2.24%)</b>		
871,964	General Motors	20,332	0.94	597,607	Boeing	40,921	1.88
	<b>Total cyclical consumer goods</b>	<b>20,332</b>	<b>0.94</b>	497,594	United Technologies	33,121	1.53
<b>CYCLICAL SERVICES 22.25% (23.20%)</b>					<b>Diversified industrials 0.19% (1.00%)</b>		
	<b>Distributors 1.04% (1.06%)</b>			74,315	Philip Morris International	4,013	0.19
464,408	Wesco International	22,502	1.04		<b>Electronic &amp; electrical equipment 1.15% (1.14%)</b>		
	<b>General retailers 3.89% (4.36%)</b>			514,756	Amphenol 'A' Shares	24,987	1.15
498,283	Autonation	15,545	0.72		<b>Engineering &amp; machinery 4.51% (3.60%)</b>		
988,225	Home Depot	46,314	2.13	797,369	Ingersoll-Rand	31,568	1.45
1,045,041	Tyco International	22,636	1.04	458,153	Pentair	18,312	0.84
	<b>Leisure entertainment &amp; hotels 2.48% (1.32%)</b>			172,548	Precision Castparts	24,037	1.11
459,259	Las Vegas Sands	17,362	0.80	414,116	Thermo Fisher Scientific	24,110	1.11
790,733	Starbucks	36,576	1.68		<b>Total general industrials</b>	<b>201,069</b>	<b>9.26</b>
	<b>Media &amp; photography 7.00% (7.93%)</b>			<b>INFORMATION TECHNOLOGY 14.78% (15.21%)</b>			
1,610,471	CBS Class B	55,785	2.57		<b>Information technology hardware 5.78% (7.14%)</b>		
1,675,792	Comcast Class A	45,780	2.11	219,944	Apple	69,934	3.22
460,604	Discovery Communications 'A' Shares	22,944	1.06	2,464,747	Applied Materials	24,803	1.14
1,336,427	Twenty-First Century Fox	27,412	1.26	971,006	Lam Research	30,885	1.42
	<b>Support services 4.51% (4.71%)</b>				<b>Software &amp; computer services 9.00% (8.07%)</b>		
906,233	Accenture	43,054	1.98	118,241	Amazon.com	22,329	1.03
501,617	ADT	12,869	0.59	2,395,817	EMC	40,494	1.86
331,178	Alliance Data Systems	42,127	1.94	115,971	Google	65,476	3.02
	<b>Transport 3.33% (3.82%)</b>			203,524	IHS Class A	14,149	0.65
1,677,881	Delta Air Lines	21,798	1.00	74,351	Linkedin	11,860	0.55
318,588	Norfolk Southern	15,162	0.70	66,863	priceline.com	41,093	1.89
352,901	Union Pacific	35,383	1.63		<b>Total information technology</b>	<b>321,023</b>	<b>14.78</b>
	<b>Total cyclical services</b>	<b>483,249</b>	<b>22.25</b>	<b>NON-CYCLICAL CONSUMER GOODS 17.43% (16.59%)</b>			
<b>FINANCIALS 18.95% (19.73%)</b>					<b>Beverages 0.67% (0.53%)</b>		
	<b>Banks 7.82% (10.45%)</b>			402,733	Constellation Brands 'A' Shares	14,612	0.67
5,924,895	Bank of America	54,714	2.52		<b>Health 2.47% (3.69%)</b>		
1,303,523	J.P. Morgan Chase	43,638	2.01	983,960	Covidien	38,330	1.77
1,056,630	SunTrust Banks	22,093	1.02	213,461	Davita Healthcare Partners	15,287	0.70
782,114	Wells Fargo	21,014	0.97		<b>Personal care &amp; household products 3.02% (2.08%)</b>		
1,519,175	Zions Bancorporation	28,224	1.30	1,181,636	Colgate-Palmolive	43,670	2.01
	<b>Insurance 2.31% (3.13%)</b>			505,173	Estee Lauder Companies Class A	21,856	1.01
470,711	ACE	26,661	1.23				
751,055	Allstate	23,382	1.08				

## Threadneedle American Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>NON-CYCLICAL CONSUMER GOODS 17.43% (16.59%) (continued)</b>			
<b>Pharmaceuticals &amp; biotechnology 11.27% (10.29%)</b>			
530,162	Amgen	38,448	1.77
529,505	Express Scripts Holding	22,068	1.02
987,083	Gilead Sciences	38,686	1.78
748,482	Johnson & Johnson	41,827	1.93
452,686	Mead Johnson Nutrition	21,780	1.00
708,143	Merck & Co	21,596	0.99
3,327,412	Pfizer	60,386	2.78
<b>Total non-cyclical consumer goods</b>		<b>378,546</b>	<b>17.43</b>
<b>NON-CYCLICAL SERVICES 2.73% (2.03%)</b>			
<b>Food &amp; drug retailers 1.09% (1.01%)</b>			
630,270	CVS Caremark	23,657	1.09
<b>Telecommunications services 1.64% (1.02%)</b>			
800,257	Crown Castle International	35,573	1.64
<b>Total non-cyclical services</b>		<b>59,230</b>	<b>2.73</b>
<b>RESOURCES 7.62% (8.36%)</b>			
<b>Oil &amp; gas 7.62% (8.36%)</b>			
472,147	Anadarko Petroleum	28,110	1.29
423,834	Chevron	33,026	1.52
488,687	Hess	24,014	1.11
635,624	Noble Energy	25,667	1.18
369,398	Occidental Petroleum	21,283	0.98
500,188	Transocean	14,920	0.69
781,630	Valero Energy	18,452	0.85
<b>Total resources</b>		<b>165,472</b>	<b>7.62</b>
<b>DERIVATIVES -0.01% (-0.06%)</b>			
<b>Forward foreign exchange contracts -0.01% (-0.06%)</b>			
	Sell USD 18,923		
	Buy EUR 14,274 J.P. Morgan	-	-
	Sell EUR 28,525		
	Buy USD 38,076 J.P. Morgan	-	-
	Sell EUR 35,158		
	Buy USD 46,346 J.P. Morgan	-	-
	Sell USD 4,910		
	Buy EUR 3,707 J.P. Morgan	-	-
	Sell EUR 7,557		
	Buy USD 9,991 J.P. Morgan	-	-
	Sell USD 14,473,208		
	Buy EUR 10,811,721 J.P. Morgan	(193)	(0.01)
<b>Total derivatives</b>		<b>(193)</b>	<b>(0.01)</b>
<b>Total value of investments</b>		<b>2,146,437</b>	<b>98.84</b>
<b>Net other assets (0.89%)</b>		<b>25,244</b>	<b>1.16</b>
<b>Net assets</b>		<b>2,171,681</b>	<b>100.00</b>
<b>ANALYSIS OF COLLATERAL RECEIVED</b>			
		<b>Value</b>	
<b>Counterparty</b>	<b>Type</b>	<b>£000</b>	
J.P. Morgan	Cash	139	

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle American Select Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 7.51% (7.38%)</b>				<b>Speciality &amp; other finance 9.56% (6.20%)</b>			
	<b>Chemicals 5.54% (6.27%)</b>			2,832,194	Blackstone Group	39,959	1.85
976,205	Airgas	65,417	3.04	2,177,298	Discover Financial Services	67,953	3.15
539,388	LyondellBasell	24,365	1.13	700,788	Outerwall	26,916	1.25
959,741	Methanex	29,559	1.37	630,896	Visa 'A' Shares	71,415	3.31
	<b>Construction &amp; building materials 1.97% (1.11%)</b>				<b>Total financials</b>	<b>472,382</b>	<b>21.90</b>
1,029,424	Eagle Materials	42,534	1.97				
	<b>Total basic industries</b>	<b>161,875</b>	<b>7.51</b>	<b>GENERAL INDUSTRIALS 4.79% (6.19%)</b>			
					<b>Aerospace &amp; defence 2.23% (0.00%)</b>		
				722,063	United Technologies	48,062	2.23
					<b>Electronic &amp; electrical equipment 0.64% (0.83%)</b>		
				579,158	Universal Display	13,865	0.64
					<b>Engineering &amp; machinery 1.92% (5.36%)</b>		
				436,110	Pentair	17,431	0.81
				411,061	Thermo Fisher Scientific	23,932	1.11
					<b>Total general industrials</b>	<b>103,290</b>	<b>4.79</b>
				<b>INFORMATION TECHNOLOGY 22.87% (16.72%)</b>			
					<b>Information technology hardware 8.25% (7.20%)</b>		
				160,435	Apple	51,012	2.37
				2,579,967	Broadcom	44,419	2.06
				1,311,411	Fortinet	16,675	0.77
				1,202,940	Lam Research	38,262	1.77
				1,092,931	Synaptics	27,492	1.28
					<b>Software &amp; computer services 14.62% (9.52%)</b>		
				2,764,400	EMC	46,724	2.17
				810,295	Facebook	22,198	1.03
				143,428	Google	80,978	3.75
				1,252,404	Informatica	29,291	1.36
				280,177	LinkedIn	44,691	2.07
				109,548	priceline.com	67,326	3.12
				1,600,785	TIBCO Software	24,158	1.12
					<b>Total information technology</b>	<b>493,226</b>	<b>22.87</b>
				<b>NON-CYCLICAL CONSUMER GOODS 12.57% (14.48%)</b>			
					<b>Health 0.00% (2.90%)</b>		
					<b>Personal care &amp; household products 2.05% (1.02%)</b>		
				1,023,649	Estee Lauder Companies	44,287	2.05
					<b>Pharmaceuticals &amp; biotechnology 10.52% (10.56%)</b>		
				613,262	Amgen	44,475	2.06
				1,296,126	Express Scripts Holding	54,019	2.51
				1,653,090	Gilead Sciences	64,788	3.00
				813,742	Mead Johnson Nutrition	39,151	1.82
				141,791	Regeneron Pharmaceuticals	24,460	1.13
					<b>Total non-cyclical consumer goods</b>	<b>271,180</b>	<b>12.57</b>
				<b>NON-CYCLICAL SERVICES 1.57% (2.63%)</b>			
					<b>Telecommunications services 1.57% (2.63%)</b>		
				699,442	SBA Communications	33,827	1.57
					<b>Total non-cyclical services</b>	<b>33,827</b>	<b>1.57</b>
				<b>FINANCIALS 21.90% (21.53%)</b>			
					<b>Banks 6.12% (10.97%)</b>		
				5,817,325	Bank of America	53,720	2.49
				1,112,282	CIT Group	35,186	1.63
				1,289,593	J.P. Morgan Chase	43,171	2.00
					<b>Insurance 2.56% (3.83%)</b>		
				442,294	ACE	25,052	1.16
				969,907	Allstate	30,196	1.40
					<b>Life assurance 3.66% (0.00%)</b>		
				1,572,645	Prudential Financial	78,814	3.66
					<b>Real estate 0.00% (0.53%)</b>		

## Threadneedle American Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>RESOURCES 4.22% (6.74%)</b>			
<b>Oil &amp; gas 4.22% (6.74%)</b>			
795,564	Anadarko Petroleum	47,365	2.19
758,967	Occidental Petroleum	43,729	2.03
<b>Total resources</b>		<b>91,094</b>	<b>4.22</b>
<b>DERIVATIVES –0.05% (–0.04%)</b>			
<b>Forward foreign exchange contracts –0.05% (–0.04%)</b>			
	Sell USD 16,758		
	Buy EUR 12,554 J.P. Morgan	–	–
	Sell USD 19,088		
	Buy EUR 14,300 J.P. Morgan	–	–
	Sell USD 22,929,479		
	Buy EUR 17,128,693 J.P. Morgan	(306)	(0.01)
	Sell EUR 1,849		
	Buy USD 2,449 J.P. Morgan	–	–
	Sell EUR 1,927,987		
	Buy USD 2,573,523 J.P. Morgan	30	–
	Sell EUR 271		
	Buy USD 357 J.P. Morgan	–	–
	Sell EUR 2,787		
	Buy USD 3,681 J.P. Morgan	–	–
	Sell USD 3,881		
	Buy EUR 2,944 J.P. Morgan	–	–
	Sell USD 60,935,983		
	Buy EUR 45,520,169 J.P. Morgan	(814)	(0.04)
	Sell EUR 534,355		
	Buy USD 705,874 J.P. Morgan	3	–
	Sell EUR 6,237		
	Buy USD 8,269 J.P. Morgan	–	–
	Sell EUR 100,221		
	Buy USD 132,501 J.P. Morgan	1	–
<b>Total derivatives</b>		<b>(1,086)</b>	<b>(0.05)</b>
<b>Total value of investments</b>		<b>2,157,024</b>	<b>100.00</b>
<b>Net other assets/(liabilities) (–0.71%)</b>		<b>101</b>	<b>–</b>
<b>Net assets</b>		<b>2,157,125</b>	<b>100.00</b>

### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
J.P. Morgan	Cash	744

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 9.88% (8.17%)</b>				<b>FINANCIALS 17.60% (19.36%)</b>			
	<b>Chemicals 2.02% (3.28%)</b>				<b>Banks 3.90% (7.26%)</b>		
186,168	Methanex	5,734	1.01	1,033,621	First Horizon National	7,481	1.32
85,663	Westlake Chemical	5,760	1.01	315,721	First Republic Bank	9,187	1.62
				403,550	FirstMerit	5,473	0.96
	<b>Construction &amp; building materials 7.12% (4.37%)</b>				<b>Insurance 3.95% (4.98%)</b>		
177,320	Chicago Bridge & Iron	6,797	1.20		Brown & Brown	7,866	1.39
238,919	Eagle Materials	9,872	1.74	393,619	CNO Financial Group	8,721	1.54
580,024	Louisiana Pacific	6,310	1.11	935,981	Fidelity National	5,762	1.02
292,542	Owens Corning	7,101	1.25	366,077			
425,807	Tri Pointe Homes	3,850	0.68		<b>Real estate 3.12% (5.28%)</b>		
420,676	USG	6,462	1.14	631,658	American Homes 4 Rent	6,433	1.13
				135,027	Rayonier	4,792	0.84
	<b>Forestry &amp; paper 0.74% (0.52%)</b>			232,035	Weingarten Realty Investors	4,104	0.72
286,115	Boise Cascade	4,187	0.74	269,751	Whitestone Reit	2,449	0.43
	<b>Total basic industries</b>	<b>56,073</b>	<b>9.88</b>				
<b>CYCLICAL CONSUMER GOODS 1.82% (1.51%)</b>					<b>Speciality &amp; other finance 6.63% (1.84%)</b>		
	<b>Automobiles &amp; parts 1.82% (1.51%)</b>			83,566	Affiliated Managers Group	9,543	1.68
802,795	American Axle & Manufacturing Holdings	10,342	1.82	2,038,779	MGIC Investment	9,427	1.66
				276,959	Outerwall	10,638	1.87
	<b>Total cyclical consumer goods</b>	<b>10,342</b>	<b>1.82</b>	220,314	United Rentals	8,057	1.42
<b>CYCLICAL SERVICES 23.57% (20.88%)</b>					<b>Total financials</b>	<b>99,933</b>	<b>17.60</b>
	<b>Distributors 1.54% (0.00%)</b>			<b>GENERAL INDUSTRIALS 6.33% (8.74%)</b>			
180,877	Wesco International	8,764	1.54		<b>Aerospace &amp; defence 0.98% (0.96%)</b>		
				122,424	B/E Aerospace	5,587	0.98
	<b>General retailers 4.72% (4.60%)</b>				<b>Diversified industrials 0.31% (0.00%)</b>		
178,765	ANN	4,070	0.72	37,067	Proto Labs	1,736	0.31
212,848	Autonation	6,640	1.17				
224,587	Five Below	5,641	0.99		<b>Electronic &amp; electrical equipment 2.20% (3.37%)</b>		
242,610	Foot Locker	5,116	0.90	90,177	Energizer Holdings	5,489	0.97
148,684	Williams-Sonoma	5,329	0.94	71,252	SPX	3,488	0.61
				146,338	Universal Display	3,503	0.62
	<b>Leisure entertainment &amp; hotels 2.75% (2.46%)</b>				<b>Engineering &amp; machinery 2.84% (4.41%)</b>		
478,261	AVIS Budget Group	8,587	1.51	127,560	Crane	4,803	0.85
372,210	Cinemark Holdings	7,037	1.24	393,103	LKQ	7,505	1.32
				184,250	MasTec	3,834	0.67
	<b>Media &amp; photography 3.37% (1.56%)</b>				<b>Total general industrials</b>	<b>35,945</b>	<b>6.33</b>
191,303	Lions Gate Entertainment	4,467	0.79	<b>INFORMATION TECHNOLOGY 12.28% (11.44%)</b>			
286,960	Madison Square Garden	10,305	1.82		<b>Information technology hardware 5.29% (3.92%)</b>		
123,886	VistaPrint	4,311	0.76	216,850	Fortinet	2,757	0.48
				244,522	Lam Research	7,778	1.37
	<b>Support services 5.88% (8.16%)</b>			155,758	PerkinElmer	3,689	0.65
40,699	Alliance Data Systems	5,177	0.91	2,120,932	Quantum	2,070	0.36
115,407	MAXIMUS	2,850	0.50	925,054	Spanion	6,457	1.14
182,992	Monro Muffler Brake	5,252	0.92	290,849	Synaptics	7,316	1.29
366,756	Robert Half International	8,667	1.53		<b>Software &amp; computer services 6.99% (7.52%)</b>		
534,579	UTI Worldwide	5,846	1.03	188,306	Cornerstone OnDemand	6,256	1.10
138,506	Verisk Analytics Class A	5,610	0.99	457,388	Cyrusone	5,719	1.01
				385,110	Informatica	9,007	1.59
	<b>Transport 5.31% (4.10%)</b>			504,655	Riverbed Technology	4,955	0.87
214,953	Alaska Air Group	8,001	1.41	530,038	TIBCO Software	7,999	1.41
300,993	Con-Way	8,248	1.45	62,984	Ultimate Software Group	5,714	1.01
111,517	Ryder System	4,046	0.71		<b>Total information technology</b>	<b>69,717</b>	<b>12.28</b>
487,146	Spirit Airlines	9,870	1.74				
	<b>Total cyclical services</b>	<b>133,834</b>	<b>23.57</b>				

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>NON-CYCLICAL CONSUMER GOODS 14.00% (12.26%)</b>			
<b>Beverages 1.18% (1.05%)</b>			
184,680	Constellation Brands 'A' Shares	6,701	1.18
<b>Food producers &amp; processors 2.86% (1.95%)</b>			
413,369	Pinnacle Foods	7,382	1.30
213,290	Treehouse Foods	8,855	1.56
<b>Health 6.86% (7.43%)</b>			
272,275	Align Technology	7,838	1.38
189,736	Centene	7,233	1.27
174,680	IDEXX Laboratories	10,685	1.88
254,716	Omnicare	9,019	1.59
95,591	Universal Health Services	4,190	0.74
<b>Pharmaceuticals &amp; biotechnology 3.10% (1.83%)</b>			
161,784	Charles River Laboratories	4,815	0.85
129,848	Jazz Pharmaceuticals	7,311	1.29
381,233	Warner Chilcott 'A' Shares	5,450	0.96
<b>Total non-cyclical consumer goods</b>		<b>79,479</b>	<b>14.00</b>
<b>NON-CYCLICAL SERVICES 1.56% (2.86%)</b>			
<b>Packaging 0.00% (0.99%)</b>			
<b>Telecommunications services 1.56% (1.87%)</b>			
183,320	SBA Communications	8,866	1.56
<b>Total non-cyclical services</b>		<b>8,866</b>	<b>1.56</b>
<b>RESOURCES 6.94% (9.78%)</b>			
<b>Mining 0.99% (2.10%)</b>			
767,350	Cypress Semiconductor	5,613	0.99
<b>Oil &amp; gas 5.95% (7.68%)</b>			
148,075	Athlon Energy	2,604	0.46
209,251	Forum Energy Technologies	3,545	0.63
157,070	Franks International	2,839	0.50
392,251	QEP resources	7,114	1.25
243,071	SemGroup 'A' Shares	8,281	1.46
402,731	Superior Energy Services	6,481	1.14
154,815	Western Refining	2,908	0.51
<b>Total resources</b>		<b>39,385</b>	<b>6.94</b>
<b>UTILITIES 1.21% (0.00%)</b>			
<b>Electricity 1.21% (0.00%)</b>			
355,379	Westar Energy	6,846	1.21
<b>Total utilities</b>		<b>6,846</b>	<b>1.21</b>
<b>Total value of investments</b>		<b>540,420</b>	<b>95.19</b>
<b>Net other assets (5.00%)</b>		<b>27,294</b>	<b>4.81</b>
<b>Net assets</b>		<b>567,714</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle Dollar Bond Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 90.94% (91.51%)</b>					<b>A2e 1.20% (0.00%)</b>				
		<b>AAA 0.00% (5.79%)</b>			USD	1,300,000	Abbey National Treasury Service 3.05% 23/08/2018	829	1.20
		<b>Aaa 0.00% (2.69%)</b>					<b>A- 9.72% (9.97%)</b>		
		<b>AA+ 33.10% (28.36%)</b>			USD	590,000	Aetna 2.75% 15/11/2022	340	0.49
USD	1,040,000	General Electric 2.7% 09/10/2022	612	0.88	USD	1,035,000	América Móvil 5% 16/10/2019	704	1.02
USD	1,060,000	General Electric 4.65% 17/10/2021	706	1.02	USD	1,000,000	Bank of America 5% 13/05/2021	668	0.96
USD	550,000	US Treasury N/B 0.125% 30/04/2015	352	0.51	USD	1,200,000	BAT International Finance 3.25% 07/06/2022	735	1.06
USD	4,600,000	US Treasury N/B 0.25% 15/12/2014	2,954	4.26			EADS Finance 2.7% 17/04/2023	656	0.95
USD	2,500,000	US Treasury N/B 0.25% 15/05/2015	1,601	2.31	USD	1,150,000	Experian Finance 2.375% 15/06/2017	439	0.63
USD	520,000	US Treasury N/B 0.625% 30/04/2018	318	0.46	USD	700,000	Heathrow Funding 2.5% 25/06/2015	735	1.06
USD	7,025,000	US Treasury N/B 1.125% 31/05/2019	4,277	6.17	USD	1,130,000	MetLife 0% 15/09/2023	1,417	2.04
USD	40,000	US Treasury N/B 1.125% 30/04/2020	24	0.03	USD	2,200,000	Prudential 7.75% 23/03/2049	718	1.04
USD	7,500,000	US Treasury N/B 1.25% 31/10/2015	4,885	7.05	USD	1,050,000	Republika Slovenija 5.85% 10/05/2023	327	0.47
USD	574,500	US Treasury N/B 1.625% 15/11/2022	331	0.48			<b>BBB+ 7.68% (6.35%)</b>		
USD	1,210,000	US Treasury N/B 1.75% 15/05/2023	697	1.01	USD	117,000	Banco de Crédito del Perú 4.25% 01/04/2023	63	0.09
USD	25,600	US Treasury N/B 2% 15/11/2021	16	0.02	USD	1,210,000	Citigroup 3.5% 15/05/2023	687	0.99
USD	5,735,800	US Treasury N/B 2% 15/02/2023	3,399	4.90	USD	1,150,000	Electricite de France 5.25% 29/07/2049	689	0.99
USD	1,200,000	US Treasury N/B 2.875% 15/05/2043	633	0.91	USD	1,175,000	Heineken 3.4% 01/04/2022	715	1.03
USD	3,100,000	US Treasury N/B 4.25% 15/05/2039	2,144	3.09	USD	1,700,000	SABMiller Holdings 2.2% 01/08/2018	1,067	1.54
		<b>AA 2.91% (2.95%)</b>			USD	1,100,000	SABMiller Holdings 3.75% 15/01/2022	697	1.01
USD	1,143,000	Chevron 3.191% 24/06/2023	699	1.01	USD	1,025,000	Tesco 5.5% 15/11/2017	728	1.05
USD	545,000	IPIC GMTN 3.75% 01/03/2017	367	0.53	USD	1,250,000	Verizon Communications 2.45% 01/11/2022	680	0.98
USD	440,000	Qatari Diar Finance 5% 21/07/2020	302	0.44			<b>Baa1 0.00% (0.53%)</b>		
USD	390,000	State of Qatar 6.55% 09/04/2019	294	0.42			<b>Baa1e 1.00% (0.00%)</b>		
USD	505,000	Wal-Mart Stores 4.125% 01/02/2019	351	0.51	USD	1,070,000	Petroleos Mexicanos 3.5% 18/07/2018	692	1.00
		<b>Aa2 1.03% (1.10%)</b>					<b>BBB 7.16% (4.45%)</b>		
USD	1,125,000	Nestle Holdings 1.375% 21/06/2017	711	1.03	USD	1,030,000	ABN Amro Bank 6.25% 13/09/2022	705	1.02
		<b>AA- 3.54% (2.46%)</b>			USD	548,000	BG Energy Capital 6.5% 30/11/2072	375	0.54
USD	450,000	CNOOC Finance (2011) 4.25% 26/01/2021	288	0.42	USD	587,000	British Telecom 9.625% 15/12/2030	555	0.80
USD	1,250,000	Japan Tobacco 2.1% 23/07/2018	788	1.14	USD	1,030,000	Hutchison Whampoa International 6% 28/10/2049	695	1.00
USD	1,140,000	Novartis Capital Corp 2.4% 21/09/2022	661	0.95	USD	1,140,000	Imperial Tobacco Finance 3.5% 11/02/2023	671	0.97
USD	1,000,000	UniCredito Bank Austria 7.25% 15/02/2017	716	1.03	USD	470,000	Petrobras International Finance 3.875% 27/01/2016	308	0.44
		<b>Aa3 1.00% (0.00%)</b>			USD	494,000	Rosneft International Finance 4.199% 06/03/2022	282	0.41
USD	1,160,000	QNB Finance 2.875% 29/04/2020	692	1.00	USD	1,200,000	Russian Federation 4.5% 04/04/2022	761	1.10
		<b>A+ 3.01% (4.13%)</b>			USD	1,000,000	Xstrata Canada Finance 4.95% 15/11/2021	613	0.88
USD	540,000	CNPC General Capital 2.75% 19/04/2017	347	0.50			<b>Baa2 0.70% (0.61%)</b>		
USD	540,000	Export-Import Bank of Korea 5.125% 29/06/2020	370	0.53	USD	275,000	Alicorp 3.875% 20/03/2023	153	0.22
USD	555,000	Hongkong Electric Finance 4.25% 14/12/2020	360	0.52	USD	515,000	BBVA Bancomer 6.75% 30/09/2022	330	0.48
USD	460,000	HSBC Holdings 5.1% 05/04/2021	318	0.46			<b>BBB- 4.32% (6.80%)</b>		
USD	1,100,000	Oracle 2.375% 15/01/2019	696	1.00	USD	500,000	Alpek 5.375% 08/08/2023	307	0.44
		<b>A 7.39% (6.64%)</b>			USD	630,000	AXA 6.463% 14/06/2049	402	0.58
USD	515,000	ADCB Islamic Finance Cayman 4.071% 22/11/2016	347	0.50	USD	500,000	Credit Suisse 6.5% 08/08/2023	324	0.47
USD	1,160,000	AIA Group 1.75% 13/03/2018	712	1.03	USD	1,000,000	El Paso Pipeline Partners 5% 01/10/2021	669	0.97
USD	1,000,000	Anheuser-Busch InBev Worldwide 5.375% 15/01/2020	724	1.04	USD	330,000	JSC National Company KazMunayGas 4.4% 30/04/2023	187	0.27
USD	460,000	CLP Power Hong Kong Financing 4.75% 12/07/2021	306	0.44	USD	1,040,000	Pernod Ricard 4.25% 15/07/2022	661	0.95
USD	1,160,000	Credit Agricole 1.625% 15/04/2016	738	1.06	USD	90,000	UBS 4.75% 22/05/2023	55	0.08
USD	290,000	GDF Suez 1.625% 10/10/2017	182	0.26	USD	570,000	UBS Jersey 7.25% 22/02/2022	391	0.56
USD	1,020,000	J.P. Morgan Chase 4.35% 15/08/2021	669	0.97					
USD	1,158,000	Linde 1.5% 18/04/2018	728	1.05					
USD	985,000	Philip Morris International 5.65% 16/05/2018	720	1.04					

## Threadneedle Dollar Bond Fund

### Portfolio Statement

(continued)

	Value £000	% of Net Asset Value	Value £000
<b>FIXED INTEREST 90.94% (91.51%) (continued)</b>			
USD 525,000			
<b>Baa3 1.57% (0.58%)</b>			
Dubai Electricity & Water 7.375%	375	0.54	
21/10/2020			
USD 1,190,000	713	1.03	
Uralkali 3.723% 30/04/2018			
<b>BB+ 2.36% (3.16%)</b>			
USD 600,000	392	0.57	
KBC Bank 8% 25/01/2023			
USD 579,000	357	0.51	
Royal Bank of Scotland 6.125%			
15/12/2022			
USD 1,200,000	768	1.11	
Societe Generale 8.25% 29/11/2049			
USD 200,000	121	0.17	
Softbank 4.5% 15/04/2020			
<b>BB 0.49% (1.48%)</b>			
USD 500,000	339	0.49	
LBG Capital No 1 7.875% 01/11/2020			
<b>Ba2 0.48% (0.47%)</b>			
USD 475,000	331	0.48	
Hanson 6.125% 15/08/2016			
<b>BB- 1.00% (0.00%)</b>			
USD 1,040,000	696	1.00	
Virgin Media Secured Finance 6.5%			
15/01/2018			
<b>Not rated 1.28% (2.99%)</b>			
USD 495,000	336	0.48	
CGS Guernsey I 7.875% 24/02/2041			
USD 1,050,000	553	0.80	
Port Authority of New York & New Jersey 4.458% 01/10/2062			
<b>Total fixed interest</b>	<b>63,046</b>	<b>90.94</b>	
<b>FLOATING RATE NOTES 2.09% (2.27%)</b>			
USD 558,182	380	0.55	
<b>A 0.55% (0.59%)</b>			
*Ras Laffan Liquefied Natural Gas			
5.298% 30/09/2020			
<b>BBB+ 0.45% (0.42%)</b>			
USD 500,000	310	0.45	
*ING Bank 0.9731% 03/07/2017			
<b>Baa2 1.09% (1.26%)</b>			
USD 500,000	310	0.45	
*ING Bank 0.9371% 23/05/2016			
USD 681,550	446	0.64	
*Tengizchevroil Finance 6.124%			
15/11/2014			
<b>Total floating rate notes</b>	<b>1,446</b>	<b>2.09</b>	
<b>DERIVATIVES 0.03% (0.02%)</b>			
<b>Futures and options 0.03% (0.02%)</b>			
USD (41)	21	0.03	
UBS US 10 Year Note Future			
Expiring September 2013			
<b>Total derivatives</b>	<b>21</b>	<b>0.03</b>	
<b>Total value of investments</b>	<b>64,513</b>	<b>93.06</b>	
<b>Net other assets (6.20%)</b>	<b>4,811</b>	<b>6.94</b>	
<b>Net assets</b>	<b>69,324</b>	<b>100.00</b>	

#### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

AA+	22,949
AA	2,013
Aa2	711
AA-	2,453
Aa3	692
A+	2,091
A	5,506
A-	6,739
BBB+	5,636
Baa1e	692
BBB	4,965
Baa2	1,239
BBB-	2,996
Baa3	1,088
BB+	1,638
BB	339
Ba2	331
BB-	696
A2e	829
Not rated	889
Total bonds	64,492
Derivatives	21
<b>Total value of investments</b>	<b>64,513</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.  
March 2013 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle Japan Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 8.93% (10.61%)</b>				<b>Speciality &amp; other finance 7.69% (6.14%)</b>			
	<b>Chemicals 0.94% (3.92%)</b>			55,900	Century Tokyo Leasing System	1,009	0.49
132,400	Kuraray	975	0.48	662,000	Daiwa Securities Group	3,618	1.78
1,170,000	Showa Denko	942	0.46	61,900	Japan Exchange Group	3,686	1.81
	<b>Construction &amp; building materials 4.10% (4.87%)</b>			1,182,000	Nomura Holdings	5,555	2.73
814,000	Sekisui Chemical	5,010	2.46	590	Nomura Real Estate Residential	1,789	0.88
1,432,000	Taiheiyo Cement	3,337	1.64	<b>Total financials</b>		<b>51,528</b>	<b>25.29</b>
	<b>Steel &amp; other metals 3.89% (1.82%)</b>			<b>GENERAL INDUSTRIALS 18.03% (16.42%)</b>			
1,217,000	Hanwa	3,471	1.70	<b>Diversified industrials 4.72% (4.80%)</b>			
184,100	Maruichi Steel Tube	2,742	1.35	680,600	Mitsui	6,148	3.02
846,485	Nippon Steel	1,717	0.84	203,000	OSG	2,218	1.09
<b>Total basic industries</b>		<b>18,194</b>	<b>8.93</b>	94,800	Tamron	1,237	0.61
<b>CYCLICAL CONSUMER GOODS 14.09% (17.16%)</b>				<b>Electronic &amp; electrical equipment 12.16% (10.73%)</b>			
	<b>Automobiles &amp; parts 11.84% (14.83%)</b>			90,600	Azbil	1,261	0.62
69,900	Honda Motor	1,701	0.84	129,600	Daikin Industries	3,997	1.96
1,492,000	Mazda Motor	3,958	1.94	1,289,000	Hitachi	4,880	2.39
528,000	Nissan Motor	3,447	1.69	96,400	Horiba	2,017	0.99
718,000	Sanden	1,983	0.97	61,500	Makita	2,134	1.05
326,600	Toyota Motor	13,037	6.40	122,600	Omron	2,565	1.26
	<b>Household goods &amp; textiles 2.25% (2.33%)</b>			68,100	Sato	744	0.37
340,600	Sony	4,576	2.25	672,800	WACOM	3,712	1.82
<b>Total cyclical consumer goods</b>		<b>28,702</b>	<b>14.09</b>	423,500	Yokogawa Electric	3,463	1.70
<b>CYCLICAL SERVICES 12.92% (5.89%)</b>				<b>Engineering &amp; machinery 1.15% (0.89%)</b>			
	<b>Distributors 0.00% (1.47%)</b>			91,200	Sho-Bond Holdings	2,352	1.15
	<b>General retailers 5.50% (1.25%)</b>			<b>Total general industrials</b>		<b>36,728</b>	<b>18.03</b>
505,600	Aeon	4,394	2.16	<b>INFORMATION TECHNOLOGY 4.08% (10.42%)</b>			
704,000	J. Front Retailing	3,576	1.75	<b>Information technology hardware 0.00% (1.58%)</b>			
246,200	Nishimatsuya Chain	1,246	0.61	<b>Software &amp; computer services 4.08% (8.84%)</b>			
36,200	Ryohin Keikaku	2,000	0.98	161,100	Konami	2,185	1.07
	<b>Media &amp; photography 3.56% (0.47%)</b>			11,400	Nintendo	868	0.43
154,900	Dentsu	3,246	1.59	243,400	SCSK	3,491	1.71
3,300	Fuji Media Holdings	4,005	1.97	43,300	Softbank	1,776	0.87
	<b>Support services 1.35% (0.00%)</b>			<b>Total information technology</b>		<b>8,320</b>	<b>4.08</b>
321,500	Kuroda Electric	2,747	1.35	<b>NON-CYCLICAL CONSUMER GOODS 9.72% (9.40%)</b>			
	<b>Transport 2.51% (2.70%)</b>			<b>Beverages 3.01% (3.02%)</b>			
412,000	Sankyu	790	0.39	185,500	Asahi Group Holdings	2,975	1.46
999,000	Tokyu	4,316	2.12	360,000	Kirin Holdings	3,164	1.55
<b>Total cyclical services</b>		<b>26,320</b>	<b>12.92</b>		<b>Health 3.09% (0.00%)</b>		
<b>FINANCIALS 25.29% (24.97%)</b>				624,000	Shimadzu	3,724	1.83
	<b>Banks 13.68% (14.36%)</b>			84,100	Terumo	2,572	1.26
252,000	Bank of Yokohama	840	0.41	<b>Food producers &amp; processors 0.00% (0.51%)</b>			
799,000	Chiba Bank	3,508	1.72	<b>Pharmaceuticals &amp; biotechnology 3.62% (5.87%)</b>			
2,637,800	Mitsubishi UFJ Financial Group	10,393	5.10	44,600	Ono Pharmaceutical	1,711	0.84
2,001,000	Mizuho Financial Group	2,680	1.31	77,100	Otsuka Holdings	1,452	0.71
231,700	Sumitomo Mitsui Financial Group	6,787	3.33	141,700	Santen Pharmaceutical	4,210	2.07
1,279,000	Sumitomo Mitsui Trust Holdings	3,681	1.81	<b>Total non-cyclical consumer goods</b>		<b>19,808</b>	<b>9.72</b>
	<b>Insurance 0.00% (0.47%)</b>						
	<b>Real estate 3.92% (4.00%)</b>						
61,000	Mitsubishi Estate	1,058	0.52				
132,000	Mitsui Fudosan	2,736	1.34				
280,300	Nomura Real Estate Holdings	4,188	2.06				

## Threadneedle Japan Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>NON-CYCLICAL SERVICES 2.44% (3.85%)</b>			
<b>Food &amp; drug retailers 2.44% (3.25%)</b>			
35,500	AIN Pharmaciez	926	0.45
38,600	Lawson	1,886	0.93
96,300	Seven & I Holdings	2,170	1.06
<b>Packaging 0.00% (0.60%)</b>			
<b>Total non-cyclical services</b>		<b>4,982</b>	<b>2.44</b>
<b>RESOURCES 2.26% (0.00%)</b>			
<b>Mining 2.26% (0.00%)</b>			
1,825,000	Mitsubishi Materials	4,606	2.26
<b>Total resources</b>		<b>4,606</b>	<b>2.26</b>
<b>UTILITIES 2.02% (1.10%)</b>			
<b>Electricity 2.02% (1.10%)</b>			
197,900	Electric Power Development	4,115	2.02
<b>Total utilities</b>		<b>4,115</b>	<b>2.02</b>
<b>Total value of investments</b>		<b>203,303</b>	<b>99.78</b>
<b>Net other assets (0.18%)</b>		<b>450</b>	<b>0.22</b>
<b>Net assets</b>		<b>203,753</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle Japan Smaller Companies Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES</b>	<b>0.00% (19.25%)</b>			<b>NON-CYCLICAL SERVICES</b>	<b>0.00% (2.90%)</b>		
	Chemicals		0.00% (5.82%)		Food & drug retailers		0.00% (2.32%)
	Construction & building materials		0.00% (9.16%)		Telecommunications services		0.00% (0.58%)
	Packaging		0.00% (1.30%)		<b>Total non-cyclical services</b>	<b>-</b>	<b>-</b>
	Steel & other metals		0.00% (2.97%)	<b>RESOURCES</b>	<b>0.00% (0.72%)</b>		
	<b>Total basic industries</b>	<b>-</b>	<b>-</b>		Oil & gas		0.00% (0.72%)
<b>CYCLICAL CONSUMER GOODS</b>	<b>0.00% (8.31%)</b>				<b>Total resources</b>	<b>-</b>	<b>-</b>
	Automobiles & parts		0.00% (6.13%)	<b>Total value of investments</b>	<b>-</b>	<b>-</b>	
	Household goods & textiles		0.00% (2.18%)	<b>Net other assets (0.72%)</b>	<b>-</b>	<b>-</b>	
	<b>Total cyclical consumer goods</b>	<b>-</b>	<b>-</b>	<b>Net assets</b>	<b>-</b>	<b>-</b>	
<b>CYCLICAL SERVICES</b>	<b>0.00% (11.89%)</b>						
	General retailers		0.00% (2.91%)				
	Leisure entertainment & hotels		0.00% (0.63%)				
	Media & photography		0.00% (2.17%)				
	Support services		0.00% (4.49%)				
	Transport		0.00% (1.69%)				
	<b>Total cyclical services</b>	<b>-</b>	<b>-</b>				
<b>FINANCIALS</b>	<b>0.00% (22.48%)</b>						
	Banks		0.00% (5.58%)				
	Investment companies		0.00% (3.12%)				
	Real estate		0.00% (6.74%)				
	Speciality & other finance		0.00% (7.04%)				
	<b>Total financials</b>	<b>-</b>	<b>-</b>				
<b>GENERAL INDUSTRIALS</b>	<b>0.00% (18.72%)</b>						
	Diversified industrials		0.00% (5.76%)				
	Electronic & electrical equipment		0.00% (6.48%)				
	Engineering & machinery		0.00% (6.48%)				
	<b>Total general industrials</b>	<b>-</b>	<b>-</b>				
<b>INFORMATION TECHNOLOGY</b>	<b>0.00% (10.03%)</b>						
	Information technology hardware		0.00% (3.40%)				
	Software & computer services		0.00% (6.63%)				
	<b>Total information technology</b>	<b>-</b>	<b>-</b>				
<b>NON-CYCLICAL CONSUMER GOODS</b>	<b>0.00% (4.98%)</b>						
	Food producers & processors		0.00% (4.17%)				
	Pharmaceuticals & biotechnology		0.00% (0.81%)				
	<b>Total non-cyclical consumer goods</b>	<b>-</b>	<b>-</b>				

March 2013 comparatives in brackets.

The Japan Smaller Companies Fund was closed on 27 August 2013.

## Threadneedle Asia Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 20.40% (18.85%)</b>				<b>CAYMAN ISLANDS 6.62% (4.83%)</b>			
	<b>Banks 7.76% (8.02%)</b>				<b>Food producers &amp; processors 0.47% (0.00%)</b>		
660,065	Australia & New Zealand Banking Group	11,526	2.06	978,000	China Mengniu Dairy	2,616	0.47
213,324	Commonwealth Bank of Australia	9,171	1.64		<b>General retailers 0.00% (0.30%)</b>		
640,168	National Australia Bank	12,327	2.21		<b>Leisure entertainment &amp; hotels 1.95% (1.34%)</b>		
555,312	Westpac Banking	10,334	1.85	2,846,232	Sands China	10,888	1.95
	<b>Diversified industrials 2.38% (2.07%)</b>				<b>Oil &amp; gas 1.94% (1.52%)</b>		
399,084	Ansell	4,722	0.85	2,077,957	ENN Energy Holdings	6,745	1.21
359,580	Wesfarmers	8,540	1.53	6,816,940	Towngas China	4,087	0.73
	<b>Engineering &amp; machinery 0.00% (0.48%)</b>				<b>Real estate 0.00% (0.25%)</b>		
	<b>Food &amp; drug retailers 0.55% (0.00%)</b>				<b>Software &amp; computer services 2.26% (1.42%)</b>		
147,535	Woolworths	3,056	0.55	40,446	Baidu (ADS)	3,453	0.62
	<b>Health 0.27% (0.00%)</b>			286,096	Tencent Holdings	9,168	1.64
339,915	Virtus Health	1,493	0.27		<b>Total Cayman Islands</b>	<b>36,957</b>	<b>6.62</b>
	<b>Insurance 0.98% (0.00%)</b>						
605,081	QBE Insurance Group	5,455	0.98	<b>CHINA 6.35% (7.83%)</b>			
	<b>Mining 3.40% (3.98%)</b>				<b>Automobiles &amp; parts 0.97% (1.26%)</b>		
536,489	BHP Billiton	11,094	1.99	1,612,426	Great Wall Motor	5,447	0.97
218,711	Rio Tinto	7,857	1.41		<b>Banks 3.64% (3.86%)</b>		
	<b>Oil &amp; gas 0.70% (0.71%)</b>			22,714,524	China Construction Bank	11,172	2.00
441,524	Santos	3,885	0.70	20,989,551	Industrial & Commercial Bank of China	9,159	1.64
	<b>Real estate 1.14% (1.07%)</b>				<b>Construction &amp; building materials 0.00% (0.43%)</b>		
3,202,621	Mirvac Group	3,098	0.55		<b>Electronic &amp; electrical equipment 0.61% (0.56%)</b>		
1,952,205	Westfield Retail Trust	3,307	0.59	1,681,439	Zhuzhou CSR Times Electric Company	3,390	0.61
	<b>Speciality &amp; other finance 0.85% (0.98%)</b>				<b>Insurance 0.58% (1.16%)</b>		
175,737	Macquarie Group	4,772	0.85	679,636	Ping An Insurance Group	3,230	0.58
	<b>Support services 0.95% (0.00%)</b>				<b>Oil &amp; gas 0.55% (0.56%)</b>		
851,636	Amcor	5,319	0.95	6,168,288	China Petroleum & Chemical	3,070	0.55
	<b>Telecommunications services 1.42% (1.54%)</b>				<b>Total China</b>	<b>35,468</b>	<b>6.35</b>
2,814,619	Telstra	7,946	1.42	<b>HONG KONG 13.46% (13.37%)</b>			
	<b>Total Australia</b>	<b>113,902</b>	<b>20.40</b>		<b>Banks 0.55% (0.00%)</b>		
	<b>BERMUDA 1.64% (1.60%)</b>			1,447,210	BOC Hong Kong Holdings	3,050	0.55
	<b>Diversified industrials 1.17% (1.03%)</b>				<b>Diversified industrials 3.67% (2.93%)</b>		
315,413	Jardine Strategic	6,516	1.17	1,489,184	Hutchison Whampoa	11,480	2.06
	<b>Household goods &amp; textiles 0.47% (0.57%)</b>			1,635,041	Wharf Holdings	8,969	1.61
2,799,721	Li & Fung	2,615	0.47		<b>Engineering &amp; machinery 0.83% (0.00%)</b>		
	<b>Total Bermuda</b>	<b>9,131</b>	<b>1.64</b>	8,770,468	Guangdong Investment	4,619	0.83
					<b>Information technology hardware 0.22% (0.55%)</b>		
				2,003,780	Lenovo Group	1,249	0.22

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>HONG KONG 13.46% (13.37%) (continued)</b>				<b>Telecommunications services 0.17% (0.00%)</b>			
	<b>Insurance 2.52% (2.46%)</b>			8,503,000	Telekomunikasi Indonesia	979	0.17
4,843,716	AIA Group	14,058	2.52	<b>Transport 0.00% (0.41%)</b>			
	<b>Oil &amp; gas 1.29% (1.41%)</b>			<b>Gas distribution 0.00% (0.52%)</b>			
5,462,760	CNOOC	7,201	1.29	<b>Total Indonesia</b>			
	<b>Real estate 2.97% (5.02%)</b>					<b>10,231</b>	<b>1.83</b>
717,952	Cheung Kong Holdings	6,753	1.21	<b>LUXEMBOURG 0.57% (0.45%)</b>			
3,520,521	China Overseas Land	6,705	1.20	<b>Personal care &amp; household products 0.57% (0.45%)</b>			
371,223	Sun Hung Kai Properties	3,138	0.56	1,859,370	Samsonite International	3,210	0.57
	<b>Telecommunications services 1.21% (1.00%)</b>			<b>Total Luxembourg</b>			
441,691	China Mobile	3,140	0.56			<b>3,210</b>	<b>0.57</b>
3,627,224	China Unicom (Hong Kong)	3,652	0.65	<b>MALAYSIA 2.49% (0.46%)</b>			
	<b>Waste management 0.20% (0.00%)</b>			<b>Banks 1.75% (0.46%)</b>			
1,972,553	China Everbright International	1,132	0.20	4,157,800	CIMB Group Holdings	5,764	1.03
	<b>Total Hong Kong</b>	<b>75,146</b>	<b>13.46</b>	2,093,800	Malayan Banking	4,025	0.72
<b>INDIA 5.77% (8.26%)</b>				<b>Electricity 0.74% (0.00%)</b>			
	<b>Automobiles &amp; parts 0.53% (1.09%)</b>			2,409,200	Tenaga Nasional	4,125	0.74
389,950	Mahindra & Mahindra	2,938	0.53	<b>Total Malaysia</b>			
	<b>Banks 2.02% (3.17%)</b>					<b>13,914</b>	<b>2.49</b>
957,228	HDFC Bank	5,775	1.03	<b>PHILIPPINES 3.23% (2.75%)</b>			
284,139	ICICI Bank	5,554	0.99	<b>Banks 1.05% (0.84%)</b>			
	<b>Engineering &amp; machinery 0.10% (0.54%)</b>			1,154,400	Asia United Bank	1,024	0.18
74,895	Larsen & Toubro	553	0.10	4,308,785	Metroplitan Bank & Trust	4,854	0.87
	<b>Health 0.47% (0.00%)</b>			<b>Diversified industrials 0.61% (0.87%)</b>			
314,563	Apollo Hospitals Enterprise	2,626	0.47	444,284	Ayala	3,422	0.61
	<b>Leisure entertainment &amp; hotels 0.00% (0.80%)</b>			<b>Food producers &amp; processors 1.07% (0.58%)</b>			
	<b>Pharmaceuticals &amp; biotechnology 0.73% (0.00%)</b>			15,704,700	Alliance Global Group	5,946	1.07
781,524	Sun Pharmaceutical Industries	4,058	0.73	<b>Real estate 0.50% (0.46%)</b>			
	<b>Software &amp; computer services 0.74% (0.71%)</b>			11,968,800	SM Prime Holdings	2,786	0.50
139,323	Infosys Technologies	4,134	0.74	<b>Total Philippines</b>			
	<b>Speciality &amp; other finance 0.00% (0.62%)</b>					<b>18,032</b>	<b>3.23</b>
	<b>Tobacco 1.18% (1.33%)</b>			<b>SINGAPORE 3.01% (5.40%)</b>			
2,111,537	ITC	6,569	1.18	<b>Banks 2.24% (1.79%)</b>			
	<b>Total India</b>	<b>32,207</b>	<b>5.77</b>	1,005,412	DBS Group Holdings	8,167	1.46
<b>INDONESIA 1.83% (3.27%)</b>				874,183	Oversea-Chinese Banking	4,340	0.78
	<b>Banks 0.59% (1.06%)</b>			<b>Engineering &amp; machinery 0.76% (2.17%)</b>			
8,506,124	Bank Mandiri (Persero)	3,272	0.59	822,487	Keppel	4,274	0.76
	<b>Construction &amp; building materials 0.61% (1.03%)</b>			<b>Real estate 0.01% (0.85%)</b>			
4,714,825	Semen Indonesia (Persero)	3,423	0.61	65,798	Keppel REIT	39	0.01
	<b>Media &amp; photography 0.46% (0.25%)</b>			<b>Telecommunications services 0.00% (0.59%)</b>			
18,414,789	Surya Citra Media	2,557	0.46	<b>Total Singapore</b>			
						<b>16,820</b>	<b>3.01</b>

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SOUTH KOREA 12.69% (14.30%)</b>					<b>THAILAND 3.36% (4.68%)</b>				
		<b>Automobiles &amp; parts 2.21% (1.80%)</b>					<b>Banks 1.01% (1.28%)</b>		
	83,863	Hyundai Motor	12,316	2.21		503,732	Kasikornbank	1,668	0.30
		<b>Banks 0.72% (1.03%)</b>				1,428,174	SIAM Commercial Bank	3,979	0.71
	187,353	Hana Financial Holdings	4,006	0.72			<b>General retailers 0.00% (0.92%)</b>		
		<b>Chemicals 0.83% (0.53%)</b>					<b>Oil &amp; gas 0.73% (0.93%)</b>		
	25,937	LG Chem	4,624	0.83		2,968,869	PTT Global Chemical	4,047	0.73
		<b>Electricity 0.64% (1.12%)</b>					<b>Telecommunications services 1.62% (1.55%)</b>		
	204,280	Korea Electric Power	3,600	0.64		986,930	Advanced Info Service	4,931	0.88
		<b>Engineering &amp; machinery 0.62% (0.62%)</b>				816,241	Total Access Communication	1,772	0.32
	144,290	Samsung Heavy Industries	3,488	0.62		1,077,930	Total Access Communication Non-voting Shares	2,340	0.42
		<b>Food producers &amp; processors 0.00% (0.46%)</b>					<b>Total Thailand</b>	<b>18,737</b>	<b>3.36</b>
		<b>General retailers 0.44% (0.47%)</b>							
	26,727	Hyundai Department Store	2,434	0.44			<b>UNITED KINGDOM 4.56% (3.90%)</b>		
		<b>Health 0.54% (0.93%)</b>					<b>Collective investment schemes 4.56% (3.90%)</b>		
	10,153	LG Household & Health Care	3,036	0.54		12,972,102	*Threadneedle China Opportunities Fund	25,475	4.56
		<b>Information technology hardware 5.75% (6.57%)</b>					<b>Total United Kingdom</b>	<b>25,475</b>	<b>4.56</b>
	31,092	Samsung Electronics	24,986	4.47					
	448,720	SK Hynix	7,143	1.28			<b>UNITED STATES OF AMERICA 1.42% (0.28%)</b>		
		<b>Speciality &amp; other finance 0.00% (0.51%)</b>					<b>Health 0.63% (0.28%)</b>		
		<b>Steel &amp; other metals 0.00% (0.26%)</b>				1,100,817	ResMed	3,509	0.63
		<b>Telecommunications services 0.94% (0.00%)</b>					<b>Media &amp; photography 0.79% (0.00%)</b>		
	41,389	SK Telecom	5,239	0.94		215,540	Twenty-First Century Fox 'B' Shares	4,414	0.79
		<b>Total South Korea</b>	<b>70,872</b>	<b>12.69</b>			<b>Total United States of America</b>	<b>7,923</b>	<b>1.42</b>
<b>TAIWAN 10.81% (8.27%)</b>							<b>Total value of investments</b>	<b>548,361</b>	<b>98.21</b>
		<b>Electronic &amp; electrical equipment 0.51% (1.45%)</b>					<b>Net other assets (1.50%)</b>	<b>9,978</b>	<b>1.79</b>
	970,000	Delta Electronics	2,854	0.51			<b>Net assets</b>	<b>558,339</b>	<b>100.00</b>
		<b>General retailers 0.61% (0.35%)</b>							
	750,000	President Chain Store	3,378	0.61					
		<b>Information technology hardware 5.11% (4.18%)</b>							
	578,000	Mediatek	4,603	0.83					
	10,922,408	Taiwan Semiconductor	23,894	4.28					
		<b>Investment companies 0.49% (0.00%)</b>							
	6,726,392	Asian Pay Television Trust	2,752	0.49					
		<b>Real estate 0.61% (0.00%)</b>							
	1,813,000	Huaku Development	3,407	0.61					
		<b>Speciality &amp; other finance 2.76% (1.48%)</b>							
	20,217,153	CTBC Financial Holdings	8,431	1.51					
	15,975,300	E.Sun Financial Holding	6,989	1.25					
		<b>Telecommunications services 0.72% (0.81%)</b>							
	2,539,000	Far EasTone Telecommunications	4,028	0.72					
		<b>Total Taiwan</b>	<b>60,336</b>	<b>10.81</b>					

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Related party.

## Threadneedle Latin America Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BERMUDA 4.09% (4.38%)</b>				<b>CANADA 2.05% (2.08%)</b>			
	<b>Banks 2.43% (2.61%)</b>				<b>Oil &amp; gas 2.05% (2.08%)</b>		
200,000	Credicorp	16,115	2.43	1,150,000	Pacific Rubiales Energy	13,598	2.05
	<b>Food producers &amp; processors 1.66% (1.77%)</b>				<b>Total Canada</b>	<b>13,598</b>	<b>2.05</b>
1,250,000	Cosan	11,013	1.66				
	<b>Total Bermuda</b>	<b>27,128</b>	<b>4.09</b>	<b>CHILE 3.69% (3.35%)</b>			
<b>BRAZIL 51.31% (55.62%)</b>					<b>General retailers 2.85% (2.48%)</b>		
	<b>Automobiles &amp; parts 1.63% (2.43%)</b>			3,000,000	SACI Falabella	18,873	2.85
1,400,002	Iochpe-Maxion	10,833	1.63		<b>Software &amp; computer services 0.84% (0.87%)</b>		
	<b>Banks 10.63% (10.74%)</b>			3,350,544	Sonda	5,613	0.84
742,975	Banco Bradesco	5,768	0.87		<b>Total Chile</b>	<b>24,486</b>	<b>3.69</b>
3,700,000	Banco Bradesco	28,917	4.36	<b>LUXEMBOURG 1.52% (1.04%)</b>			
4,399,999	Itaú Unibanco Banco Multiplo	35,772	5.40		<b>Oil &amp; gas 1.52% (1.04%)</b>		
	<b>Beverages 5.80% (6.01%)</b>			350,000	Tenaris	10,065	1.52
1,700,000	Companhia de Bebidas das Americas	38,417	5.80		<b>Total Luxembourg</b>	<b>10,065</b>	<b>1.52</b>
	<b>Diversified industrials 2.68% (2.70%)</b>			<b>MEXICO 28.66% (23.70%)</b>			
7,700,003	Itausa-Investimentos Itau	17,790	2.68		<b>Banks 3.99% (1.89%)</b>		
	<b>Food producers &amp; processors 5.45% (1.34%)</b>			4,500,000	Compartamos	5,320	0.80
950,000	Brasil Foods	14,629	2.21	3,703,000	Grupo Financiero Banorte	14,264	2.15
350,000	Cia Brasileira de Distribuicao	9,459	1.43	800,000	Grupo Financiero Sandander Mexico	6,920	1.04
462,900	M Dias Branco	12,004	1.81		<b>Beverages 6.49% (6.30%)</b>		
	<b>General retailers 2.03% (7.56%)</b>			1,950,000	ARCA Continental	7,872	1.19
750,000	Localiza Rent A Car	6,593	1.00	570,000	Fomento Economico Mexicano	35,125	5.30
1,400,000	Raia Drogasil	6,856	1.03		<b>Chemicals 1.05% (1.90%)</b>		
	<b>Household goods &amp; textiles 1.03% (1.08%)</b>			2,556,368	Mexichem	6,935	1.05
1,925,000	Alpargatas	6,799	1.03		<b>Construction &amp; building materials 4.45% (3.12%)</b>		
	<b>Mining 8.41% (8.21%)</b>			4,150,000	Cemex	29,502	4.45
6,250,000	Vale	55,749	8.41		<b>Diversified industrials 2.51% (1.54%)</b>		
	<b>Oil &amp; gas 6.29% (5.35%)</b>			10,000,000	Alfa	16,656	2.51
4,250,000	Petroleo Brasileiro	41,703	6.29		<b>General retailers 2.52% (2.86%)</b>		
	<b>Real estate 0.92% (3.24%)</b>			2,500,000	Alsea	4,007	0.61
1,000,000	Iguatemi Empresa de Shopping	6,094	0.92	8,250,894	Wal-Mart de Mexico	12,668	1.91
	<b>Software &amp; computer services 0.75% (0.00%)</b>				<b>Media &amp; photography 1.99% (1.93%)</b>		
500,000	TOTVS	5,001	0.75	800,000	Grupo Televisa	13,203	1.99
	<b>Speciality &amp; other finance 1.39% (1.69%)</b>				<b>Mining 2.40% (2.17%)</b>		
2,750,000	BM&F Bovespa	9,242	1.39	8,500,921	Grupo Mexico	15,920	2.40
	<b>Steel &amp; other metals 1.43% (2.36%)</b>				<b>Pharmaceuticals &amp; biotechnology 0.00% (1.07%)</b>		
2,000,000	Gerdau	9,466	1.43		<b>Real estate 1.81% (0.92%)</b>		
	<b>Support services 2.47% (2.82%)</b>			4,000,100	Macquarie Mexico Real estate	4,446	0.67
2,702,152	CCR	13,069	1.97	6,750,273	TF Administradora Industrial	7,539	1.14
425,000	Valid Solucoes	3,289	0.50		<b>Support services 1.45% (0.00%)</b>		
	<b>Telecommunications services 0.40% (0.09%)</b>			5,850,000	OHL Mexico	9,598	1.45
250,000	LINX	2,646	0.40		<b>Total Mexico</b>	<b>189,975</b>	<b>28.66</b>
	<b>Total Brazil</b>	<b>340,096</b>	<b>51.31</b>				

## Threadneedle Latin America Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>PANAMA 4.38% (2.67%)</b>			
	<b>Aerospace &amp; defence 4.38% (2.67%)</b>		
340,000	Copa Holdings Class A	29,026	4.38
	<b>Total Panama</b>	<b>29,026</b>	<b>4.38</b>
<b>PERU 1.21% (0.71%)</b>			
	<b>Construction &amp; building materials 0.71% (0.71%)</b>		
590,000	Cementos Pacasmayo	4,676	0.71
	<b>Oil &amp; gas 0.50% (0.00%)</b>		
249,415	Graña y Montero	3,311	0.50
	<b>Total Peru</b>	<b>7,987</b>	<b>1.21</b>
<b>UNITED KINGDOM 0.00% (1.47%)</b>			
	<b>Mining 0.00% (1.47%)</b>		
	<b>Total United Kingdom</b>	<b>-</b>	<b>-</b>
<b>UNITED STATES OF AMERICA 1.07% (1.11%)</b>			
	<b>Mining 1.07% (1.11%)</b>		
404,691	Southern Copper	7,097	1.07
	<b>Total United States of America</b>	<b>7,097</b>	<b>1.07</b>
<b>Total value of investments</b>		<b>649,458</b>	<b>97.98</b>
<b>Net other assets (3.87%)</b>		<b>13,378</b>	<b>2.02</b>
<b>Net assets</b>		<b>662,836</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
<b>ARGENTINA 3.17% (2.71%)</b>					<b>EL SALVADOR 0.52% (1.20%)</b>					
<b>Not rated 3.17% (2.71%)</b>					<b>BB- 0.52% (1.20%)</b>					
USD	15,313,022	Republic of Argentina 7% 03/10/2015	8,973	2.74	USD	1,077,000	Republic of El Salvador 5.875% 30/01/2025	640	0.20	
USD	2,650,602	Republic of Argentina 7% 17/04/2017	1,399	0.43	USD	1,055,000	Republic of El Salvador 7.65% 15/06/2035	639	0.19	
<b>Total Argentina</b>				<b>10,372</b>	<b>3.17</b>	USD	642,000	Republic of El Salvador 8.25% 10/04/2032	411	0.13
<b>BRAZIL 7.67% (6.96%)</b>					<b>Total El Salvador</b>					
<b>A- 4.20% (0.00%)</b>					<b>1,690 0.52</b>					
BRL	33,819	Letra Tesouro Nacional 10% 01/01/2017	6,436	1.96	<b>HUNGARY 2.06% (2.33%)</b>					
BRL	26,727	Nota do Tesouro Nacional 0% 01/01/2015	7,341	2.24	<b>BB 2.06% (2.33%)</b>					
<b>BBB 2.50% (5.93%)</b>					USD 962,000 Republic of Hungary 4.125% 19/02/2018					
USD	4,998,000	Federal Republic of Brazil 5.625% 07/01/2041	3,008	0.92	USD	4,094,000	Republic of Hungary 5.375% 21/02/2023	2,466	0.75	
USD	3,711,000	Federal Republic of Brazil 5.875% 15/01/2019	2,640	0.81	USD	1,002,000	Republic of Hungary 6.25% 29/01/2020	664	0.20	
USD	1,995,000	Federal Republic of Brazil 7.125% 20/01/2037	1,428	0.44	USD	4,552,000	Republic of Hungary 6.375% 29/03/2021	3,007	0.92	
USD	1,370,000	Federal Republic of Brazil 8.25% 20/01/2034	1,095	0.33	<b>Total Hungary</b>				<b>6,737 2.06</b>	
<b>Baa2 0.97% (1.03%)</b>					<b>INDONESIA 6.19% (6.83%)</b>					
USD	4,786,000	Federal Republic of Brazil 4.875% 22/01/2021	3,177	0.97	<b>BB+ 6.01% (6.70%)</b>					
<b>Total Brazil</b>				<b>25,125</b>	<b>7.67</b>	USD	400,000	Pertamina 4.875% 03/05/2022	218	0.07
<b>CHINA 0.07% (0.09%)</b>					USD 4,559,000 Pertamina 5.25% 23/05/2021					
<b>BB- 0.07% (0.09%)</b>					USD 2,342,000 Perusahaan Penerbit SBSN 4% 21/11/2018					
USD	401,000	Development Bank of Mongolia 5.75% 21/03/2017	227	0.07	USD	1,240,000	Republic of Indonesia 3.375% 15/04/2023	625	0.19	
<b>Total China</b>				<b>227</b>	<b>0.07</b>	USD	4,348,000	Republic of Indonesia 3.75% 25/04/2022	2,304	0.70
<b>COLOMBIA 3.53% (3.01%)</b>					USD 2,249,000 Republic of Indonesia 4.625% 15/04/2043					
<b>BBB 3.53% (0.00%)</b>					USD 7,026,000 Republic of Indonesia 4.875% 05/05/2021					
USD	5,135,000	Republic of Colombia 4.375% 12/07/2021	3,322	1.01	USD	3,048,000	Republic of Indonesia 5.25% 17/01/2042	1,470	0.45	
USD	2,077,000	Republic of Colombia 6.125% 18/01/2041	1,377	0.42	USD	4,872,000	Republic of Indonesia 5.875% 13/03/2020	3,065	0.93	
USD	3,355,000	Republic of Colombia 7.375% 27/01/2017	2,489	0.76	USD	1,935,000	Republic of Indonesia 6.625% 17/02/2037	1,121	0.34	
USD	3,346,000	Republic of Colombia 7.375% 18/03/2019	2,550	0.78	USD	1,165,000	Republic of Indonesia 6.875% 09/03/2017	806	0.25	
USD	2,400,000	Republic of Colombia 7.375% 18/09/2037	1,833	0.56	USD	375,000	Republic of Indonesia 6.875% 17/01/2018	259	0.08	
<b>BBB- 0.00% (3.01%)</b>					USD 501,000 Republic of Indonesia 7.75% 17/01/2038					
<b>Total Colombia</b>				<b>11,571</b>	<b>3.53</b>	USD	456,000	Republic of Indonesia 8.5% 12/10/2035	323	0.10
<b>CROATIA 0.84% (1.88%)</b>					<b>IRAQ 0.00% (0.50%)</b>					
<b>BB+ 0.84% (1.88%)</b>					<b>Not rated 0.00% (0.50%)</b>					
USD	1,225,000	Croatia 6.25% 27/04/2017	823	0.25	USD	1,351,000	Perusahaan Listrik Negar 5.25% 24/10/2042	591	0.18	
USD	2,860,000	Croatia 6.75% 05/11/2019	1,926	0.59	<b>Total Indonesia</b>				<b>20,265 6.19</b>	
<b>Total Croatia</b>				<b>2,749</b>	<b>0.84</b>	<b>Total Iraq</b>				<b>- -</b>
<b>EGYPT 0.00% (0.25%)</b>					<b>EGYPT 0.00% (0.25%)</b>					
<b>B- 0.00% (0.25%)</b>					<b>Total Egypt</b>					
<b>Total Egypt</b>				<b>-</b>	<b>-</b>	<b>Total Egypt</b>				<b>- -</b>

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>KAZAKHSTAN 1.86% (0.62%)</b>									
		<b>BBB+ 1.27% (0.58%)</b>			USD	1,226,000	Petroleos Mexicanos 5.5% 27/06/2044	674	0.21
USD	3,282,000	Development Bank of Kazakhstan 4.125% 10/12/2022	1,844	0.56	USD	1,214,000	Petroleos Mexicanos 6% 05/03/2020	843	0.26
USD	4,172,000	KazAgro National Management Holding 4.625% 24/05/2023	2,319	0.71	USD	1,640,000	Petroleos Mexicanos 6.5% 02/06/2041	1,031	0.31
		<b>BBB- 0.59% (0.04%)</b>			USD	3,444,000	United Mexican States 3.625% 15/03/2022	2,122	0.65
USD	1,839,000	JSC National Company KazMunayGas 5.75% 30/04/2043	967	0.29	USD	5,107,000	United Mexican States 4.75% 08/03/2044	2,788	0.85
USD	1,455,000	JSC National Company KazMunayGas 6.375% 09/04/2021	973	0.30	USD	1,948,000	United Mexican States 5.125% 15/01/2020	1,370	0.42
		<b>Total Kazakhstan</b>	<b>6,103</b>	<b>1.86</b>	USD	200,000	United Mexican States 5.625% 15/01/2017	143	0.04
					USD	2,638,000	United Mexican States 6.05% 11/01/2040	1,771	0.54
<b>LUXEMBOURG 4.94% (0.71%)</b>									
		<b>A3 0.00% (0.71%)</b>			USD	4,115,000	United Mexican States 6.75% 27/09/2034	3,015	0.92
		<b>Baa1 1.43% (0.00%)</b>			USD	1,532,000	United Mexican States 7.5% 08/04/2033	1,226	0.37
USD	3,758,000	Sberbank 4.95% 07/02/2017	2,510	0.76	USD	1,317,000	United Mexican States 8.3% 15/08/2031	1,136	0.35
USD	552,000	Sberbank 5.18% 28/06/2019	357	0.11					
USD	2,799,000	Sberbank 6.125% 07/02/2022	1,823	0.56					
		<b>BBB 2.06% (0.00%)</b>					<b>Total Mexico</b>	<b>31,875</b>	<b>9.73</b>
USD	1,416,000	Gaz Capital 5.999% 23/01/2021	923	0.28					
USD	1,742,000	Gaz Capital 6.212% 22/11/2016	1,222	0.37	<b>NETHERLANDS 2.30% (2.42%)</b>				
USD	4,859,000	Gaz Capital 6.51% 07/03/2022	3,232	0.99					
USD	2,080,000	Gaz Capital 7.288% 16/08/2037	1,373	0.42	USD	5,991,000	Kazakhstan Temir Zholy Finance 6.95% 10/07/2042	3,636	1.11
		<b>Baa2 0.32% (0.00%)</b>							
USD	1,570,000	VTB Bank 6% 12/04/2017	1,048	0.32					
		<b>BBB- 0.57% (0.00%)</b>							
USD	3,288,000	Gazprom (GPN Capital) 4.375% 19/09/2022	1,866	0.57	USD	755,000	Majapahit Holding 7.25% 28/06/2017	519	0.16
		<b>Baa3 0.56% (0.00%)</b>			USD	759,000	Majapahit Holding 7.75% 20/01/2020	508	0.15
USD	2,832,000	Russian Agricultural Bank (RSHB) 5.298% 27/12/2017	1,838	0.56	USD	379,000	Majapahit Holding 8% 07/08/2019	260	0.08
		<b>Total Luxembourg</b>	<b>16,192</b>	<b>4.94</b>	USD	3,905,000	Republic of Angola via Northern Lights III 7% 16/08/2019	2,624	0.80
							<b>Total Netherlands</b>	<b>7,547</b>	<b>2.30</b>
<b>MEXICO 9.73% (10.99%)</b>									
		<b>A- 3.04% (1.52%)</b>			<b>NIGERIA 0.94% (0.22%)</b>				
MXN	65,352,400	Mexican Bonos Desarrollo Fixed Rate 6.5% 09/06/2022	3,142	0.96					
MXN	78,534,700	Mexican Bonos Desarrollo Fixed Rate 8% 17/12/2015	4,073	1.24					
MXN	44,956,200	Mexican Bonos Desarrollo Fixed Rate 10% 05/12/2024	2,750	0.84	NGN	751,749,000	Republic of Nigeria 15.1% 27/04/2017	3,082	0.94
		<b>Baa1 0.00% (0.29%)</b>							
		<b>Baa1e 0.32% (0.00%)</b>							
USD	1,829,000	Petroleos Mexicanos 3.5% 30/01/2023	1,037	0.32					
		<b>BBB 6.37% (9.18%)</b>							
USD	1,767,000	Comisi�n Federal de Electricidad 4.875% 26/05/2021	1,147	0.35					
USD	2,162,000	Petroleos Mexicanos 4.875% 24/01/2022	1,381	0.42					
USD	3,307,000	Petroleos Mexicanos 5.5% 21/01/2021	2,226	0.68					
		<b>Baa2 0.00% (0.34%)</b>							
							<b>Total Panama</b>	<b>1,817</b>	<b>0.55</b>
					USD	1,470,000	**Panama Bonos del Tesoro 5.625% 25/07/2022	1,005	0.30
					USD	528,000	Republic of Panama 8.875% 30/09/2027	453	0.14
					USD	406,000	Republic of Panama 9.375% 01/04/2029	359	0.11

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>PERU 2.40% (2.07%)</b>					<b>BBB 3.89% (4.72%)</b>				
		<b>BBB+ 2.40% (0.00%)</b>			USD	3,400,000	Russian Federation 5.625% 04/04/2042	2,133	0.65
USD	2,142,000	El Fondo Mivivienda 3.5% 31/01/2023	1,173	0.36	USD	5,723,094	*Russian Federation 7.5% 31/03/2030	4,216	1.29
USD	485,000	Republic of Peru 6.55% 14/03/2037	346	0.10	USD	8,000,000	Russia Foreign Bond 5% 29/04/2020	5,366	1.64
USD	1,333,000	Republic of Peru 7.125% 30/03/2019	1,011	0.31	USD	1,463,000	Vnesheconombank Via VEB Finance 6.902% 09/07/2020	1,011	0.31
USD	4,449,000	Republic of Peru 7.35% 21/07/2025	3,471	1.06			<b>Total Russian Federation</b>	<b>22,175</b>	<b>6.77</b>
USD	652,000	Republic of Peru 8.375% 03/05/2016	481	0.15					
USD	1,590,000	Republic of Peru 8.75% 21/11/2033	1,395	0.42					
		<b>BBB 0.00% (2.07%)</b>			<b>SOUTH AFRICA 0.41% (0.28%)</b>				
		<b>Total Peru</b>	<b>7,877</b>	<b>2.40</b>	USD	1,130,000	Republic of South Africa 4.665% 17/01/2024	681	0.21
<b>PHILIPPINES 1.16% (4.72%)</b>					USD	1,267,000	Transnet SOC 4% 26/07/2022	678	0.20
		<b>BBB- 1.16% (0.00%)</b>					<b>Total South Africa</b>	<b>1,359</b>	<b>0.41</b>
USD	902,000	Republic of Philippines 5% 13/01/2037	592	0.18	<b>SOUTH KOREA 0.36% (0.00%)</b>				
USD	770,000	Republic of Philippines 5.5% 30/03/2026	515	0.16			<b>A+ 0.36% (0.00%)</b>		
USD	696,000	Republic of Philippines 6.375% 15/01/2032	491	0.15	USD	1,801,000	Export-Import Bank of Korea 4.375% 15/09/2021	1,177	0.36
USD	1,159,000	Republic of Philippines 6.375% 23/10/2034	824	0.25			<b>Total South Korea</b>	<b>1,177</b>	<b>0.36</b>
USD	876,000	Republic of Philippines 7.75% 14/01/2031	678	0.21	<b>SRI LANKA 0.22% (0.91%)</b>				
USD	867,000	Republic of Philippines 8.375% 17/06/2019	689	0.21	USD	692,000	Republic of Sri Lanka 5.875% 25/07/2022	387	0.12
		<b>BB+ 0.00% (4.72%)</b>			USD	571,000	Republic of Sri Lanka 6.25% 04/10/2020	340	0.10
		<b>Total Philippines</b>	<b>3,789</b>	<b>1.16</b>			<b>B1 0.00% (0.24%)</b>		
<b>POLAND 0.00% (0.30%)</b>							<b>Total Sri Lanka</b>	<b>727</b>	<b>0.22</b>
		<b>A- 0.00% (0.30%)</b>			<b>TURKEY 6.35% (8.59%)</b>				
		<b>Total Poland</b>	<b>-</b>	<b>-</b>	USD	2,559,000	Republic of Turkey 5.125% 25/03/2022	1,564	0.48
<b>QATAR 0.59% (0.00%)</b>					USD	2,519,000	Republic of Turkey 5.625% 30/03/2021	1,616	0.49
		<b>AA 0.59% (0.00%)</b>			USD	2,924,000	Republic of Turkey 6% 14/01/2041	1,655	0.51
USD	2,892,000	State of Qatar 4.5% 20/01/2022	1,922	0.59	USD	2,688,000	Republic of Turkey 6.25% 26/09/2022	1,764	0.54
		<b>Total Qatar</b>	<b>1,922</b>	<b>0.59</b>	USD	2,647,000	Republic of Turkey 6.75% 03/04/2018	1,843	0.56
<b>REPUBLIC OF IRELAND 2.61% (1.17%)</b>					USD	1,285,000	Republic of Turkey 6.75% 30/05/2040	802	0.24
		<b>BBB 1.80% (0.16%)</b>			USD	4,990,000	Republic of Turkey 6.875% 17/03/2036	3,153	0.96
USD	2,553,000	Rosneft International Fininance 3.149% 06/03/2017	1,618	0.49	USD	1,129,000	Republic of Turkey 7.25% 05/03/2038	746	0.23
USD	2,325,000	Rosneft International Finance 4.199% 06/03/2022	1,326	0.40	USD	5,431,000	Republic of Turkey 7.375% 05/02/2025	3,761	1.15
USD	1,672,000	RZD Capital 5.7% 05/04/2022	1,073	0.33	USD	2,982,000	Republic of Turkey 7.5% 07/11/2019	2,141	0.65
USD	1,262,000	Vnesheconombank Via VEB Finance 6.025% 05/07/2022	810	0.25	USD	1,599,000	Republic of Turkey 8% 14/02/2034	1,145	0.35
USD	1,648,000	Vnesheconombank Via VEB Finance 6.8% 22/11/2025	1,083	0.33			<b>BB+ 0.19% (0.00%)</b>		
		<b>BBB- 0.81% (1.01%)</b>			USD	956,000	Export Credit Bank Of Turkey 5.875% 24/04/2019	608	0.19
USD	3,957,000	GPB Eurobond Finance 5.625% 17/05/2017	2,656	0.81			<b>Ba1 0.00% (7.01%)</b>		
		<b>Total Republic of Ireland</b>	<b>8,566</b>	<b>2.61</b>			<b>BB 0.00% (0.10%)</b>		
<b>RUSSIAN FEDERATION 6.77% (7.72%)</b>							<b>Not rated 0.00% (1.48%)</b>		
		<b>BBB+ 2.88% (3.00%)</b>					<b>Total Turkey</b>	<b>20,798</b>	<b>6.35</b>
RUB	134,596,000	Russia Government Bond 6.9% 03/08/2016	2,619	0.80	<b>UNITED KINGDOM 0.16% (0.00%)</b>				
RUB	90,539,000	Russia Government Bond 7.4% 14/06/2017	1,777	0.54			<b>B3 0.16% (0.00%)</b>		
RUB	125,424,000	Russia Government Bond 7.5% 27/02/2019	2,458	0.75	USD	929,000	Biz Finance 8.75% 22/01/2018	523	0.16
RUB	132,606,000	Russia Government Bond 7.6% 14/04/2021	2,595	0.79			<b>Total United Kingdom</b>	<b>523</b>	<b>0.16</b>

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 16.75% (17.01%)</b>					<b>URUGUAY 1.64% (0.94%)</b>				
		<b>A- 1.12% (0.00%)</b>					<b>BBB- 1.64% (0.94%)</b>		
USD	2,094,000	Republika Slovenija 4.75% 10/05/2018	1,291	0.39	USD	3,729,072	Oriental Republic of Uruguay 4.5% 14/08/2024	2,325	0.71
USD	2,311,000	Republika Slovenija 5.5% 26/10/2022	1,360	0.42	USD	397,368	Oriental Republic of Uruguay 6.875% 28/09/2025	289	0.09
USD	1,702,000	Republika Slovenija 5.85% 10/05/2023	1,020	0.31	UYU	56,575,606	*Oriental Republic of Uruguay 8.37453% 14/09/2018	2,770	0.84
		<b>BBB 3.37% (3.56%)</b>					<b>Total Uruguay</b>	<b>5,384</b>	<b>1.64</b>
USD	3,438,000	Pemex Project Funding Master Trust 5.75% 01/03/2018	2,421	0.74					
USD	2,157,000	Pemex Project Funding Master Trust 6.625% 15/06/2035	1,404	0.43	<b>VENEZUELA 10.37% (9.67%)</b>				
USD	1,605,000	Pemex Project Funding Master Trust 6.625% 15/06/2038	1,042	0.32			<b>B+ 0.00% (8.80%)</b>		
USD	6,520,000	Petroleum Company of Trinidad and Tobago 9.75% 14/08/2019	5,153	1.57			<b>B 9.65% (0.00%)</b>		
USD	1,388,000	Republic of Lithuania 6.625% 01/02/2022	1,011	0.31	USD	1,425,000	Bolivarian Republic of Venezuela 5.75% 26/02/2016	818	0.25
		<b>BBB- 0.41% (0.31%)</b>			USD	2,725,000	Bolivarian Republic of Venezuela 7% 01/12/2018	1,421	0.43
USD	2,410,000	Kingdom of Morocco 4.25% 11/12/2022	1,348	0.41	USD	1,372,000	Bolivarian Republic of Venezuela 7.65% 21/04/2025	608	0.19
		<b>Baa3 0.51% (0.00%)</b>			USD	7,384,100	Bolivarian Republic of Venezuela 7.75% 13/10/2019	3,818	1.16
USD	2,581,000	Republic of Namibia 5.5% 03/11/2021	1,669	0.51	USD	2,848,100	Bolivarian Republic of Venezuela 8.25% 13/10/2024	1,323	0.40
		<b>BB+ 1.67% (1.46%)</b>			USD	4,886,500	Bolivarian Republic of Venezuela 9% 07/05/2023	2,444	0.75
USD	3,268,000	Romania 4.375% 22/08/2023	1,945	0.59	USD	3,486,100	Bolivarian Republic of Venezuela 11.75% 21/10/2026	1,959	0.60
USD	4,954,000	Romania 6.75% 07/02/2022	3,523	1.08	USD	3,766,100	Bolivarian Republic of Venezuela 12.75% 23/08/2022	2,345	0.72
		<b>BB 1.31% (0.46%)</b>			USD	5,526,400	Petroleos de Venezuela 5.25% 12/04/2017	2,768	0.84
USD	914,000	Republic of Costa Rica 4.25% 26/01/2023	528	0.16	USD	2,579,100	Petroleos de Venezuela 5.375% 12/04/2027	908	0.28
USD	3,920,000	Republic of Guatemala 4.875% 13/02/2028	2,222	0.68	USD	14,263,200	Petroleos de Venezuela 8.5% 02/11/2017	8,085	2.47
USD	2,392,000	Republic of Guatemala 5.75% 06/06/2022	1,546	0.47	USD	7,145,790	Petroleos de Venezuela 9% 17/11/2021	3,603	1.10
		<b>BB- 1.26% (1.44%)</b>			USD	2,618,500	Republic of Venezuela 6% 09/12/2020	1,176	0.36
USD	1,612,000	JSC Georgian Railway 7.75% 11/07/2022	1,092	0.33	USD	515,000	Republic of Venezuela 8.5% 08/10/2014	333	0.10
USD	4,521,000	Republic of Georgia 6.875% 12/04/2021	3,045	0.93			<b>B2 0.00% (0.31%)</b>		
		<b>B+ 3.35% (2.11%)</b>			USD	3,872,700	Petroleos de Venezuela 12.75% 17/02/2022	2,356	0.72
USD	2,142,000	Dominican Republic 5.875% 18/04/2024	1,282	0.39			<b>Total Venezuela</b>	<b>33,965</b>	<b>10.37</b>
USD	13,414,000	Dominican Republic 7.5% 06/05/2021	9,183	2.80	<b>DERIVATIVES 0.10% (0.00%)</b>				
USD	953,000	Republic of Zambia 5.375% 20/09/2022	514	0.16			<b>Forward foreign exchange contracts 0.10% (-0.01%)</b>		
		<b>B 1.92% (5.25%)</b>					Sell USD 154,641		
USD	4,576,000	Honduras Government 7.5% 15/03/2024	2,362	0.72			Buy GBP 100,000 UBS	1	-
USD	1,901,000	Ukraine Government 6.25% 17/06/2016	1,122	0.34			Sell RUB 521,332,588		
USD	2,287,000	Ukraine Government 6.75% 14/11/2017	1,307	0.40			Buy USD 15,829,136 HSBC	172	0.05
USD	2,418,000	Ukraine Government 9.25% 24/07/2017	1,515	0.46			Sell MXN 217,524,390		
		<b>B3 0.72% (0.43%)</b>					Buy USD 16,105,163 RBS	(100)	(0.03)
USD	3,825,000	Ukreximbank 8.375% 27/04/2015	2,370	0.72			Sell USD 158,326		
		<b>Not rated 1.11% (1.99%)</b>					Buy GBP 105,000 J.P. Morgan	3	-
USD	3,923,000	*Ivory Coast 7.09955% 31/12/2032	2,117	0.65					
USD	2,379,000	Naftogaz of Ukraine 9.5% 30/09/2014	1,497	0.46					
		<b>Total United States of America</b>	<b>54,889</b>	<b>16.75</b>					

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.10% (0.00%) (continued)</b>					Sell GBP 50,000		
	Sell USD 171,577				Buy USD 76,728 Citigroup	(1)	–
	Buy GBP 110,000 Citigroup	1	–		Sell USD 108,969		
	Sell GBP 115,000				Buy GBP 70,000 J.P. Morgan	–	–
	Buy USD 176,514 J.P. Morgan	(2)	–		Sell USD 1,221,148		
	Sell USD 18,990,988				Buy TRY 2,396,197 Citigroup	(42)	(0.01)
	Buy TRY 37,450,000 J.P. Morgan	(595)	(0.18)		Sell USD 1,174,995		
	Sell GBP 120,000				Buy GBP 750,000 J.P. Morgan	(5)	–
	Buy USD 185,748 J.P. Morgan	(1)	–		Sell GBP 815,000		
	Sell TRY 40,279,165				Buy USD 1,269,458 Citigroup	–	–
	Buy USD 21,166,140 HSBC	1,116	0.34		Sell MXN 182,683,425		
	Sell USD 2,154,649				Buy USD 14,076,546 Citigroup	270	0.08
	Buy GBP 1,400,000 Citigroup	16	0.01				
	Sell GBP 1,490,000						
	Buy USD 2,283,324 J.P. Morgan	(24)	(0.01)		<b>Futures and options 0.00% (0.01%)</b>		
	Sell USD 25,410,980				<b>Total derivatives</b>	<b>333</b>	<b>0.10</b>
	Buy MXN 327,179,071 Citigroup	(611)	(0.19)		<b>Total value of investments</b>	<b>308,836</b>	<b>94.26</b>
	Sell USD 2,499,683				<b>Net other assets (4.25%)</b>	<b>18,817</b>	<b>5.74</b>
	Buy GBP 1,600,000 Citigroup	(5)	–		<b>Net assets</b>	<b>327,653</b>	<b>100.00</b>
	Sell USD 261,118						
	Buy GBP 170,000 J.P. Morgan	2	–				
	Sell USD 27,564,880						
	Buy RUB 903,852,414 Citigroup	(375)	(0.11)		<b>ANALYSIS OF INVESTMENTS BY CREDIT RATINGS</b>		
	Sell RUB 903,852,414					<b>Value</b>	
	Buy USD 27,765,991 RBS	505	0.15			<b>£000</b>	
	Sell USD 279,239				AA	1,922	
	Buy GBP 180,000 J.P. Morgan	1	–		A+	1,177	
	Sell MXN 374,952,251				A–	27,413	
	Buy USD 28,559,087 HSBC	340	0.10		BBB+	21,489	
	Sell USD 294,457				Baa1	4,690	
	Buy GBP 190,000 J.P. Morgan	1	–		Baa1e	1,037	
	Sell USD 319,277				BBB	80,208	
	Buy TRY 633,494 J.P. Morgan	(9)	–		Baa2	4,225	
	Sell USD 312,545				BBB–	20,619	
	Buy GBP 200,000 RBS	(1)	–		Baa3	23,697	
	Sell USD 3,144,972				BB+	28,499	
	Buy RUB 104,806,189 Citigroup	(11)	–		BB	12,911	
	Sell USD 32,137,719				BB–	8,678	
	Buy MXN 429,167,101 Citigroup	(35)	(0.01)		B+	11,706	
	Sell USD 33,795,519				B	37,915	
	Buy MXN 435,782,366 J.P. Morgan	(782)	(0.24)		B3	2,893	
	Sell MXN 479,868,471				Not rated	19,424	
	Buy USD 36,649,066 J.P. Morgan	498	0.15		Total bonds	308,503	
	Sell USD 3,801,604				Derivatives	333	
	Buy RUB 128,000,000 Citigroup	12	–		<b>Total value of investments</b>	<b>308,836</b>	
	Sell USD 4,839,628						
	Buy MXN 62,900,000 J.P. Morgan	(88)	(0.03)		<b>ANALYSIS OF COLLATERAL RECEIVED</b>		
	Sell USD 554,544				<b>Counterparty</b>	<b>Type</b>	<b>Value</b>
	Buy RUB 18,482,965 HSBC	(2)	–				<b>£000</b>
	Sell GBP 3,700,000				Citibank	Cash	430
	Buy USD 5,779,729 J.P. Morgan	12	–		HSBC	Cash	1,320
	Sell USD 6,828,560				J.P.Morgan	Cash	950
	Buy TRY 13,600,000 HSBC	(172)	(0.05)		Lehman Brothers	Cash	560
	Sell USD 7,080,845				RBS	Cash	390
	Buy RON 23,709,408 HSBC	(90)	(0.03)				
	Sell RON 23,709,408						
	Buy USD 6,975,407 Citigroup	22	0.01				
	Sell TRY 13,820,000						
	Buy USD 7,020,806 Citigroup	228	0.07				
	Sell RUB 232,806,189						
	Buy USD 7,080,480 RBS	84	0.03				

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Variable rate bonds.

\*\*At 7 September 2013, there were investments totalling £1,005,362 (0.30% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

## Threadneedle High Yield Bond Fund

### Portfolio Statement

as at 7 September 2013

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value		
<b>AUSTRIA 0.40% (0.52%)</b>					<b>FINLAND 0.32% (0.45%)</b>						
<b>BB 0.40% (0.52%)</b>					<b>BB 0.32% (0.32%)</b>						
EUR	1,650,000	Sappi Papier Holding 6.625% 15/04/2018	1,418	0.18	GBP	2,336,000	UPM-Kymmene 6.625% 23/01/2017	2,502	0.32		
USD	1,060,000	Sappi Papier Holding 7.75% 15/07/2017	708	0.09	<b>Not rated 0.00% (0.13%)</b>						
USD	1,500,000	Sappi Papier Holding 8.375% 15/06/2019	1,007	0.13	<b>Total Finland</b>						
<b>Total Austria</b>				<b>3,133</b>	<b>0.40</b>	<b>2,502</b>				<b>0.32</b>	
<b>BELGIUM 0.34% (0.34%)</b>					<b>FRANCE 8.02% (7.63%)</b>						
<b>BB+ 0.34% (0.34%)</b>					<b>BB+ 3.24% (3.04%)</b>						
USD	4,000,000	KBC Bank 8% 25/01/2023	2,614	0.34	EUR	2,108,000	Lafarge 4.75% 23/03/2020	1,840	0.24		
<b>Total Belgium</b>				<b>2,614</b>	<b>0.34</b>	EUR	2,100,000	Lafarge 5.375% 26/06/2017	1,880	0.24	
<b>CANADA 0.88% (1.11%)</b>					EUR	1,255,000	Lafarge 5.875% 09/07/2019	1,135	0.15		
<b>BB 0.88% (1.11%)</b>					GBP	1,282,000	Lafarge 6.625% 29/11/2017	1,390	0.18		
EUR	7,781,000	Bombardier 6.125% 15/05/2021	6,876	0.88	EUR	3,352,000	Lafarge 6.625% 29/11/2018	3,096	0.40		
<b>Total Canada</b>				<b>6,876</b>	<b>0.88</b>	EUR	1,510,000	Lafarge 6.75% 16/12/2019	1,398	0.18	
<b>CAYMAN ISLANDS 2.58% (3.47%)</b>					GBP	1,438,000	Lafarge 10% 30/05/2017	1,701	0.22		
<b>BB 1.37% (0.11%)</b>					EUR	9,362,000	Renault 4.625% 18/09/2017	8,320	1.07		
USD	1,200,000	Sable International Finance 8.75% 01/02/2020	858	0.11	EUR	2,903,000	SPCM 5.5% 15/06/2020	2,616	0.34		
EUR	3,679,000	UPCB Finance 6.375% 01/07/2020	3,251	0.42	EUR	1,966,000	Tereos Europe 6.375% 15/04/2014	1,696	0.22		
EUR	6,108,000	UPCB Finance 7.625% 15/01/2020	5,522	0.71	<b>BB 1.62% (2.25%)</b>						
USD	1,560,000	UPCB Finance VI 6.875% 15/01/2022	1,044	0.13	EUR	5,473,000	Crown European Holdings 7.125% 15/08/2018	4,938	0.63		
<b>BB- 0.00% (1.55%)</b>					EUR	1,000,000	Nexans 4.25% 19/03/2018	842	0.11		
<b>B 0.21% (0.21%)</b>					EUR	1,050,000	Nexans 5.75% 02/05/2017	944	0.12		
USD	2,298,000	RDS Ultra-Deepwater 11.875% 15/03/2017	1,638	0.21	EUR	3,270,000	Rexel 5.125% 15/06/2020	2,794	0.36		
<b>B2 0.59% (0.60%)</b>					EUR	3,437,000	Rexel 7% 17/12/2018	3,156	0.40		
EUR	750,000	Dubai Holding 4.75% 30/01/2014	629	0.08	<b>BB- 0.68% (0.68%)</b>						
GBP	1,900,000	Dubai Holding Commercial Operations Group 6% 01/02/2017	1,872	0.24	EUR	6,003,000	Peugeot 7.375% 06/03/2018	5,312	0.68		
EUR	2,321,000	Viridian Group 11.125% 01/04/2017	2,095	0.27	<b>Ba3 0.21% (0.21%)</b>						
<b>Not rated 0.41% (1.00%)</b>					EUR	1,675,000	Faurecia 9.375% 15/12/2016	1,650	0.21		
USD	4,992,615	*PSOS Finance 12% 06/10/2015	3,206	0.41	<b>B+ 1.27% (1.04%)</b>						
<b>Total Cayman Islands</b>				<b>20,115</b>	<b>2.58</b>	EUR	1,580,000	Cerba European Lab 7% 01/02/2020	1,331	0.17	
<b>CROATIA 1.06% (1.15%)</b>					EUR	6,058,000	Labco 8.5% 15/01/2018	5,373	0.69		
<b>B 1.06% (1.15%)</b>					EUR	3,670,000	Novalis 6% 15/06/2018	3,189	0.41		
EUR	1,800,000	Agrokor 9.125% 01/02/2020	1,630	0.21	<b>B 0.00% (0.17%)</b>						
EUR	7,391,000	Agrokor 10% 07/12/2016	6,640	0.85	EUR	3,678,000	Maisons du Monde 9% 01/08/2020	3,149	0.40		
<b>Total Croatia</b>				<b>8,270</b>	<b>1.06</b>	<b>(P)B 0.40% (0.00%)</b>					
<b>CZECH REPUBLIC 0.68% (0.00%)</b>					EUR	1,125,000	Faurecia 8.75% 15/06/2019	1,069	0.14		
<b>Ba2 0.68% (0.00%)</b>					<b>B3 0.14% (0.24%)</b>						
EUR	6,449,000	RPG Byty 6.75% 01/05/2020	5,304	0.68	EUR	4,239,000	Europcar Groupe 9.375% 15/04/2018	3,583	0.46		
<b>Total Czech Republic</b>				<b>5,304</b>	<b>0.68</b>	<b>Total France</b>				<b>62,402</b>	<b>8.02</b>
<b>DENMARK 0.35% (0.54%)</b>					<b>GERMANY 7.16% (6.95%)</b>						
<b>B 0.35% (0.54%)</b>					<b>BBB 0.00% (0.27%)</b>						
EUR	3,157,554	*ISS Holdings 8.875% 15/05/2016	2,705	0.35	<b>BB+ 0.31% (0.00%)</b>						
<b>Total Denmark</b>				<b>2,705</b>	<b>0.35</b>	EUR	2,738,000	Kabel Deutschland 6.5% 29/06/2018	2,444	0.31	
					<b>BB 1.20% (1.54%)</b>						
					EUR	11,004,000	ThyssenKrupp 4% 27/08/2018	9,312	1.20		
					<b>BB- 0.00% (2.15%)</b>						



## Threadneedle High Yield Bond Fund

### Portfolio statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 19.62% (20.74%) (continued)</b>									
		<b>CCC+ 1.28% (2.36%)</b>			EUR	2,346,000	Interxion Holding 6% 15/07/2020	2,006	0.26
EUR	2,269,000	Beverage Packaging Holdings 8% 15/12/2016	1,910	0.25	EUR	1,821,000	Nokia Siemens Networks 6.75% 15/04/2018	1,636	0.21
EUR	2,226,000	Beverage Packaging Holdings 9.5% 15/06/2017	1,929	0.25	EUR	1,496,000	Nokia Siemens Networks 7.125% 15/04/2020	1,384	0.18
EUR	4,593,000	Matterhorn Mobile Holdings 8.25% 15/02/2020	4,104	0.53	EUR	1,899,000	Refresco Group 7.375% 15/05/2018	1,694	0.22
EUR	925,000	*Matterhorn Financing 9% 15/04/2019	775	0.10	CHF	4,157,000	UPC Holding 6.75% 15/03/2023	2,771	0.36
USD	1,730,000	*Orion Engineered Carbons 9.25% 01/08/2019	1,136	0.15	EUR	3,798,000	UPC Holding 6.75% 15/03/2023	3,127	0.40
		<b>CCC 0.64% (0.62%)</b>			EUR	4,999,000	UPC Holding 8.375% 15/08/2020	4,574	0.59
EUR	5,620,000	*Kleopatra Holdings 10.25% 15/08/2017	4,954	0.64	EUR	1,090,000	Polish Television Holding 11.25% 15/05/2017	968	0.12
		<b>CC 0.14% (0.00%)</b>			EUR	9,746,000	*Schaeffler Finance 6.875% 15/08/2018	8,449	1.09
EUR	2,012,000	Codere Finance Luxembourg 8.25% 15/06/2015	872	0.11	EUR	11,058,617	*Boats Investment Netherlands 11% 31/03/2017	4,794	0.62
EUR	585,000	Codere Finance Luxembourg 8.25% 15/06/2015	246	0.03	USD	5,222,061	OSX 3 Leasing 9.25% 20/03/2015	2,750	0.35
		<b>Not rated 0.00% (0.46%)</b>					<b>Total Netherlands</b>	<b>117,849</b>	<b>15.14</b>
		<b>Total Luxembourg</b>	<b>152,689</b>	<b>19.62</b>					
<b>NETHERLANDS 15.14% (13.27%)</b>									
		<b>BB+ 1.35% (2.32%)</b>							
EUR	4,510,000	EDP Finance 5.75% 21/09/2017	4,005	0.51					
EUR	3,767,000	OI European Group 4.875% 31/03/2021	3,187	0.41					
EUR	3,508,000	OI European Group 6.75% 15/09/2020	3,318	0.43					
		<b>BB 3.64% (1.55%)</b>							
EUR	2,558,000	Conti-Gummi Finance 6.5% 15/01/2016	2,233	0.29					
EUR	7,806,000	Conti-Gummi Finance 7.125% 15/10/2018	6,838	0.88					
EUR	1,006,000	Conti-Gummi Finance 7.5% 15/09/2017	878	0.11					
EUR	916,000	Koninklijke KPN 6.125% 29/03/2049	787	0.10	EUR	1,400,000	Portucel 5.375% 15/05/2020	1,200	0.16
GBP	3,792,000	Koninklijke KPN 6.875% 14/03/2073	3,821	0.49					
USD	3,350,000	Koninklijke KPN 7% 28/03/2073	2,137	0.27	EUR	1,900,000	Banco Espirito Santo 4.75% 15/01/2018	1,550	0.20
USD	800,000	Koninklijke KPN 7% 28/03/2073	511	0.06	EUR	4,600,000	Banco Espirito Santo 5.875% 09/11/2015	3,919	0.50
EUR	2,758,000	Portugal Telecom International Finance 4.375% 24/03/17	2,332	0.30	EUR	4,000,000	Caixa Geral de Depositos 5.625% 04/12/2015	3,431	0.44
EUR	2,779,000	Portugal Telecom International Finance 4.625% 08/05/2020	2,198	0.28				<b>10,100</b>	<b>1.30</b>
EUR	1,829,000	Portugal Telecom International Finance 5% 04/11/2019	1,503	0.19					
EUR	2,184,000	Portugal Telecom International Finance 5.625% 08/02/2016	1,906	0.24					
EUR	3,881,000	Portugal Telecom International Finance 5.875% 17/04/2018	3,330	0.43					
		<b>Ba2 1.68% (1.74%)</b>							
EUR	13,440,000	HeidelbergCement Finance 8% 31/01/2017	13,088	1.68					
		<b>BB- 0.93% (2.60%)</b>			EUR	1,133,000	Rottapharm 6.125% 15/11/2019	955	0.12
EUR	8,108,000	Ziggo Bond 8% 15/05/2018	7,277	0.93					
		<b>B+ 4.01% (2.33%)</b>			EUR	3,608,000	Ardagh Glass Finance 9.25% 01/07/2016	3,194	0.41
EUR	6,452,000	Carlson Wagonlit 7.5% 15/06/2019	5,690	0.73	EUR	4,092,000	Ardagh Packaging Finance 7.375% 15/10/2017	3,672	0.47
EUR	6,357,000	GMAC International Finance 7.5% 21/04/2015	5,745	0.74	EUR	900,000	Ardagh Packaging Finance USA 5% 15/11/2022	741	0.10
GBP	3,859,000	Intergen 7.5% 30/06/2021	3,935	0.51					
		<b>Not rated 0.00% (0.16%)</b>							
		<b>Total Norway</b>							
		<b>CCC+ 0.00% (0.16%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							
		<b>Total Portugal</b>							
		<b>BB- 1.14% (1.71%)</b>							
		<b>BB 0.16% (0.00%)</b>							
		<b>Total Poland</b>							
		<b>BB 0.00% (0.36%)</b>							

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>REPUBLIC OF IRELAND 6.20% (7.53%) (continued)</b>					<b>B- 0.00% (0.57%)</b>				
EUR	1,899,000	Ardagh Packaging Finance USA 7.375% 15/10/2017	1,697	0.22	EUR	1,863,000	Norcell Sweden 10.75% 29/09/2019	1,675	0.21
EUR	637,000	Nara Cable Funding 8.5% 01/03/2020	597	0.08	<b>CCC+ 0.21% (0.59%)</b>				
EUR	3,030,000	Nara Cable Funding 8.875% 01/12/2018	2,699	0.35	<b>Total Sweden</b>				
USD	2,610,000	Nara Cable Funding 8.875% 01/12/2018	1,752	0.23	<b>19,654 2.53</b>				
<b>B 0.17% (0.18%)</b>					<b>SWITZERLAND 0.40% (0.17%)</b>				
EUR	1,430,000	Bank of Ireland 10% 19/12/2022	1,358	0.17	USD	3,000,000	Credit Suisse 6.5% 08/08/2023	1,946	0.25
<b>B- 0.20% (0.20%)</b>					<b>BBB- 0.25% (0.00%)</b>				
EUR	1,700,000	Ono Finance II 11.125% 15/07/2019	1,525	0.20	USD	1,856,000	Dufry Finance 5.5% 15/10/2020	1,204	0.15
<b>CCC+ 1.15% (1.18%)</b>					<b>BB+ 0.15% (0.17%)</b>				
EUR	3,779,680	ARD Finance 11% 01/06/2018	3,286	0.42	<b>Total Switzerland</b>				
EUR	6,717,000	Ardagh Glass Finance 7.125% 15/06/2017	5,685	0.73	<b>3,150 0.40</b>				
<b>Not rated 0.34% (0.35%)</b>					<b>UNITED KINGDOM 22.43% (22.44%)</b>				
EUR	3,043,000	Bank of Ireland 10% 30/07/2016	2,677	0.34	GBP	445,000	Barclays Bank 14% 15/06/2049	592	0.08
EUR	2,497	Smurfit Kappa Acquisitions Warrants 0% 30/09/2013	-	-	EUR	2,482,000	Royal Bank of Scotland 10.5% 16/03/2022	2,486	0.32
<b>Total Republic of Ireland</b>					<b>Baa3 0.46% (0.45%)</b>				
<b>48,236 6.20</b>					GBP	3,109,000	Santander 10.0625% 06/04/2049	3,544	0.46
<b>SINGAPORE 0.00% (0.00%)</b>					<b>BB+ 1.06% (1.53%)</b>				
<b>Not rated 0.00% (0.00%)</b>					GBP	2,848,000	Lloyds TSB Bank 13% 21/07/2049	4,271	0.55
USD	651	NV Profit Share Preference Shares	-	-	GBP	3,583,000	William Hill 7.125% 11/11/2016	3,959	0.51
<b>Total Singapore</b>					<b>BB 5.33% (3.90%)</b>				
<b>- -</b>					GBP	2,239,000	AA Bond Co. 9.5% 31/07/2019	2,395	0.31
<b>SOUTH AFRICA 0.54% (0.65%)</b>					GBP	1,084,000	British Airways 8.75% 23/08/2016	1,220	0.16
<b>BB 0.34% (0.35%)</b>					GBP	9,650,000	Crown Newco 3 7% 15/02/2018	9,844	1.26
USD	3,902,000	Sable International Finance 7.75% 15/02/2017	2,623	0.34	GBP	3,869,000	Daily Mail & General Trust 5.75% 07/12/2018	4,117	0.53
<b>B 0.20% (0.30%)</b>					GBP	1,030,000	Daily Mail & General Trust 10% 09/04/2021	1,300	0.17
EUR	2,119,000	Edcon Proprietary 9.5% 01/03/2018	1,607	0.20	GBP	2,820,000	Jaguar Land Rover 8.125% 15/05/2018	3,056	0.39
<b>Total South Africa</b>					GBP	2,573,000	Jaguar Land Rover 8.25% 15/03/2020	2,855	0.37
<b>4,230 0.54</b>					GBP	1,899,000	LBG Capital No 1 11.04% 19/03/2020	2,195	0.28
<b>SPAIN 1.16% (2.17%)</b>					GBP	1,091,000	Lowell Group Finance 10.75% 01/04/2019	1,233	0.16
<b>BB 0.00% (0.29%)</b>					EUR	8,654,000	Rexam 6.75% 29/06/2067	7,515	0.97
<b>Ba2 1.06% (1.88%)</b>					GBP	5,297,000	Taylor Wimpey 10.375% 31/12/2015	5,721	0.73
EUR	1,581,000	Obrascon Huarte Lain 7.625% 15/03/2020	1,392	0.18	<b>BB- 3.07% (4.94%)</b>				
EUR	7,462,000	Obrascon Huarte Lain 8.75% 15/03/2018	6,817	0.88	GBP	5,377,000	Co-operative 6.875% 08/07/2020	5,077	0.65
<b>B1 0.10% (0.00%)</b>					GBP	1,557,000	Enterprise Inns 6.375% 26/09/2031	1,325	0.17
EUR	1,000,000	Bankia 4.375% 14/02/2017	807	0.10	GBP	6,387,000	Enterprise Inns 6.5% 06/12/2018	6,445	0.83
<b>Total Spain</b>					GBP	3,520,000	Enterprise Inns 6.875% 15/02/2021	3,427	0.44
<b>9,016 1.16</b>					GBP	190,000	Enterprise Inns 6.875% 09/05/2025	180	0.02
<b>SWEDEN 2.53% (2.96%)</b>					GBP	4,415,000	Southern Water Greensand 8.5% 15/04/2019	4,759	0.61
<b>BB 0.21% (0.21%)</b>					GBP	2,745,000	Virgin Media Secured Finance 5.5% 15/01/2021	2,718	0.35
EUR	1,880,000	Stena 5.875% 01/02/2019	1,638	0.21	<b>Ba3 0.43% (0.47%)</b>				
<b>B+ 1.54% (1.59%)</b>					GBP	3,099,000	Anglian Water (Osprey) Financing 7% 31/01/2018	3,321	0.43
EUR	9,770,000	TVN Finance 10.75% 15/11/2017	8,779	1.13	<b>B+ 4.16% (4.29%)</b>				
EUR	3,598,000	TVN Finance III 7.875% 15/11/2018	3,166	0.41	GBP	4,825,000	Aston Martin Capital 9.25% 15/07/2018	5,101	0.66
<b>B 0.57% (0.00%)</b>					GBP	4,937,000	Boparan Finance 9.875% 30/04/2018	5,437	0.70
EUR	2,275,000	Ciech Group Financing 9.5% 30/11/2019	2,087	0.27	GBP	5,222,000	Elli Finance UK 8.75% 15/06/2019	5,641	0.72
EUR	2,342,000	Eileme 2 11.75% 31/01/2020	2,309	0.30	GBP	5,027,000	Matalan Finance 8.875% 29/04/2016	5,128	0.66
					EUR	5,600,000	OTE 4.625% 20/05/2016	4,555	0.58
					EUR	1,424,000	OTE 7.25% 12/02/2015	1,233	0.16
					EUR	4,045,000	OTE 7.875% 07/02/2018	3,530	0.45
					GBP	1,805,000	Voyage Care BondCo 6.5% 01/08/2018	1,783	0.23

## Threadneedle High Yield Bond Fund

### Portfolio statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 22.43% (22.44%) (continued)</b>					<b>DERIVATIVES 1.09% (-0.79%)</b>				
<b>B1 0.65% (0.70%)</b>					<b>Credit default swaps 0.00% (0.03%)</b>				
EUR	1,066,000	Investec Tier UK 7.075% 24/06/2049	865	0.11	EUR	2,500,000	BNP EUR Finmeccanica Finance 5.75% 20/09/2018 Spread 100	(234)	(0.03)
GBP	3,917,000	Thames Water Kemble Finance 7.75% 01/04/2019	4,235	0.54	EUR	2,000,000	Merrill Lynch EUR Finmeccanica Finance 5.75% 20/09/2018 Spread 500	134	0.02
<b>B 3.70% (2.09%)</b>					EUR	1,110,000	Merrill Lynch EUR OTE 20/09/2013 Spread 500	1	-
EUR	2,568,000	Avis Budget Finance 6% 01/03/2021	2,210	0.28	EUR	2,000,000	Goldman Sachs EUR Virgin Media Finance 5.125% 20/09/2018 Spread 500	84	0.01
GBP	7,064,000	Care UK 9.75% 01/08/2017	7,231	0.93	<b>Forward foreign exchange contracts 1.09% (-0.82%)</b>				
GBP	1,756,000	Equiniti Newco 7.125% 15/12/2018	1,796	0.23	Sell CHF 16,108,000				
GBP	1,550,000	House of Fraser 8.875% 15/08/2018	1,642	0.21	Buy GBP 11,177,674 UBS				
GBP	2,443,000	IDH Finance 6% 01/12/2018	2,449	0.31	Sell GBP 118,968				
GBP	3,076,000	Odeon & UCI Finco 9% 01/08/2018	3,164	0.41	Buy CHF 170,000 Lloyds				
EUR	1,460,000	R&R Ice Cream 8.375% 15/11/2017	1,311	0.17	Sell EUR 219,261,270				
EUR	3,320,000	Thomas Cook Finance 7.75% 15/06/2020	2,802	0.36	Buy GBP 187,420,368 UBS				
GBP	4,964,000	Virgin Media Finance 8.875% 15/10/2019	5,392	0.69	Sell EUR 220,000,000				
GBP	810,000	Vougeot Bidco 7.875% 15/07/2020	837	0.11	Buy GBP 188,081,960 J.P. Morgan				
<b>B- 0.42% (0.65%)</b>					Sell EUR 220,000,000				
EUR	3,652,000	Kerling 10.625% 28/01/2017	3,265	0.42	Buy GBP 188,088,340 Citigroup				
<b>B3 0.12% (0.24%)</b>					Sell USD 54,377,000				
GBP	867,000	Arqiva Broadcast Finance 9.5% 31/03/2020	924	0.12	Buy GBP 34,722,213 RBS				
<b>CCC+ 0.33% (0.15%)</b>					Sell USD 625,000				
GBP	1,092,090	*Annington Finance No5 13% 15/01/2023	1,245	0.16	Buy GBP 400,062 J.P. Morgan				
GBP	1,278,000	IDH Finance 8.5% 01/06/2019	1,291	0.17	Sell GBP 6,325,069				
<b>Caa1 0.45% (0.00%)</b>					Buy EUR 7,400,000 UBS				
GBP	3,712,000	Co-operative Bank 5.125% 20/09/2017	3,491	0.45	<b>Total derivatives</b>				
<b>Not rated 1.85% (2.70%)</b>					<b>8,466 1.09</b>				
GBP	6,460,000	First Hydro Finance 9% 31/07/2021	8,404	1.08	<b>Total value of investments</b>				
EUR	6,238,000	International Personal Finance 11.5% 06/08/2015	6,004	0.77	<b>747,988 96.12</b>				
<b>Total United Kingdom</b>					<b>30,187 3.88</b>				
					<b>Net other assets (3.20%)</b>				
					<b>Net assets</b>				
					<b>778,175 100.00</b>				
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>									
					Fixed interest				
					694,032 92.79				
					Floating rate notes				
					45,490 6.08				
					Derivatives				
					8,466 1.13				
					<b>Total value of investments</b>				
					<b>747,988 100.00</b>				
<b>UNITED STATES OF AMERICA 2.33% (2.26%)</b>									
<b>BB 0.02% (0.00%)</b>									
USD	209,000	Continental Rubber of America 4.5% 15/09/2019	137	0.02					
<b>BB- 0.71% (0.76%)</b>									
EUR	4,781,000	Chesapeake Energy 6.25% 15/01/2017	4,279	0.55					
EUR	1,570,000	Rain CII Carbon LLC 8.5% 15/01/2021	1,278	0.16					
<b>B+ 0.00% (0.61%)</b>									
<b>B 0.90% (0.00%)</b>									
USD	1,837,000	Chrysler Group 8% 15/06/2019	1,283	0.16					
USD	2,614,000	Chrysler Group 8.25% 15/06/2021	1,844	0.24					
EUR	800,000	Iron Mountain 6.75% 15/10/2018	682	0.09					
GBP	3,185,000	Iron Mountain 7.25% 15/04/2014	3,183	0.41					
<b>B- 0.34% (0.53%)</b>									
EUR	2,874,000	Infor US 10% 01/04/19	2,661	0.34					
<b>CCC+ 0.36% (0.36%)</b>									
USD	4,100,000	Ocean Rig UDW 9.5% 27/04/2016	2,778	0.36					
<b>Total United States of America</b>					<b>18,125 2.33</b>				

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Value £000
<b>ANALYSIS OF INVESTMENTS BY CREDIT RATINGS</b>	
BBB-	5,024
Baa3	3,544
BB+	69,760
BB	147,100
Ba2	48,447
BB-	92,448
Ba3	4,971
B+	140,090
B1	5,907
B	92,419
(P)B	3,149
B2	4,596
B-	43,630
B3	1,993
Caa1	3,491
CCC+	29,397
(P)CCC+	2,328
CCC	12,275
CC	1,118
Not rated	27,835
Total bonds & equities	739,522
Derivatives	8,466
<b>Total value of investments</b>	<b>747,988</b>

### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
BNP	Cash	270
Citibank	Cash	2,280
Goldman Sachs	Cash	110
J.P. Morgan	Cash	2,270
Merrill Lynch	Cash	130
RBS	Cash	90
UBS	Cash	210

The calculation of the % Net Asset Value may not sum to 100% due to rounding.  
March 2013 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle Global Select Fund

### Portfolio Statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 1.87% (1.80%)</b>		<b>Beverages 1.87% (1.80%)</b>					<b>Banks 1.59% (0.00%)</b>		
	232,314	Anheuser-Busch InBev	13,978	1.87		4,146,000	Sumitomo Mitsui Trust Holdings	11,932	1.59
		<b>Total Belgium</b>	<b>13,978</b>	<b>1.87</b>			<b>Beverages 0.78% (1.66%)</b>		
						362,600	Asahi Group Holdings	5,815	0.78
<b>BERMUDA 0.00% (0.77%)</b>		<b>Real estate 0.00% (0.77%)</b>					<b>Construction &amp; building materials 1.63% (0.00%)</b>		
		<b>Total Bermuda</b>	<b>–</b>	<b>–</b>		1,988,000	Sekisui Chemical	12,236	1.63
							<b>Electronic &amp; electrical equipment 0.84% (1.47%)</b>		
<b>CANADA 3.08% (2.02%)</b>		<b>Chemicals 1.04% (0.87%)</b>				181,021	Makita	6,282	0.84
	252,300	Methanex	7,809	1.04			<b>General retailers 1.36% (0.00%)</b>		
		<b>Media &amp; photography 0.00% (0.46%)</b>				724,900	Aeon	6,300	0.84
		<b>Mining 0.64% (0.69%)</b>				70,300	Ryohin Keikaku	3,883	0.52
	426,100	First Quantum Minerals	4,750	0.64			<b>Health 0.36% (0.00%)</b>		
		<b>Oil &amp; gas 1.40% (0.00%)</b>				446,000	Shimadzu	2,662	0.36
	469,700	Suncor Energy	10,461	1.40			<b>Media &amp; photography 0.55% (0.00%)</b>		
		<b>Total Canada</b>	<b>23,020</b>	<b>3.08</b>		3,412	Fuji Media Holdings	4,141	0.55
							<b>Software &amp; computer services 0.98% (0.95%)</b>		
<b>CYPRUS 0.62% (0.86%)</b>		<b>Oil &amp; gas 0.62% (0.86%)</b>				540,524	Konami	7,332	0.98
	812,803	Prosafe	4,667	0.62			<b>Speciality &amp; other finance 1.79% (0.00%)</b>		
		<b>Total Cyprus</b>	<b>4,667</b>	<b>0.62</b>		2,855,000	Nomura Holdings	13,418	1.79
							<b>Total Japan</b>	<b>88,499</b>	<b>11.82</b>
<b>FRANCE 0.00% (1.35%)</b>		<b>Automobiles &amp; parts 0.00% (1.35%)</b>					<b>NETHERLANDS 1.01% (1.23%)</b>		
		<b>Total France</b>	<b>–</b>	<b>–</b>			<b>Chemicals 1.01% (1.23%)</b>		
						168,252	LyondellBasell	7,600	1.01
							<b>Total Netherlands</b>	<b>7,600</b>	<b>1.01</b>
<b>GERMANY 3.35% (3.96%)</b>		<b>Aerospace &amp; defence 0.90% (0.97%)</b>					<b>PANAMA 1.12% (1.37%)</b>		
	113,841	MTU Aero Engines Holding	6,736	0.90			<b>Aerospace &amp; defence 1.12% (1.37%)</b>		
		<b>Automobiles &amp; parts 0.09% (0.00%)</b>				97,794	Copa Holdings Class A	8,349	1.12
	6,376	Continental	656	0.09			<b>Total Panama</b>	<b>8,349</b>	<b>1.12</b>
		<b>Chemicals 1.73% (1.83%)</b>					<b>REPUBLIC OF IRELAND 1.59% (1.77%)</b>		
	86,265	Brenntag	8,558	1.14			<b>Health 1.59% (1.77%)</b>		
	36,034	Linde	4,404	0.59		305,598	Covidien	11,904	1.59
		<b>Media &amp; photography 0.00% (1.16%)</b>					<b>Total Republic of Ireland</b>	<b>11,904</b>	<b>1.59</b>
		<b>Health 0.63% (0.00%)</b>					<b>RUSSIAN FEDERATION 0.00% (0.89%)</b>		
	115,798	Fresenius Medical Care	4,694	0.63			<b>Banks 0.00% (0.89%)</b>		
		<b>Total Germany</b>	<b>25,048</b>	<b>3.35</b>			<b>Total Russian Federation</b>	<b>–</b>	<b>–</b>
<b>HONG KONG 0.94% (1.40%)</b>		<b>Real estate 0.94% (1.40%)</b>					<b>SOUTH KOREA 1.91% (3.02%)</b>		
	836,000	Sun Hung Kai Properties	7,068	0.94			<b>Information technology hardware 1.91% (2.28%)</b>		
		<b>Total Hong Kong</b>	<b>7,068</b>	<b>0.94</b>		17,758	Samsung Electronics	14,270	1.91
							<b>Leisure entertainment &amp; hotels 0.00% (0.74%)</b>		
<b>INDONESIA 0.00% (1.28%)</b>		<b>Banks 0.00% (1.28%)</b>					<b>Total South Korea</b>	<b>14,270</b>	<b>1.91</b>
		<b>Total Indonesia</b>	<b>–</b>	<b>–</b>			<b>SWITZERLAND 9.26% (8.30%)</b>		
							<b>Electronic &amp; electrical equipment 1.24% (1.07%)</b>		
<b>JAPAN 11.82% (6.44%)</b>		<b>Automobiles &amp; parts 1.94% (2.36%)</b>				288,394	TE Connectivity	9,308	1.24
	363,200	Toyota Motor	14,498	1.94			<b>Food producers &amp; processors 1.51% (2.21%)</b>		
						272,412	Nestle	11,300	1.51

## Threadneedle Global Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 9.26% (8.30%) (continued)</b>				<b>Health 1.92% (3.52%)</b>			
	<b>General retailers 1.83% (1.11%)</b>			14,327	Henry Schein	944	0.13
631,409	Tyco International	13,677	1.83	121,576	Sirona Dental Systems	5,247	0.70
	<b>Household goods &amp; textiles 1.26% (1.95%)</b>			159,141	Zimmer Holdings	8,131	1.09
25,173	Swatch Group	9,398	1.26		<b>Information technology hardware 3.79% (4.15%)</b>		
	<b>Pharmaceuticals &amp; biotechnology 1.92% (1.96%)</b>			32,191	Apple	10,235	1.37
299,728	Novartis	14,347	1.92	317,776	Lam Research	10,108	1.35
	<b>Speciality &amp; other finance 1.50% (0.00%)</b>			183,265	Qualcomm	7,983	1.07
887,041	UBS	11,252	1.50		<b>Insurance 2.66% (2.58%)</b>		
	<b>Total Switzerland</b>	<b>69,282</b>	<b>9.26</b>	432,780	American International Group	13,526	1.81
				404,846	Fidelity National	6,372	0.85
<b>UNITED KINGDOM 14.35% (11.64%)</b>				<b>Leisure entertainment &amp; hotels 1.76% (1.35%)</b>			
	<b>Banks 1.75% (1.71%)</b>			348,958	Las Vegas Sands	13,192	1.76
1,841,446	HSBC Holdings	13,093	1.75		<b>Media &amp; photography 3.33% (3.25%)</b>		
	<b>Engineering &amp; machinery 0.87% (0.94%)</b>			372,368	Comcast Class A	10,172	1.36
290,537	Weir Group	6,520	0.87	375,828	Walt Disney	14,787	1.97
	<b>Food producers &amp; processors 1.87% (1.97%)</b>				<b>Oil &amp; gas 4.48% (4.30%)</b>		
575,247	Unilever	13,978	1.87	163,930	Dresser-Rand Group	6,431	0.86
	<b>Insurance 1.84% (1.63%)</b>			235,351	Enterprise Products Partners	8,838	1.18
320,925	Aon	13,761	1.84	183,789	National-Oilwell Varco	9,148	1.22
	<b>Leisure entertainment &amp; hotels 1.27% (0.00%)</b>			158,864	Occidental Petroleum	9,153	1.22
299,947	Whitbread	9,502	1.27		<b>Pharmaceuticals &amp; biotechnology 3.02% (3.50%)</b>		
	<b>Media &amp; photography 1.16% (0.00%)</b>			161,304	Mead Johnson Nutrition	7,761	1.04
173,769	Liberty Global 'A' Shares	8,694	1.16	816,895	Pfizer	14,825	1.98
	<b>Mining 1.20% (0.94%)</b>				<b>Software &amp; computer services 6.80% (7.80%)</b>		
292,836	Rio Tinto	9,009	1.20	598,740	EMC	10,120	1.35
	<b>Oil &amp; gas 1.74% (2.12%)</b>			246,277	Facebook	6,747	0.90
728,590	BG Group	9,319	1.25	26,523	Google	14,975	2.00
348,251	Tullow Oil	3,674	0.49	24,312	priceline.com	14,942	2.00
	<b>Pharmaceuticals &amp; biotechnology 1.30% (1.18%)</b>			419,081	Riverbed Technology	4,115	0.55
593,587	GlaxoSmithKline	9,753	1.30		<b>Speciality &amp; other finance 7.32% (5.08%)</b>		
	<b>Telecommunications services 1.35% (1.15%)</b>			38,493	Affiliated Managers Group	4,396	0.59
4,831,202	Vodafone Group	10,133	1.35	333,668	American Express	15,820	2.11
	<b>Total United Kingdom</b>	<b>107,436</b>	<b>14.35</b>	458,621	Blackstone Group	6,471	0.86
				167,508	Discover Financial Services	5,228	0.70
<b>UNITED STATES OF AMERICA 47.50% (49.47%)</b>				29,503	MasterCard Class A	11,916	1.59
	<b>Banks 2.36% (2.04%)</b>			300,896	United Rentals	11,004	1.47
526,971	J.P. Morgan Chase	17,641	2.36		<b>Support services 1.88% (0.86%)</b>		
	<b>Chemicals 1.45% (2.30%)</b>			368,442	Equifax	14,090	1.88
162,024	Airgas	10,857	1.45		<b>Transport 1.53% (1.42%)</b>		
	<b>Distributors 1.51% (1.39%)</b>			114,142	Union Pacific	11,444	1.53
232,696	Wesco International	11,275	1.51		<b>Total United States of America</b>	<b>355,494</b>	<b>47.50</b>
	<b>Diversified industrials 0.76% (1.03%)</b>				<b>Total value of investments</b>	<b>736,615</b>	<b>98.42</b>
105,729	Philip Morris International	5,709	0.76		<b>Net other assets (2.43%)</b>	<b>11,860</b>	<b>1.58</b>
	<b>Engineering &amp; machinery 0.00% (1.09%)</b>				<b>Net assets</b>	<b>748,475</b>	<b>100.00</b>
	<b>General retailers 2.93% (3.81%)</b>						
477,334	Ebay	15,921	2.13				
97,186	McDonald's	5,970	0.80				

The calculation of the % Net Asset Value may not sum to 100% due to rounding.  
March 2013 comparatives in brackets.

## Threadneedle Global Bond Fund

### Portfolio statement

as at 7 September 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 3.42% (1.33%)</b>					<b>CHINA 1.54% (1.33%)</b>				
		<b>Aaa 3.42% (1.33%)</b>					<b>AA- 1.54% (1.33%)</b>		
AUD	6,250,000	Australian Government 5.25% 15/03/2019	3,983	1.92	USD	1,650,000	Export-Import Bank of China 4.875% 21/07/2015	1,124	0.54
AUD	1,500,000	Australian Government 5.5% 21/04/2023	976	0.47	USD	3,200,000	People's Republic of China 4.75% 29/10/2013	2,065	1.00
USD	3,450,000	Westpac Banking 1.25% 15/12/2017	2,126	1.03			<b>Total China</b>	<b>3,189</b>	<b>1.54</b>
		<b>Total Australia</b>	<b>7,085</b>	<b>3.42</b>					
<b>AUSTRIA 2.76% (1.95%)</b>					<b>CROATIA 0.36% (0.00%)</b>				
		<b>Aaa 0.66% (0.76%)</b>					<b>BB+ 0.36% (0.00%)</b>		
EUR	1,700,000	Hypo Alpe-Adria International 2.375% 13/12/2022	1,377	0.66	USD	1,220,000	Croatia 5.5% 04/04/2023	744	0.36
		<b>AA+ 1.15% (0.37%)</b>					<b>Total Croatia</b>	<b>744</b>	<b>0.36</b>
EUR	3,000,000	Republic of Austria 1.75% 20/10/2023	2,374	1.15					
		<b>AA- 0.95% (0.82%)</b>			<b>EGYPT 0.81% (0.71%)</b>				
USD	2,750,000	UniCredito Bank Austria 7.25% 15/02/2017	1,968	0.95			<b>BBB- 0.81% (0.71%)</b>		
		<b>Total Austria</b>	<b>5,719</b>	<b>2.76</b>	USD	2,500,000	African Export-Import 5.75% 27/07/2016	1,679	0.81
<b>BELGIUM 2.66% (0.66%)</b>							<b>Total Egypt</b>	<b>1,679</b>	<b>0.81</b>
		<b>Aa3 2.66% (0.66%)</b>			<b>FINLAND 1.40% (1.33%)</b>				
EUR	4,700,000	Belgium Kingdom 3% 28/09/2019	4,193	2.02			<b>AAA 1.40% (1.33%)</b>		
EUR	1,250,000	Belgium Kingdom 5.5% 28/03/2028	1,317	0.64	USD	4,500,000	Municipality Finance 1.625% 25/04/2017	2,900	1.40
		<b>Total Belgium</b>	<b>5,510</b>	<b>2.66</b>			<b>Total Finland</b>	<b>2,900</b>	<b>1.40</b>
<b>CANADA 5.79% (8.46%)</b>					<b>FRANCE 3.07% (2.47%)</b>				
		<b>AAA 1.97% (4.99%)</b>					<b>AA+ 0.00% (0.82%)</b>		
CAD	3,350,000	Canada Housing Trust 1.75% 15/06/2018	1,995	0.96	USD	4,375,000	*BNP Paribas 1.1686% 10/01/2014	2,816	1.36
CAD	3,650,000	Canada Housing Trust 2.4% 15/12/2022	2,098	1.01			<b>A 0.57% (0.49%)</b>		
		<b>AA- 3.35% (3.06%)</b>			USD	1,855,000	Groupe BPCE 2.375% 04/10/2013	1,193	0.57
USD	4,325,000	Province of Ontario 1.1% 25/10/2017	2,694	1.30			<b>Aa1u 1.14% (0.00%)</b>		
CAD	3,000,000	Province of Ontario 4.2% 02/06/2020	1,959	0.95	EUR	2,990,000	Government of France 3.25% 25/05/2045	2,358	1.14
USD	3,600,000	Royal Bank of Canada 2.2% 27/07/2018	2,277	1.10			<b>Total France</b>	<b>6,367</b>	<b>3.07</b>
		<b>BBB+ 0.00% (0.41%)</b>			<b>GERMANY 8.85% (7.96%)</b>				
		<b>BBB 0.47% (0.00%)</b>					<b>AAA 6.17% (4.20%)</b>		
USD	1,500,000	Barrick Gold 2.9% 30/05/2016	962	0.47	CAD	4,600,000	KFW 4.95% 14/10/2014	2,928	1.41
		<b>Total Canada</b>	<b>11,985</b>	<b>5.79</b>	AUD	5,950,000	KFW 6.25% 19/05/2021	3,813	1.84
<b>CAYMAN ISLANDS 0.52% (0.00%)</b>							<b>Aa1u 1.14% (0.00%)</b>		
		<b>AA 0.52% (0.00%)</b>			USD	4,000,000	Landwirtschaft Rentenbank 1.375% 23/10/2019	2,406	1.16
EUR	1,100,000	IPIC GMTN 5.875% 14/03/2021	1,076	0.52	AUD	2,200,000	Landwirtschaft Rentenbank 4.25% 24/01/2023	1,209	0.58
		<b>Total Cayman Islands</b>	<b>1,076</b>	<b>0.52</b>	USD	3,800,000	L-Bank Foerderbank 1.625% 25/04/2017	2,448	1.18
<b>CHILE 0.24% (0.22%)</b>							<b>Aaa 0.00% (3.76%)</b>		
		<b>AA- 0.24% (0.00%)</b>					<b>Aaa 0.00% (3.76%)</b>		
USD	815,000	Codelco 3.75% 04/11/2020	501	0.24			<b>Aaa 0.00% (3.76%)</b>		
		<b>A 0.00% (0.22%)</b>			EUR	5,000,000	*Bundesobligation 0.79571% 15/04/2018	4,652	2.25
		<b>Total Chile</b>	<b>501</b>	<b>0.24</b>	EUR	1,100,000	Bundesrepublik Deutschland 2.5% 04/07/2044	879	0.43
							<b>Total Germany</b>	<b>18,335</b>	<b>8.85</b>

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>HONG KONG 0.58% (0.51%)</b>					<b>MEXICO 2.91% (4.24%)</b>				
		<b>A 0.58% (0.00%)</b>					<b>BBB 2.91% (4.24%)</b>		
USD	1,950,000	AIA Group 1.75% 13/03/2018	1,196	0.58	AUD	5,000,000	Petroleos Mexicanos 6.125% 26/04/2017	3,000	1.45
		<b>Not rated 0.00% (0.51%)</b>			EUR	2,155,000	United Mexican States 2.75% 22/04/2023	1,688	0.81
		<b>Total Hong Kong</b>	<b>1,196</b>	<b>0.58</b>	USD	2,000,000	United Mexican States 6.05% 11/01/2040	1,343	0.65
<b>INDONESIA 0.58% (0.55%)</b>							<b>Total Mexico</b>	<b>6,031</b>	<b>2.91</b>
		<b>BB+ 0.58% (0.55%)</b>			<b>NETHERLANDS 1.20% (1.05%)</b>				
USD	2,000,000	Perusahaan Penerbit SBSN 4% 21/11/2018	1,193	0.58	USD	4,000,000	<b>AAA 1.20% (1.05%)</b> Neder Financierings-Maat 1.5% 12/02/2018	2,486	1.20
		<b>Total Indonesia</b>	<b>1,193</b>	<b>0.58</b>			<b>Total Netherlands</b>	<b>2,486</b>	<b>1.20</b>
<b>ITALY 4.42% (6.07%)</b>					<b>NORWAY 3.72% (3.53%)</b>				
		<b>BBB+ 0.00% (0.52%)</b>					<b>BB+ 3.72% (3.53%)</b>		
		<b>BBB 0.65% (0.00%)</b>			USD	4,800,000	Eksportfinans 2% 15/09/2015	2,990	1.45
USD	2,100,000	*Intesa Sanpaolo 2.6621% 24/02/2014	1,357	0.65	USD	4,850,000	Eksportfinans 3% 17/11/2014	3,109	1.50
		<b>Baa2 0.00% (5.55%)</b>			USD	2,400,000	Eksportfinans 5.5% 26/06/2017	1,598	0.77
		<b>Baa2u 3.77% (0.00%)</b>					<b>Total Norway</b>	<b>7,697</b>	<b>3.72</b>
EUR	6,200,000	Buoni Poliennali Del Tes 4.75% 01/09/2044	4,900	2.37	<b>PERU 0.22% (0.14%)</b>				
EUR	3,200,000	Buoni Poliennali Del Tes 5.5% 01/11/2022	2,892	1.40	USD	750,000	<b>BBB+ 0.22% (0.00%)</b> BBVA Banco Continental 2.25% 29/07/2016	465	0.22
		<b>Total Italy</b>	<b>9,149</b>	<b>4.42</b>			<b>BBB 0.00% (0.14%)</b>		
<b>JAPAN 10.17% (9.80%)</b>							<b>Total Peru</b>	<b>465</b>	<b>0.22</b>
		<b>AA- 0.83% (0.00%)</b>			<b>POLAND 0.49% (0.47%)</b>				
CAD	2,850,000	Japan Bank for International COOP 2.3% 19/03/2018	1,714	0.83	USD	1,500,000	<b>A- 0.49% (0.47%)</b> Republic of Poland 5% 23/03/2022	1,007	0.49
		<b>Aa3 9.34% (9.80%)</b>					<b>Total Poland</b>	<b>1,007</b>	<b>0.49</b>
JPY	400,000,000	Japan Government 0.8% 20/12/2022	2,590	1.25	<b>REPUBLIC OF IRELAND 0.34% (2.44%)</b>				
JPY	875,000,000	Japan Government 1.9% 20/03/2025	6,253	3.02			<b>BBB+ 0.00% (2.44%)</b>		
JPY	440,000,000	Japan Government 2% 20/03/2042	2,947	1.42	EUR	885,000	<b>BBB 0.34% (0.00%)</b> RZD Capital 3.3744% 20/05/2021	693	0.34
JPY	640,000,000	Japan Government 2.1% 20/03/2027	4,631	2.23			<b>Not rated 0.00% (0.00%)</b>		
JPY	400,000,000	Japan Government 2.5% 20/09/2037	2,940	1.42	EUR	175	Smurfit Kappa Acquisitions Warrants 0% 30/09/2013	-	-
		<b>Total Japan</b>	<b>21,075</b>	<b>10.17</b>			<b>Total Republic of Ireland</b>	<b>693</b>	<b>0.34</b>
<b>LATVIA 0.00% (0.50%)</b>					<b>SINGAPORE 1.27% (2.41%)</b>				
		<b>BBB 0.00% (0.50%)</b>					<b>AAA 1.03% (2.20%)</b>		
		<b>Total Latvia</b>	-	-	USD	3,750,000	Temasek Financial I 2.375% 23/01/2023	2,133	1.03
<b>LUXEMBOURG 4.51% (4.74%)</b>							<b>BBB- 0.24% (0.21%)</b>		
		<b>AAA 1.48% (2.76%)</b>			USD	800,000	BOC Aviation 2.875% 10/10/2017	494	0.24
CAD	5,000,000	International Bank for Reconstruction and Development 1.7% 30/04/2015	3,080	1.48			<b>Total Singapore</b>	<b>2,627</b>	<b>1.27</b>
		<b>Aaa 0.90% (0.00%)</b>			<b>SLOVAKIA 0.00% (0.74%)</b>				
CAD	3,120,000	††European Investment Bank 1.75% 24/04/2018	1,851	0.90			<b>A 0.00% (0.74%)</b>		
		<b>AA+ 1.35% (1.29%)</b>					<b>Total Slovakia</b>	-	-
AUD	4,600,000	IFFIM 5.75% 08/12/2015	2,794	1.35					
		<b>BB+ 0.78% (0.00%)</b>							
USD	2,500,000	Yapi (Unicredit Luxembourg) 5.1875% 13/10/2015	1,617	0.78					
		<b>BB 0.00% (0.69%)</b>							
		<b>Total Luxembourg</b>	<b>9,342</b>	<b>4.51</b>					

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SLOVENIA 0.56% (0.00%)</b>					<b>UNITED KINGDOM 8.75% (6.42%)</b>				
		<b>A- 0.56% (0.00%)</b>					<b>AA+ 5.43% (4.21%)</b>		
USD	1,940,000	Republika Slovenija 5.85% 10/05/2023	1,163	0.56	GBP	5,775,000	UK Treasury 1.75% 07/09/2022	5,309	2.56
		<b>Total Slovenia</b>	<b>1,163</b>	<b>0.56</b>	GBP	1,375,000	UK Treasury 4% 22/01/2060	1,486	0.72
					GBP	1,700,000	UK Treasury 4.25% 07/03/2036	1,878	0.91
					GBP	2,200,000	UK Treasury 4.75% 07/12/2030	2,577	1.24
<b>SOUTH KOREA 2.55% (2.28%)</b>							<b>A 1.41% (1.20%)</b>		
		<b>A+ 0.87% (0.56%)</b>			USD	3,600,000	*Abbey National Treasury Service 1.8438% 25/04/2014	2,329	1.12
USD	1,625,000	Export-Import Bank of Korea 1.25% 20/11/2015	1,037	0.50	USD	950,000	BP Capital Markets 1.625% 17/08/2017	596	0.29
USD	850,000	Korea Finance 2.875% 22/08/2018	538	0.26			<b>A- 1.18% (1.01%)</b>		
USD	375,000	Korea Gas 2.875% 29/07/2018	237	0.11	USD	3,750,000	Royal Bank of Scotland 2.55% 18/09/2015	2,447	1.18
		<b>A 1.68% (1.72%)</b>					<b>BBB 0.73% (0.00%)</b>		
USD	1,775,000	Korea Development Bank 1.5% 22/01/2018	1,077	0.52	USD	2,250,000	Nationwide Building Society 5% 01/08/2015	1,506	0.73
USD	1,200,000	Korea Development Bank 3.25% 09/03/2016	796	0.38			<b>Total United Kingdom</b>	<b>18,128</b>	<b>8.75</b>
USD	2,400,000	Korea Development Bank 3.875% 04/05/2017	1,608	0.78					
		<b>Total South Korea</b>	<b>5,293</b>	<b>2.55</b>	<b>UNITED STATES OF AMERICA 14.48% (14.10%)</b>				
							<b>AA+ 8.76% (10.36%)</b>		
<b>SPAIN 1.21% (0.00%)</b>					USD	4,175,000	General Electric 2.95% 09/05/2016	2,777	1.34
		<b>BBB- 1.21% (0.00%)</b>			USD	4,250,000	US Treasury N/B 0.25% 15/10/2015	2,711	1.31
EUR	3,000,000	Bonos y Obligaciones del Estado 4.4% 31/10/2023	2,496	1.21	USD	8,300,000	US Treasury N/B 1.75% 15/05/2023	4,782	2.31
		<b>Total Spain</b>	<b>2,496</b>	<b>1.21</b>	USD	6,650,000	US Treasury N/B 2.75% 15/11/2042	3,420	1.65
					USD	6,925,000	US Treasury N/B 2.875% 15/05/2043	3,656	1.77
					USD	1,425,000	US Treasury N/B 3.125% 15/02/2043	794	0.38
<b>SWEDEN 5.67% (5.27%)</b>							<b>A+ 0.71% (0.00%)</b>		
		<b>AAA 4.48% (4.19%)</b>			USD	1,350,000	Oracle 2.375% 15/01/2019	854	0.41
SEK	90,000,000	Swedish Government 3.5% 01/06/2022	9,284	4.48	USD	1,025,000	Sinopec Capital 2013 1.875% 24/04/2018	627	0.30
		<b>Aaa 1.19% (1.08%)</b>					<b>A- 1.24% (1.15%)</b>		
USD	3,800,000	Kommuninvest I Sverige 2.875% 31/05/2018	2,451	1.19	USD	2,000,000	Goldman Sachs Group 3.7% 01/08/2015	1,339	0.65
		<b>Total Sweden</b>	<b>11,735</b>	<b>5.67</b>	USD	1,925,000	*Morgan Stanley 0.7481% 15/10/2015	1,222	0.59
							<b>BBB+ 1.51% (0.45%)</b>		
<b>TURKEY 0.92% (0.75%)</b>					USD	3,100,000	Citigroup 5% 15/09/2014	2,059	1.00
		<b>Baa2 0.92% (0.75%)</b>			USD	1,675,000	Kellogg 1.75% 17/05/2017	1,063	0.51
USD	2,925,000	Akbank 5.125% 22/07/2015	1,906	0.92			<b>BBB 1.29% (1.15%)</b>		
		<b>Total Turkey</b>	<b>1,906</b>	<b>0.92</b>	USD	3,800,000	Pemex Project Funding Master Trust 5.75% 01/03/2018	2,676	1.29
							<b>Not rated 0.97% (0.99%)</b>		
<b>UNITED ARAB EMIRATES 1.38% (1.20%)</b>					USD	3,825,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	2,016	0.97
		<b>A2 1.38% (1.20%)</b>					<b>Total United States of America</b>	<b>29,996</b>	<b>14.48</b>
USD	4,500,000	First Gulf Bank 2.862% 09/10/2017	2,859	1.38	<b>VENEZUELA 0.62% (1.08%)</b>				
		<b>Total United Arab Emirates</b>	<b>2,859</b>	<b>1.38</b>			<b>B+ 0.00% (1.08%)</b>		
							<b>B 0.62% (0.00%)</b>		
					USD	2,000,000	Republic of Venezuela 10.75% 19/09/2013	1,284	0.62
							<b>Total Venezuela</b>	<b>1,284</b>	<b>0.62</b>

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000
<b>DERIVATIVES –0.53% (–0.22%)</b>				
	<b>Forward foreign exchange contracts –0.53% (–0.22%)</b>			
	Sell USD 18,750,000			36,780
	Buy JPY 1,823,506,875 UBS	(300)	(0.14)	12,764
	Sell CAD 20,700,000			5,531
	Buy JPY 1,939,453,380 J.P. Morgan	(221)	(0.11)	34,558
	Sell AUD 23,500,000			1,076
	Buy JPY 2,067,478,300 J.P. Morgan	(491)	(0.24)	14,302
	Sell USD 3,400,000			2,358
	Buy EUR 2,538,331 RBS	(47)	(0.02)	24,871
	Sell GBP 220,000			6,109
	Buy EUR 257,753 J.P. Morgan	(3)	–	8,795
	Sell GBP 3,000,000			2,859
	Buy EUR 3,552,432 RBS	(9)	–	7,178
	Sell SEK 92,000,000			3,587
	Buy EUR 10,561,205 J.P. Morgan	26	0.01	13,225
	Sell USD 15,300,000			1,906
	Buy GBP 9,767,545 RBS	(59)	(0.03)	7,792
	<b>Total derivatives</b>	<b>(1,104)</b>	<b>(0.53)</b>	4,669
<b>Total value of investments</b>		<b>201,807</b>	<b>97.44</b>	11,251
<b>Net other assets (5.51%)</b>		<b>5,302</b>	<b>2.56</b>	1,284
<b>Net assets</b>		<b>207,109</b>	<b>100.00</b>	2,016

### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

AAA	36,780
Aaa	12,764
Aaaa	5,531
AA+	34,558
AA	1,076
AA–	14,302
Aa1u	2,358
Aa3	24,871
A+	6,109
A	8,795
A2	2,859
A–	7,178
BBB+	3,587
BBB	13,225
Baa2	1,906
Baa2u	7,792
BBB–	4,669
BB+	11,251
B	1,284
Not rated	2,016
Total bonds	202,911
Derivatives	(1,104)
<b>Total value of investments</b>	<b>201,807</b>

### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
J.P. Morgan	Cash	640
RBS	Cash	140
UBS	Cash	310

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

\*Variable rate bonds.

††At 7 September 2013, there were investments totalling £1,851,000 (0.90% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

## Threadneedle UK Institutional Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value	
<b>BASIC INDUSTRIES 5.11% (4.22%)</b>				<b>Chemicals 2.51% (2.28%)</b>				
	1,327,544	Elementis	3,341	0.31	395,782	Diploma	2,567	0.24
	701,995	Johnson Matthey	20,884	1.95	995,229	Experian Group	11,435	1.07
	165,556	Victrex	2,685	0.25	1,784,179	G4S	4,535	0.42
<b>Construction &amp; building materials 2.60% (1.94%)</b>				<b>Transport 1.87% (1.99%)</b>				
	163,493	Bellway	2,228	0.21	247,229	Michael Page International	1,187	0.11
	214,916	Berkeley Group Holdings	4,556	0.42	205,138	PayPoint	2,215	0.21
	226,173	Bovis Homes Group	1,728	0.16	8,561,268	Rentokil Initial	9,238	0.86
	692,259	Carillion	2,031	0.19	650,826	Rexam	3,274	0.30
	447,655	CRH	6,388	0.59	268,870	RPC Group	1,262	0.12
	970,590	Persimmon	11,026	1.03	658,008	RPS Group	1,675	0.16
		<b>Total basic industries</b>	<b>54,867</b>	<b>5.11</b>	239,121	WS Atkins	2,908	0.27
<b>COLLECTIVE INVESTMENT SCHEMES 1.57% (1.38%)</b>				<b>FINANCIALS 14.41% (14.22%)</b>				
	9,000,000	*Threadneedle UK Mid 250 Fund	16,843	1.57	<b>Banks 5.52% (6.69%)</b>			
		<b>Total collective investment schemes</b>	<b>16,843</b>	<b>1.57</b>	4,675,031	Barclays	13,941	1.30
<b>CYCLICAL CONSUMER GOODS 1.93% (1.92%)</b>				<b>Insurance 0.74% (0.84%)</b>				
	<b>Automobiles &amp; parts 1.93% (1.92%)</b>			4,012,874	HSBC Holdings	28,532	2.66	
	6,005,680	GKN	20,750	1.93	1,142,776	Standard Chartered	16,736	1.56
		<b>Total cyclical consumer goods</b>	<b>20,750</b>	<b>1.93</b>	<b>Investment companies 0.16% (0.18%)</b>			
<b>CYCLICAL SERVICES 18.62% (17.44%)</b>				1,032,843	Beazley	2,067	0.19	
	<b>Distributors 1.71% (1.84%)</b>			4,962,559	RSA Insurance Group	5,881	0.55	
	544,310	Wolseley	18,349	1.71	<b>Life assurance 4.18% (3.47%)</b>			
	<b>General retailers 0.89% (0.75%)</b>			3,346,750	Govett Strategic Investment Trust	–	–	
	77,293	Dignity	1,135	0.11	421,682	SVG Capital	1,684	0.16
	129,116	Domino's Pizza	779	0.07	<b>Real estate 2.06% (1.98%)</b>			
	268,927	Dunelm Group	2,505	0.23	524,759	Derwent London	11,959	1.11
	494,269	N. Brown Group	2,758	0.26	814,256	Development Securities	1,561	0.15
	122,033	Ted Baker	2,367	0.22	2,301,948	Hansteen Holdings	2,261	0.21
	<b>Leisure entertainment &amp; hotels 2.89% (2.19%)</b>			886,941	LondonMetric Property	965	0.09	
	546,478	Carnival	12,864	1.20	381,826	LSL Property Services	1,776	0.17
	274,424	Greene King	2,296	0.21	997,692	Regus	1,820	0.17
	530,056	InterContinental Hotels Group	9,954	0.93	297,938	Shaftesbury	1,727	0.16
	201,431	J.D. Wetherspoon	1,454	0.14	<b>Speciality &amp; other finance 1.75% (1.06%)</b>			
	609,165	Restaurant Group	3,363	0.31	186,542	Close Bros Group	2,015	0.19
	1,478,393	Spirit Pub Company	1,120	0.10	1,328,416	F&C Asset Management	1,287	0.12
	<b>Media &amp; photography 4.65% (4.42%)</b>			341,756	Intermediate Capital Group	1,524	0.14	
	511,096	Daily Mail & General Trust	4,033	0.38	307,686	International Personal Finance	1,957	0.18
	236,648	Euromoney Institutional Investor	2,809	0.26	364,926	London Stock Exchange Group	5,824	0.54
	978,702	ITE Group	2,831	0.26	103,074	Rathbone Brothers	1,589	0.15
	5,558,685	ITV	9,589	0.89	91,826	Schroders	2,195	0.20
	1,118,046	Pearson	14,277	1.33	127,965	Schroders Non-voting Shares	2,453	0.23
	2,041,067	Reed Elsevier	16,420	1.53	<b>Total financials</b>			
	<b>Support services 6.61% (6.25%)</b>					<b>154,640</b>	<b>14.41</b>	
	433,391	Aggreko	6,917	0.64				
	684,097	Ashtead Group	4,450	0.41				
	174,263	Berendsen	1,567	0.15				
	1,623,603	Compass Group	13,833	1.29				



## Threadneedle UK Overseas Earnings Fund

### Portfolio Statement

as at 7 September 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 4.57% (3.99%)</b>				<b>Speciality &amp; other finance 1.63% (1.50%)</b>			
	<b>Chemicals 2.42% (2.01%)</b>			20,000	†W&G Investment	20	0.02
97,452	Johnson Matthey	2,899	2.42	100,141	Schroders Non-voting Shares	1,920	1.61
	<b>Forestry &amp; paper 2.15% (1.98%)</b>			<b>Total financials</b>			
936,460	DS Smith	2,570	2.15			<b>16,413</b>	<b>13.72</b>
	<b>Total basic industries</b>	<b>5,469</b>	<b>4.57</b>	<b>GENERAL INDUSTRIALS 12.77% (13.60%)</b>			
<b>CYCLICAL CONSUMER GOODS 2.23% (2.53%)</b>				<b>Aerospace &amp; defence 7.35% (7.57%)</b>			
	<b>Automobiles &amp; parts 2.23% (2.53%)</b>			432,999	BAE Systems	1,926	1.61
773,082	GKN	2,671	2.23	684,645	Cobham	2,029	1.70
	<b>Total cyclical consumer goods</b>	<b>2,671</b>	<b>2.23</b>	252,813	Rolls-Royce Holdings	2,902	2.43
				144,767	Smiths Group	1,923	1.61
<b>CYCLICAL SERVICES 25.71% (22.76%)</b>				<b>Engineering &amp; machinery 5.42% (6.03%)</b>			
	<b>Distributors 2.58% (2.68%)</b>			144,872	IMI	2,135	1.78
91,597	Wolseley	3,088	2.58	821,706	Melrose Industries	2,464	2.06
	<b>General retailers 2.71% (1.98%)</b>			621,086	Morgan Advanced Materials	1,894	1.58
769,283	Home Retail Group	1,179	0.99	<b>Total general industrials</b>			
411,328	Marks & Spencer Group	2,057	1.72			<b>15,273</b>	<b>12.77</b>
	<b>Leisure entertainment &amp; hotels 3.84% (2.18%)</b>			<b>INFORMATION TECHNOLOGY 2.22% (2.42%)</b>			
70,242	Carnival	1,654	1.38	<b>Information technology hardware 0.78% (0.95%)</b>			
243,430	J.D. Wetherspoon	1,758	1.47	193,755	CSR	928	0.78
767,973	Rank Group	1,181	0.99	<b>Software &amp; computer services 1.44% (1.47%)</b>			
	<b>Media &amp; photography 7.48% (6.89%)</b>			494,394	Sage Group	1,726	1.44
207,233	Daily Mail & General Trust	1,635	1.37	<b>Total information technology</b>			
1,371,674	ITV	2,366	1.98			<b>2,654</b>	<b>2.22</b>
164,094	Pearson	2,096	1.75	<b>NON-CYCLICAL CONSUMER GOODS 17.20% (18.01%)</b>			
354,683	Reed Elsevier	2,853	2.38	<b>Food producers &amp; processors 3.78% (3.83%)</b>			
	<b>Support services 7.76% (7.68%)</b>			186,309	Unilever	4,527	3.78
336,252	Compass Group	2,865	2.39	<b>Pharmaceuticals &amp; biotechnology 8.46% (8.53%)</b>			
445,407	Electrocomponents	1,216	1.02	130,508	AstraZeneca	4,069	3.40
249,326	Essentra	1,968	1.65	368,177	GlaxoSmithKline	6,049	5.06
1,729,502	Rentokil Initial	1,866	1.56	<b>Tobacco 4.96% (5.65%)</b>			
112,101	WS Atkins	1,363	1.14	90,594	British American Tobacco	2,952	2.47
	<b>Transport 1.34% (1.35%)</b>			133,257	Imperial Tobacco Group	2,980	2.49
497,810	Stagecoach Group	1,606	1.34	<b>Total non-cyclical consumer goods</b>			
	<b>Total cyclical services</b>	<b>30,751</b>	<b>25.71</b>			<b>20,577</b>	<b>17.20</b>
<b>FINANCIALS 13.72% (13.22%)</b>				<b>NON-CYCLICAL SERVICES 9.74% (8.90%)</b>			
	<b>Banks 1.82% (1.99%)</b>			<b>Food &amp; drug retailers 5.16% (4.74%)</b>			
306,908	HSBC Holdings	2,182	1.82	2,869,558	Booker Group	3,739	3.13
	<b>Insurance 1.36% (1.49%)</b>			825,373	Morrison (Wm) Supermarkets	2,433	2.03
1,370,031	RSA Insurance Group	1,624	1.36	<b>Telecommunications services 4.58% (4.16%)</b>			
	<b>Investment companies 4.28% (4.26%)</b>			1,389,817	BT Group	4,782	4.00
700,194	3i Group	2,565	2.14	629,123	Colt Group	698	0.58
1,322,530	Sherborne Investors	1,508	1.26	<b>Total non-cyclical services</b>			
1,033,128	Sherborne Investors (Guernsey) 'B' Shares	1,054	0.88			<b>11,652</b>	<b>9.74</b>
	<b>Life assurance 4.63% (3.98%)</b>			<b>FINANCIALS 13.72% (13.22%)</b>			
478,337	Aviva	1,872	1.56	<b>Banks 1.82% (1.99%)</b>			
1,927,684	Legal & General	3,668	3.07	<b>Insurance 1.36% (1.49%)</b>			

## Threadneedle UK Overseas Earnings Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>RESOURCES 8.47% (8.95%)</b>			
<b>Mining 2.76% (2.91%)</b>			
60,651	Anglo American	939	0.78
76,916	Rio Tinto	2,366	1.98
<b>Oil &amp; gas 5.71% (6.04%)</b>			
287,955	BG Group	3,683	3.08
146,172	Royal Dutch Shell 'B' Shares	3,149	2.63
<b>Total resources</b>		<b>10,137</b>	<b>8.47</b>
<b>UTILITIES 3.44% (4.76%)</b>			
<b>Gas distribution 2.01% (3.86%)</b>			
608,660	Centrica	2,410	2.01
<b>Water 1.43% (0.90%)</b>			
236,261	Pennon Group	1,708	1.43
<b>Total utilities</b>		<b>4,118</b>	<b>3.44</b>
<b>Total value of investments</b>		<b>119,715</b>	<b>100.07</b>
<b>Net other (liabilities)/assets (0.86%)</b>		<b>(83)</b>	<b>(0.07)</b>
<b>Net assets</b>		<b>119,632</b>	<b>100.00</b>

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

March 2013 comparatives in brackets.

†Alternative Investment Market.

## Comparative Tables

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>UK Fund</b>							
<b>for the year ended 7 March 2011</b>				<b>2008</b>			
Class 1 – Net income shares	501,349	87.40p	573,638,286	Class 1 – Net income shares	1.2455	84.04	48.47
Class 2 – Net income shares	651,705	87.47p	745,054,007	Class 2 – Net income shares	1.7168	84.28	48.54
Class 2 – Net accumulation shares	142,998	57.06p	250,596,700				
<b>for the year ended 7 March 2012</b>				<b>2009</b>			
Class 1 – Net income shares	421,625	86.75p	486,046,631	Class 1 – Net income shares	1.3001	72.36	49.24
Class 2 – Net income shares	611,530	86.81p	704,461,419	Class 2 – Net income shares	1.6777	72.53	49.24
Class 2 – Net accumulation shares	102,551	57.94p	176,992,314				
<b>for the year ended 7 March 2013</b>				<b>2010</b>			
Class 1 – Net income shares	590,142	101.98p	578,686,737	Class 1 – Net income shares	0.8837	85.78	67.79
Class 2 – Net income shares	493,796	102.10p	483,623,191	Class 2 – Net income shares	1.3495	86.00	67.99
Class 2 – Net accumulation shares	111,060	69.72p	159,304,017	§Class 2 – Net accumulation shares	0.5034	55.83	43.79
Class 2 – Net income shares	6,372	112.16p	5,681,304				
Class Z – Net accumulation shares	359	113.11p	317,351	<b>2011</b>			
<b>for the period ended 7 September 2013</b>				<b>2012</b>			
Class 1 – Net income shares	642,728	107.04p	600,479,792	Class 1 – Net income shares	1.4767	93.15	80.81
Class 2 – Net income shares	348,745	107.17p	325,400,434	Class 2 – Net income shares	2.0202	93.42	80.99
Class 2 – Net accumulation shares	113,888	74.28p	153,333,209	Class 2 – Net accumulation shares	1.3446	63.29	54.05
Class Z – Net income shares	176,187	117.73p	149,646,882	*Class Z – Net income shares	–	102.64	96.90
Class Z – Net accumulation shares	80,189	120.60p	66,492,400	§§Class Z – Net accumulation shares	–	102.64	96.90
				<b>2013</b>			
				†Class 1 – Net income shares	1.7807	110.27	94.08
				†Class 2 – Net income shares	2.4111	110.69	94.36
				†Class 2 – Net accumulation shares	1.6420	75.57	63.93
				†Class Z – Net income shares	2.8167	121.69	103.68
				†Class Z – Net accumulation shares	2.8523	122.69	103.68
				†To 7 September 2013			
				§Class 2 – Net accumulation shares commenced 31 March 2010			
				*Class Z – Net income shares commenced 19 September 2012			
				§§Class Z – Net accumulation shares commenced 19 September 2012			
<b>UK Select Fund</b>							
<b>for the year ended 7 March 2011</b>				<b>2008</b>			
Class 1 – Net income shares	195,245	81.46p	239,685,579	Class 1 – Net income shares	0.9779	84.36	48.99
Class 2 – Net income shares	75,312	81.70p	92,180,944	Class 2 – Net income shares	1.4727	84.81	49.18
<b>for the year ended 7 March 2012</b>				<b>2009</b>			
Class 1 – Net income shares	153,646	81.73p	187,983,295	Class 1 – Net income shares	1.1858	70.64	49.83
Class 2 – Net income shares	73,697	81.97p	89,907,377	Class 2 – Net income shares	1.5687	70.91	49.94
<b>for the year ended 7 March 2013</b>				<b>2010</b>			
Class 1 – Net income shares	142,813	93.71p	152,398,965	Class 1 – Net income shares	0.7687	81.46	64.87
Class 2 – Net income shares	77,207	94.02p	82,118,763	Class 2 – Net income shares	1.2219	81.84	65.18
Class Z – Net income shares	502	112.72p	445,797				
<b>for the period ended 7 September 2013</b>				<b>2011</b>			
Class 1 – Net income shares	128,069	98.77p	129,658,291	Class 1 – Net income shares	1.0461	85.14	67.84
Class 2 – Net income shares	64,194	99.11p	64,770,114	Class 2 – Net income shares	1.5597	85.57	68.06
Class Z – Net income shares	842	118.83p	709,134				
				<b>2012</b>			
				Class 1 – Net income shares	1.5033	85.72	75.48
				Class 2 – Net income shares	2.0196	85.99	75.82
				§Class Z – Net income shares	–	102.35	96.81
				<b>2013</b>			
				†Class 1 – Net income shares	1.7606	102.11	85.88
				†Class 2 – Net income shares	2.3479	102.71	86.32
				†Class Z – Net income shares	2.9690	123.23	103.50
				†To 7 September 2013			
				§Class Z – Net income shares commenced 28 September 2012			
<b>UK Smaller Companies Fund</b>							
<b>for the year ended 7 March 2011</b>				<b>2008</b>			
Class 1 – Net income shares	90,429	135.61p	66,685,281	Class 1 – Net income shares	0.9918	114.18	64.10
Class 2 – Net income shares	102,053	136.26p	74,894,530	Class 2 – Net income shares	1.6675	114.64	64.36
<b>for the year ended 7 March 2012</b>				<b>2009</b>			
Class 1 – Net income shares	100,661	138.11p	72,883,043	Class 1 – Net income shares	1.3650	101.99	63.41
Class 2 – Net income shares	89,565	138.97p	64,447,564	Class 2 – Net income shares	1.8764	102.34	63.55
<b>for the year ended 7 March 2013</b>				<b>2010</b>			
Class 1 – Net income shares	85,092	167.90p	50,681,366	Class 1 – Net income shares	0.6591	134.92	95.49
Class 2 – Net income shares	65,046	169.08p	38,471,636	Class 2 – Net income shares	1.3127	135.59	96.00
Class Z – Net income shares	33	114.35p	28,974				
<b>for the period ended 7 September 2013</b>				<b>2011</b>			
Class 1 – Net income shares	72,911	177.31p	41,121,574	Class 1 – Net income shares	0.2957	143.85	111.72
Class 2 – Net income shares	74,668	178.58p	41,811,427	Class 2 – Net income shares	0.9002	144.86	112.28
Class Z – Net income shares	281	120.79p	232,265				
				<b>2012</b>			
				Class 1 – Net income shares	0.3542	150.36	121.48
				Class 2 – Net income shares	1.0225	151.60	122.29
				§Class Z – Net income shares	–	102.54	96.83
				<b>2013</b>			
				†Class 1 – Net income shares	0.5894	180.15	152.76
				†Class 2 – Net income shares	1.5451	181.92	154.05
				†Class Z – Net income shares	1.1877	123.13	104.20
				†To 7 September 2013			
				§Class Z – Net income shares commenced 5 October 2012			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>UK Growth &amp; Income Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	117,197	61.40p	190,887,811	2008	2.2959	66.37	39.46
Class 2 – Net income shares	171,678	65.72p	261,237,714	Class 2 – Net income shares	2.4235	69.96	41.76
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	125,460	61.97p	202,458,938	2009	1.9983	54.59	37.57
Class 2 – Net income shares	169,148	66.67p	253,724,377	Class 2 – Net income shares	2.1546	58.09	39.81
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	190,772	71.92p	265,261,204	2010	1.8588	61.20	51.00
Class 2 – Net income shares	38,894	77.76p	50,015,309	Class 1 – Net income shares	2.0232	65.46	54.41
Class Z – Net income shares	89	112.23p	78,747	Class 2 – Net income shares	2.4484	72.19	63.35
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	197,731	78.56p	251,680,212	2011	1.9649	65.24	52.79
Class 2 – Net income shares	36,337	85.17p	42,666,833	Class 2 – Net income shares	2.1530	69.97	56.67
Class Z – Net income shares	2,616	122.99p	2,126,707	2012	2.2346	66.81	58.81
				Class 1 – Net income shares	2.4484	72.19	63.35
				Class 2 – Net income shares	–	104.05	98.25
				Class Z – Net income shares	–	104.05	98.25
				2013	2.4982	81.09	67.17
				†Class 1 – Net income shares	2.7620	87.89	72.59
				†Class 2 – Net income shares	3.9027	126.85	104.63
				†Class Z – Net income shares			
				†To 7 September 2013			
				§Class Z – Net income shares commenced 28 September 2012			
<b>UK Equity Income Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	511,684	65.80p	777,610,968	2008	3.0074	74.06	45.58
Class 1 – Net accumulation shares	17,708	69.64p	25,429,387	Class 1 – Net income shares	3.2128	78.45	48.49
Class 2 – Net income shares	384,845	70.71p	544,241,949	Class 2 – Net income shares			
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	721,308	65.64p	1,098,875,029	2009	3.0072	59.90	43.51
Class 1 – Net accumulation shares	33,953	72.46p	46,855,656	§Class 1 – Net accumulation shares	0.9709	59.16	46.22
Class 2 – Net income shares	473,440	70.90p	667,803,486	Class 2 – Net income shares	3.2411	64.03	46.27
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	1,018,992	75.47p	1,350,156,275	2010	2.8305	66.47	54.79
Class 1 – Net accumulation shares	111,185	86.70p	128,235,670	Class 1 – Net accumulation shares	2.3168	68.80	55.70
Class 2 – Net income shares	581,982	81.93p	710,378,329	Class 2 – Net income shares	3.0632	71.48	58.68
Class Z – Net income shares	135,984	108.28p	125,585,388	2011	3.5016	70.13	57.50
Class Z – Net accumulation shares	7,022	109.96p	6,385,978	Class 1 – Net accumulation shares	3.6906	74.22	61.71
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	1,076,285	82.10p	1,310,996,521	Class 2 – Net income shares	3.9317	75.51	62.08
Class 1 – Net accumulation shares	133,643	96.48p	138,515,697	2012	2.8990	70.47	62.76
Class 2 – Net income shares	656,540	89.34p	734,863,617	Class 1 – Net accumulation shares	3.2435	80.43	69.27
Class Z – Net income shares	283,509	118.23p	239,796,718	Class 2 – Net income shares	3.1896	76.41	67.88
Class Z – Net accumulation shares	38,837	122.82p	31,621,591	*Class Z – Net income shares	0.8986	100.94	95.98
				§§Class Z – Net accumulation shares	0.8970	101.85	95.98
				2013	2.3073	83.71	70.75
				†Class 1 – Net income shares	2.6441	97.45	80.76
				†Class 1 – Net accumulation shares	2.5537	91.07	76.75
				†Class 2 – Net income shares	3.3185	120.48	101.39
				†Class Z – Net income shares	3.3853	123.97	102.30
				†Class Z – Net accumulation shares			
				†To 7 September 2013			
				§Class 1 – Net accumulation shares commenced 8 May 2009			
				*Class Z – Net income shares commenced 14 September 2012			
				§§Class Z – Net accumulation shares commenced 14 September 2012			
<b>UK Monthly Income Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	534,183	57.93p	922,159,290	2008	2.6592	67.01	40.61
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	529,289	57.65p	918,184,065	2009	2.5560	51.84	38.74
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	575,249	64.86p	886,924,151	2010	2.3721	57.63	48.15
Class Z – Net income shares	2,805	108.91p	2,575,315	2011	2.3249	60.64	51.44
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	585,365	69.23p	845,560,245	2012	2.5486	60.54	54.60
Class Z – Net income shares	14,981	117.58p	12,740,996	Class 1 – Net income shares	0.5273	101.13	95.89
				§Class Z – Net income shares			
				2013	2.0395	70.55	60.72
				†Class 1 – Net income shares	2.5650	119.45	101.82
				†Class Z – Net income shares			
				†To 7 September 2013			
				§Class Z – Net income shares commenced 21 September 2012			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>Monthly Extra Income Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	119,651	56.66p	211,188,474	2008	2.6873	62.56	40.93
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	131,541	57.37p	229,291,922	2009	2.6769	51.39	38.27
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	160,346	65.43p	245,073,969	2010	2.3857	56.38	48.80
Class Z – Net income shares	1,845	109.08p	1,691,471	2011	2.3795	59.33	50.90
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	166,994	69.68p	239,642,024	2012	2.4483	61.96	54.94
Class Z – Net income shares	17,147	117.35p	14,612,287	§Class Z – Net income shares	0.4047	103.17	98.45
				†Class 1 – Net income shares	1.8913	71.06	62.08
				†Class Z – Net income shares	2.3556	119.32	103.53
				†To 7 September 2013			
				§Class Z – Net income shares commenced 3 October 2012			
<b>UK Corporate Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	99,522	51.55p	193,053,126	2008	2.3039	53.41	44.54
§Class 1 – Gross income shares	11,117	51.60p	21,544,143	2009	2.8627	53.46	44.67
Class 2 – Net income shares	175,323	51.63p	339,603,581	2010	2.4491	53.51	44.62
§Class 2 – Gross accumulation shares	312,404	75.93p	411,429,403	2011	3.7869	65.32	57.15
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	88,823	52.82p	168,172,052	2009	2.1112	51.26	41.18
§Class 1 – Gross income shares	18,030	52.86p	34,111,351	2010	2.6285	51.42	41.26
Class 2 – Net income shares	170,785	52.89p	322,888,650	2011	2.2613	51.37	41.24
§Class 2 – Gross accumulation shares	328,945	81.75p	402,380,581	2012	3.7374	70.10	54.49
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	95,303	56.50p	168,684,504	2010	2.0195	54.23	50.39
§Class 1 – Gross income shares	23,449	56.53p	41,478,955	2011	2.5141	54.36	50.48
Class 2 – Net income shares	183,979	56.58p	325,145,532	2012	2.1875	54.33	50.48
§Class 2 – Gross accumulation shares	437,858	91.23p	479,959,272	2013	3.8238	77.93	69.62
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	81,346	54.53p	149,174,028	2011	1.9797	53.42	50.25
§Class 1 – Gross income shares	18,707	54.57p	34,282,113	2012	2.4644	53.58	50.35
Class 2 – Net income shares	165,392	54.61p	302,852,094	2013	2.1466	53.54	50.33
§Class 2 – Gross accumulation shares	389,375	90.00p	432,655,190	2012	3.9519	79.63	75.01
				2013	1.7478	57.31	51.50
				Class 1 – Gross income shares	2.1775	57.45	51.58
				Class 2 – Net income shares	1.9206	57.44	51.58
				Class 2 – Gross accumulation shares	3.7143	91.19	78.88
				2013			
				†Class 1 – Net income shares	1.3319	59.07	54.80
				†Class 1 – Gross income shares	1.6602	59.17	54.85
				†Class 2 – Net income shares	1.4637	59.18	54.89
				†Class 2 – Gross accumulation shares	2.9404	95.54	89.49
				†To 7 September 2013			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>Sterling Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	183,234	45.86p	399,594,148	2008	1.6082	48.97	42.87
§Class 1 – Gross accumulation shares	34,346	87.94p	39,057,483	Class 1 – Gross accumulation shares	3.4447	86.78	75.77
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	199,379	52.08p	382,831,128	2009	1.4338	48.96	44.71
§Class 1 – Gross accumulation shares	49,067	102.05p	48,079,362	Class 1 – Gross accumulation shares	3.2168	87.77	80.59
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	135,142	52.16p	259,112,866	2010	1.1444	49.34	45.25
§Class 1 – Gross accumulation shares	45,468	103.89p	43,781,257	Class 1 – Gross accumulation shares	2.6386	92.23	83.84
Class Z – Net income shares	28	98.33p	28,075	2011	1.0324	52.98	45.73
§Class Z – Gross accumulation shares	3	99.10p	3,001	Class 1 – Gross accumulation shares	2.4538	103.02	86.70
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	95,123	49.43p	192,450,487	2012	0.7155	54.43	50.77
§Class 1 – Gross accumulation shares	43,715	99.29p	44,028,093	Class 1 – Net income shares	1.7429	106.80	99.50
Class Z – Net income shares	141	93.47p	151,368	Class 1 – Gross accumulation shares	–	100.79	98.84
§Class Z – Gross accumulation shares	31	95.06p	32,526	§Class Z – Net income shares	–	100.81	98.84
<i>§Only available to eligible investors</i>							
<b>2013</b>							
†Class 1 – Net income shares							
†Class 1 – Gross accumulation shares							
†Class Z – Net income shares							
†Class Z – Gross accumulation shares							
<i>†To 7 September 2013</i>							
<i>§Class Z – Net income shares commenced 12 October 2012</i>							
<i>*Class Z – Gross accumulation shares commenced 12 October 2012</i>							
<b>Sterling Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	49,872	99.83p	49,957,438	2008	2.1940	101.74	99.07
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	246,260	99.82p	246,702,184	2009	0.5313	99.85	95.30
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	223,628	99.81p	224,064,688	2010	0.0967	99.91	99.79
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	206,771	99.81p	207,154,838	2011	0.2521	99.97	99.82
<b>2012</b>							
Class 1 – Net income shares							
Class 1 – Gross accumulation shares							
<b>2013</b>							
†Class 1 – Net income shares							
<i>*Launch date – 24 January 2008</i>							
<i>†To 7 September 2013</i>							
<b>European Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	328,525	138.12p	237,859,666	2008	0.6161	131.54	82.70
Class 2 – Net accumulation shares	424,301	149.24p	284,316,679	Class 2 – Net accumulation shares	1.5008	139.33	88.02
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	231,791	124.12p	186,755,051	2009	1.5949	126.50	79.97
Class 2 – Net accumulation shares	307,814	134.97p	228,060,350	Class 2 – Net accumulation shares	2.7783	135.47	85.31
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	262,203	158.20p	165,739,928	2010	1.1203	136.05	109.80
Class 2 – Net accumulation shares	262,084	173.14p	151,369,365	Class 2 – Net accumulation shares	1.9491	146.82	118.04
Class Z – Net accumulation shares	257	122.33p	210,398	2011	0.7083	146.63	104.85
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	217,371	156.69p	138,726,592	Class 1 – Net accumulation shares	1.7625	158.60	113.69
Class 2 – Net accumulation shares	234,837	172.03p	136,512,762	2012	1.8344	139.11	112.40
Class Z – Net accumulation shares	1,354	121.64p	1,113,047	Class 2 – Net accumulation shares	2.8651	152.06	122.41
<b>2013</b>							
§Class Z – Net accumulation shares							
†Class 1 – Net accumulation shares							
†Class 2 – Net accumulation shares							
†Class Z – Net accumulation shares							
<i>†To 7 September 2013</i>							
<i>§Class Z – Net accumulation shares commenced 28 September 2012</i>							

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>European Select Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	776,150	144.53p	537,016,053	2008	0.7542	131.61	78.87
Class 2 – Net accumulation shares	128,614	156.23p	82,324,768	Class 2 – Net accumulation shares	1.6050	139.48	83.98
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	764,504	147.69p	517,639,406	2009	1.2701	121.40	84.91
Class 2 – Net accumulation shares	166,771	160.66p	103,804,098	Class 2 – Net accumulation shares	2.6792	130.23	90.61
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	1,130,078	193.57p	583,822,651	2010	1.1753	144.06	112.81
Class 2 – Net income shares	365,804	128.23p	285,272,052	Class 2 – Net accumulation shares	1.6837	155.53	121.10
Class 2 – Net accumulation shares	422,533	211.91p	199,389,663	2011	0.4354	157.38	123.52
Class Z – Net accumulation shares	14,620	122.08p	11,975,115	Class 2 – Net accumulation shares	1.3649	170.47	133.98
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	1,070,629	190.16p	563,010,383	2012	0.9246	167.39	136.50
Class 2 – Net income shares	309,459	126.37p	244,885,132	Class 2 – Net income shares	–	110.75	90.85
Class 2 – Net accumulation shares	636,208	208.84p	304,643,952	Class 2 – Net accumulation shares	1.7180	183.03	148.33
Class Z – Net accumulation shares	81,019	120.42p	67,282,945	*Class Z – Net accumulation shares	–	105.41	98.61
<b>2013</b>							
				†Class 1 – Net accumulation shares	0.8409	203.56	167.31
				†Class 2 – Net income shares	–	135.19	110.72
				†Class 2 – Net accumulation shares	1.0076	223.41	182.97
				†Class Z – Net accumulation shares	0.0772	128.80	105.38
<i>†To 7 September 2013</i>							
<i>§Class 2 – Net income shares commenced 9 March 2012</i>							
<i>*Class Z – Net accumulation shares commenced 14 September 2012</i>							
<b>European Smaller Companies Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	2,422	341.91p	708,511	2008	0.2353	281.99	168.85
Class 1 – Net accumulation shares	638,715	343.54p	185,919,501	Class 1 – Net accumulation shares	0.3872	282.31	169.04
Class 2 – Net accumulation shares	440,439	370.50p	118,876,934	Class 2 – Net accumulation shares	2.5682	299.03	179.58
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	9,630	334.05p	2,882,796	2009	0.6211	264.38	170.66
Class 1 – Net accumulation shares	599,964	335.65p	178,746,666	Class 1 – Net accumulation shares	2.1093	265.66	170.87
Class 2 – Net accumulation shares	338,841	364.32p	93,006,925	Class 2 – Net accumulation shares	3.5215	283.95	181.94
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	28,253	453.54p	6,229,337	2010	–	342.74	250.41
Class 1 – Net accumulation shares	909,910	455.76p	199,645,365	Class 1 – Net accumulation shares	1.0476	344.38	251.62
Class 2 – Net accumulation shares	506,651	497.85p	101,767,574	Class 2 – Net accumulation shares	2.9918	370.97	269.49
Class Z – Net accumulation shares	6,051	104.25p	5,803,870	2011	–	375.58	289.59
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	36,338	454.24p	7,999,627	Class 1 – Net accumulation shares	0.8978	377.38	290.98
Class 1 – Net accumulation shares	904,977	456.47p	198,255,231	Class 2 – Net accumulation shares	2.8006	407.83	315.37
Class 2 – Net accumulation shares	579,275	500.18p	115,813,015	2012	–	395.96	304.34
Class Z – Net accumulation shares	13,665	104.83p	13,035,634	Class 1 – Net accumulation shares	0.9154	397.86	305.79
				Class 2 – Net accumulation shares	4.0588	434.01	331.55
<b>2013</b>							
				†Class 1 – Net income shares	0.0453	469.11	396.82
				†Class 1 – Net accumulation shares	1.2045	471.41	398.72
				†Class 2 – Net accumulation shares	4.1041	516.25	435.06
				†§Class Z – Net accumulation shares	–	108.18	98.92
<i>†To 7 September 2013</i>							
<i>§Class Z – Net accumulation shares commenced 12 February 2013</i>							

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>Pan European Smaller Companies Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	174,244	109.08p	159,736,581	2008	–	90.20	53.38
Class 2 – Net accumulation shares	227,410	112.82p	201,564,885	Class 2 – Net accumulation shares	–	91.63	54.39
Class X – Net accumulation shares	161,721	69.97p	231,142,077	2009			
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	171,810	107.35p	160,042,746	Class 1 – Net accumulation shares	0.2155	82.14	53.91
Class 2 – Net accumulation shares	215,372	111.75p	192,727,643	Class 2 – Net accumulation shares	0.6857	84.32	55.05
Class X – Net accumulation shares	183,730	70.00p	262,486,241	§Class X – Net accumulation shares	–	51.67	50.00
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	547,651	141.61p	386,720,880	2010			
Class 2 – Net accumulation shares	354,140	148.36p	238,705,337	Class 1 – Net accumulation shares	0.2820	111.45	79.22
Class X – Net accumulation shares	262,586	93.86p	279,761,630	Class 2 – Net accumulation shares	0.7535	115.14	81.37
Class Z – Net accumulation shares	35	104.98p	33,800	Class X – Net accumulation shares	0.0448	71.27	49.92
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	587,448	142.71p	411,635,027	2011			
Class 2 – Net accumulation shares	378,439	149.98p	252,330,499	Class 1 – Net accumulation shares	0.3456	119.17	91.94
Class X – Net accumulation shares	272,185	95.36p	285,426,283	Class 2 – Net accumulation shares	0.9892	123.53	95.45
Class Z – Net accumulation shares	40,611	106.11p	38,274,150	Class X – Net accumulation shares	1.2799	76.86	59.53
				2012			
				Class 1 – Net accumulation shares	0.5753	124.98	97.65
				Class 2 – Net accumulation shares	1.2940	130.77	101.54
				Class X – Net accumulation shares	1.3720	82.57	63.49
				2013			
				†Class 1 – Net accumulation shares	0.7505	146.46	125.68
				†Class 2 – Net accumulation shares	1.5590	153.86	131.53
				†Class X – Net accumulation shares	1.7428	97.76	83.08
				†*Class Z – Net accumulation shares	0.6005	108.84	98.00
				†To 7 September 2013			
				§Class X – Net accumulation shares commenced 9 December 2009			
				*Class Z – Net accumulation shares commenced 12 February 2013			
<b>Pan European Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	97,095	100.94p	96,191,887	2008			
Class 2 – Net accumulation shares	108,672	107.95p	100,668,580	Class 1 – Net accumulation shares	0.6821	85.10	54.18
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	62,245	94.31p	66,001,721	Class 2 – Net accumulation shares	1.1126	89.21	57.08
Class 2 – Net accumulation shares	106,307	101.51p	104,727,942	2009			
Class Zi – Net accumulation shares	4	109.87p	3,001	Class 1 – Net accumulation shares	0.5163	82.93	55.89
Class X – Net accumulation shares	22,208	94.47p	23,508,673	Class 2 – Net accumulation shares	1.1439	88.02	59.02
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	77,071	114.48p	67,325,528	2010			
Class 2 – Net accumulation shares	123,158	124.00p	99,318,570	Class 1 – Net accumulation shares	0.5159	100.55	75.35
Class Zi – Net accumulation shares	4	134.22p	3,001	Class 2 – Net accumulation shares	1.4549	107.39	80.04
Class X – Net accumulation shares	41,527	116.56p	35,627,589	2011			
Class Z – Net accumulation shares	26	118.77p	21,771	Class 1 – Net accumulation shares	–	105.88	80.31
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	67,928	118.69p	57,231,942	Class 2 – Net accumulation shares	0.4042	113.48	86.21
Class 2 – Net accumulation shares	110,502	128.97p	85,680,708	Class Zi – Net accumulation shares	–	104.75	99.01
Class Zi – Net accumulation shares	3,812	139.58p	2,730,952	§Class X – Net accumulation shares	–	104.91	79.89
Class X – Net accumulation shares	46,038	121.83p	37,787,460	2012			
Class Z – Net accumulation shares	722	123.62p	584,178	Class 1 – Net accumulation shares	1.0981	102.54	84.99
				Class 2 – Net accumulation shares	1.6803	110.92	91.62
				Class Zi – Net accumulation shares	0.1076	120.07	99.17
				Class X – Net accumulation shares	1.7635	104.04	85.46
				§§Class Z – Net accumulation shares	–	106.20	98.59
				2013			
				†Class 1 – Net accumulation shares	0.7327	124.41	102.71
				†Class 2 – Net accumulation shares	1.4468	135.12	111.14
				†Class Zi – Net accumulation shares	1.5804	146.24	120.30
				†Class X – Net accumulation shares	1.9523	127.53	104.29
				†Class Z – Net accumulation shares	0.0443	129.50	106.41
				†To 7 September 2013			
				§Class X – Net accumulation shares commenced 12 April 2011			
				*Class Zi – Net accumulation shares Initial Service Charge commenced 29 November 2011			
				§§Class Z – Net accumulation shares commenced 3 October 2012			
<b>European Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	55,067	64.04p	85,990,274	2008			
§Class 1 – Gross accumulation shares	134,814	110.92p	121,539,644	Class 1 – Net income shares	1.6512	71.27	51.95
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	55,960	65.71p	85,157,051	Class 1 – Gross accumulation shares	3.1536	113.01	79.33
§Class 1 – Gross accumulation shares	140,852	117.26p	120,117,312	2009			
§Class 2 – Gross accumulation shares	11,044	104.12p	10,607,173	Class 1 – Net income shares	2.1730	70.57	60.75
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	57,945	70.75p	81,899,043	Class 1 – Gross accumulation shares	4.2965	116.29	98.26
§Class 1 – Gross accumulation shares	113,871	129.65p	87,827,493	2010			
§Class 2 – Gross accumulation shares	2,971	115.69p	2,568,433	Class 1 – Net income shares	1.8761	69.45	63.49
Class Z – Net income shares	3	100.20p	3,010	Class 1 – Gross accumulation shares	3.8836	118.50	106.78
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	53,756	67.30p	79,875,205	2011			
§Class 1 – Gross accumulation shares	123,528	124.99p	98,832,232	Class 1 – Net income shares	1.6774	68.02	63.48
§Class 2 – Gross accumulation shares	186	111.87p	165,917	Class 1 – Gross accumulation shares	3.5966	118.37	108.54
Class Z – Net income shares	102	95.55p	106,339	§Class 2 – Gross accumulation shares	1.6035	104.57	99.08
				2012			
				Class 1 – Net income shares	1.4208	68.32	63.95
				Class 1 – Gross accumulation shares	3.1401	123.68	112.76
				Class 2 – Gross accumulation shares	2.8221	110.23	99.87
				2013			
				†Class 1 – Net income shares	1.5268	71.90	67.49
				†Class 1 – Gross accumulation shares	3.4666	131.30	122.19
				†Class 2 – Gross accumulation shares	3.2305	117.31	108.91
				†*Class Z – Net income shares	2.1773	101.81	96.75
				†To 7 September 2013			
				§Class 2 – Gross accumulation shares commenced 18 March 2011			
				*Class Z – Net income shares commenced 15 February 2013			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>European Corporate Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	26,592	81.83p	32,495,705	2008	2.2351	72.44	58.20
§Class 1 – Gross accumulation shares	7,115	87.05p	8,173,280	Class 1 – Gross accumulation shares	2.6928	75.75	60.75
§Class 2 – Gross accumulation shares	4,412	102.36p	4,310,047	2009	2.6924	84.72	63.68
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	27,206	83.35p	32,639,280	Class 1 – Gross accumulation shares	2.5370	89.22	66.75
§Class 1 – Gross accumulation shares	7,325	89.30p	8,202,494	2010	2.5301	86.56	75.50
§Class 2 – Gross accumulation shares	14,280	105.68p	13,512,355	Class 1 – Net accumulation shares	3.1480	91.81	79.89
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	42,303	94.75p	44,646,047	§Class 2 – Gross accumulation shares	2.1460	107.71	93.53
§Class 1 – Gross accumulation shares	9,818	102.00p	9,625,462	2011	2.5880	87.46	78.59
§Class 2 – Gross accumulation shares	15,091	121.48p	12,422,087	Class 1 – Net accumulation shares	3.6186	93.27	83.56
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	43,179	91.41p	47,235,871	Class 1 – Gross accumulation shares	2.8130	109.89	98.16
§Class 1 – Gross accumulation shares	8,808	98.60p	8,932,298	2012	2.0614	89.25	78.60
§Class 2 – Gross accumulation shares	14,197	117.80p	12,051,474	Class 1 – Gross accumulation shares	2.5583	96.00	84.15
<i>§Only available to eligible investors</i>							
				Class 2 – Gross accumulation shares	2.8007	114.19	99.48
				2013	1.6186	95.99	88.28
				†Class 1 – Net accumulation shares	2.1837	103.50	94.96
				†Class 1 – Gross accumulation shares	4.2935	123.58	112.98
				†Class 2 – Gross accumulation shares			
				<i>†To 7 September 2013</i>			
				<i>§Class 2 – Gross accumulation shares commenced 3 February 2010</i>			
<b>European High Yield Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	58,852	115.23p	51,072,813	2008	4.3707	89.23	61.23
§Class 1 – Gross income shares	788	114.34p	688,765	Class 1 – Gross accumulation shares	5.9643	95.27	70.31
§Class 1 – Gross accumulation shares	639,762	136.64p	468,225,867	Class 2 – Gross accumulation shares	4.5599	114.04	84.40
§Class 2 – Gross accumulation shares	245,362	166.00p	147,806,664	2009	4.0106	106.76	69.38
§Class X – Gross accumulation shares	116,260	66.65p	174,421,633	Class 1 – Net accumulation shares	8.0229	124.47	79.94
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	33,100	112.12p	29,521,109	Class 2 – Gross accumulation shares	4.3217	149.90	96.08
§Class 1 – Gross income shares	20,115	111.98p	17,963,271	*Class X – Gross accumulation shares	–	59.56	50.17
§Class 1 – Gross accumulation shares	321,942	134.69p	239,023,774	2010	3.7316	115.13	96.16
§Class 2 – Gross accumulation shares	191,816	164.68p	116,481,013	§Class 1 – Net accumulation shares	–	116.30	96.87
§Class 2 – CHF Hedged gross accumulation shares	2,198	98.39p	2,234,191	Class 1 – Gross income shares	6.4097	135.92	113.22
§Class X – Gross accumulation shares	131,315	66.62p	197,112,194	Class 1 – Gross accumulation shares	14.6306	164.75	136.95
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	37,014	130.06p	28,459,395	Class 2 – Gross accumulation shares	2.3685	65.97	54.71
§Class 1 – Gross income shares	31,998	124.94p	25,610,120	2011	8.9530	121.73	101.61
§Class 1 – Gross accumulation shares	388,837	158.01p	246,076,498	Class 1 – Gross income shares	2.5683	121.01	101.71
§Class 2 – Gross income shares	10,462	120.26p	8,699,809	Class 1 – Gross accumulation shares	7.6215	144.65	121.55
§Class 2 – Gross accumulation shares	243,476	194.42p	125,231,435	Class 2 – Gross accumulation shares	8.8563	175.92	148.22
§Class 2 – CHF Hedged gross accumulation shares	2,528	113.15p	2,234,191	**Class 2 – CHF Hedged gross accumulation shares	–	113.60	86.98
§Class X – Gross accumulation shares	88,671	79.24p	111,896,881	Class X – Gross accumulation shares	4.0805	70.72	59.77
§Class Z – Gross income shares	11	114.03p	9,839	2012	8.0781	122.04	103.07
§Class Z – Gross accumulation shares	4	115.86p	3,001	Class 1 – Net accumulation shares	0.7214	123.05	103.53
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	30,978	128.54p	24,100,185	Class 1 – Gross income shares	11.9066	148.01	123.75
§Class 1 – Gross income shares	40,007	124.24p	32,201,898	Class 1 – Gross accumulation shares	–	113.02	96.66
§Class 1 – Gross accumulation shares	342,158	157.04p	217,873,295	§§Class 2 – Gross income shares	12.7158	181.88	151.12
§Class 2 – Gross income shares	21,344	119.90p	17,801,010	Class 2 – CHF Hedged gross accumulation shares	7.4286	108.08	89.44
§Class 2 – Gross accumulation shares	282,255	193.82p	145,627,537	Class X – Gross accumulation shares	5.0953	74.03	61.06
§Class 2 – CHF Hedged gross accumulation shares	2,630	112.09p	2,346,291	Class Z – Gross income shares	–	108.37	99.81
§Class X – Gross accumulation shares	88,318	79.30p	111,370,496	Class Z – Gross accumulation shares	–	108.37	99.81
§Class Z – Gross income shares	116	113.87p	102,024	2013	5.9344	133.51	120.60
§Class Z – Gross accumulation shares	74	115.55p	64,417	†Class 1 – Net accumulation shares	6.4218	132.87	121.62
<i>§Only available to eligible investors</i>							
				†Class 1 – Gross income shares	8.2994	162.92	146.29
				†Class 1 – Gross accumulation shares	0.5483	124.31	111.72
				†Class 2 – Gross income shares	11.9032	200.95	179.79
				†Class 2 – Gross accumulation shares	7.1507	116.91	106.78
				†Class 2 – CHF Hedged gross accumulation shares	7.1541	82.16	73.19
				†Class X – Gross accumulation shares	1.8221	117.93	107.13
				†***Class Z – Gross income shares	3.3965	119.79	107.13
				†§§Class Z – Gross accumulation shares			
				<i>†To 7 September 2013</i>			
				<i>*Class X – Gross accumulation shares commenced 14 August 2009</i>			
				<i>§Class 1 – Gross income shares commenced 18 June 2010</i>			
				<i>**Class 2 – CHF Hedged gross accumulation shares commenced 25 May 2011</i>			
				<i>§§Class 2 – Gross income shares commenced 9 May 2012</i>			
				<i>***Class Z – Gross income shares commenced 26 September 2012</i>			
				<i>§§§Class Z – Gross accumulation shares commenced 26 September 2012</i>			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p	
<b>Strategic Bond Fund</b>								
<b>for the year ended 7 March 2011</b>								
Class 1 – Net income shares	198,648	47.60p	417,323,710	2008	2.7517	49.29	36.86	
§Class 1 – Gross income shares	44,260	47.72p	92,747,638		3.4554	49.39	37.00	
Class 2 – Net income shares	19,388	49.86p	38,884,861	2.8791	50.83	38.17		
§Class 2 – Gross income shares	7,913	52.70p	15,015,433	§Class 2 – Gross income shares	1.8502	50.00	40.40	
§Class 2 – Gross accumulation shares	140,293	81.91p	171,286,384	Class 2 – Gross accumulation shares	4.7539	65.47	53.24	
<b>for the year ended 7 March 2012</b>								
Class 1 – Net income shares	179,917	46.25p	389,016,666	2009	2.5843	46.04	36.04	
§Class 1 – Gross income shares	66,859	46.36p	144,230,497		3.1800	46.21	36.22	
Class 2 – Net income shares	19,047	48.69p	39,120,620	Class 2 – Net income shares	2.7323	47.92	37.39	
§Class 2 – Gross income shares	2,545	51.45p	4,945,975	Class 2 – Gross income shares	3.5833	50.73	39.60	
§Class 2 – Gross accumulation shares	128,596	85.41p	150,554,797	Class 2 – Gross accumulation shares	4.9064	72.33	53.41	
<b>for the year ended 7 March 2013</b>								
Class 1 – Net income shares	174,616	48.26p	361,818,242	2010	2.5660	48.56	45.55	
§Class 1 – Gross income shares	60,047	48.36p	124,177,787		3.1966	48.72	45.68	
Class 2 – Net income shares	20,980	51.06p	41,090,400	Class 2 – Net income shares	2.7335	50.78	47.54	
§Class 2 – Gross income shares	3,260	53.94p	6,043,020	Class 2 – Gross income shares	3.5928	53.72	50.26	
§Class 2 – Gross accumulation shares	130,077	95.35p	136,414,429	Class 2 – Gross accumulation shares	5.2880	81.27	72.12	
Class Z – Net income shares	1,278	101.22p	1,263,123	2011	2.4651	48.27	43.37	
§Class Z – Gross income shares	15	101.22p	14,682		Class 1 – Net income shares	3.0698	48.44	43.37
§Class Z – Gross accumulation shares	3	104.05p	3,001		Class 1 – Gross income shares	2.6398	50.61	45.57
					Class 2 – Gross income shares	3.4581	53.55	48.20
<b>for the period ended 7 September 2013</b>								
Class 1 – Net income shares	151,989	47.06p	322,985,936	Class 2 – Gross accumulation shares	5.4642	84.01	77.69	
§Class 1 – Gross income shares	58,829	47.15p	124,762,545	2012	2.3216	48.89	44.76	
Class 2 – Net income shares	20,504	49.91p	41,080,117		Class 1 – Net income shares	2.8796	49.01	44.89
§Class 2 – Gross income shares	3,024	52.73p	5,734,451	Class 1 – Gross income shares	2.4916	51.67	47.08	
§Class 2 – Gross accumulation shares	116,999	95.95p	121,937,876	Class 2 – Net income shares	3.2766	54.63	49.78	
Class Z – Net income shares	11,472	99.02p	11,585,911	Class 2 – Gross income shares	5.5077	95.08	81.45	
§Class Z – Gross income shares	105	99.03p	105,771	Class 2 – Gross accumulation shares	0.9933	102.40	99.98	
§Class Z – Gross accumulation shares	252	104.74p	240,511	*Class Z – Net income shares	1.2385	102.48	100.00	
				§§Class Z – Gross income shares	1.2444	103.74	100.00	
				**Class Z – Gross accumulation shares				
				2013				
				†Class 1 – Net income shares	1.6887	49.72	46.91	
				†Class 1 – Gross income shares	2.1040	49.86	47.04	
				†Class 2 – Net income shares	1.8271	52.65	49.71	
				†Class 2 – Gross income shares	2.4005	55.67	52.55	
				†Class 2 – Gross accumulation shares	4.2611	98.90	94.26	
				†Class Z – Net income shares	3.5684	104.38	98.58	
				†Class Z – Gross income shares	4.4522	104.48	98.66	
				†Class Z – Gross accumulation shares	4.5251	107.93	102.88	
				†To 7 September 2013				
				§Class 2 – Gross income shares commenced 11 June 2008				
				*Class Z – Net income shares commenced 26 September 2012				
				§§Class Z – Gross income shares commenced 26 September 2012				
				**Class Z – Gross accumulation shares commenced 26 September 2012				

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>American Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	925	109.83p	842,324	2008	–	90.62	63.56
Class 1 – Net accumulation shares	645,865	109.84p	587,986,648	Class 1 – Net accumulation shares	–	90.61	63.56
Class 1 – EUR Hedged net accumulation shares	15,943	142.94p	11,154,232	Class 2 – Net accumulation shares	–	96.06	67.71
Class 2 – Net accumulation shares	859,039	118.82p	723,001,814	2009			
Class X – Net accumulation shares	47,732	118.92p	40,139,169	Class 1 – Net income shares	–	92.80	63.14
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	33,343	117.89p	28,282,953	Class 1 – Net accumulation shares	–	92.81	63.15
Class 1 – Net accumulation shares	861,067	117.90p	730,312,069	*Class 1 – EUR Hedged net accumulation shares	–	125.93	87.96
Class 1 – EUR Hedged net accumulation shares	16,603	143.16p	11,597,700	Class 2 – Net accumulation shares	0.2291	99.63	67.44
Class 2 – Net accumulation shares	882,462	128.35p	687,520,414	2010			
Class X – Net accumulation shares	9,078	129.75p	6,996,737	Class 1 – Net income shares	–	109.53	87.57
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	32,273	140.81p	22,919,030	Class 1 – Net accumulation shares	–	109.55	87.58
Class 1 – Net accumulation shares	1,068,519	140.83p	758,736,586	Class 1 – EUR Hedged net accumulation shares	–	134.75	103.59
Class 1 – EUR Hedged net accumulation shares	102,344	168.56p	60,715,335	Class 2 – Net accumulation shares	–	118.34	94.33
Class 2 – Net accumulation shares	931,479	154.30p	603,697,564	§Class X – Net accumulation shares	–	118.20	94.01
Class X – Net accumulation shares	9,137	157.54p	5,799,930	2011			
Class Z – Net income shares	66,276	117.66p	56,328,419	Class 1 – Net income shares	–	117.16	94.52
Class Z – Net accumulation shares	9,503	117.83p	8,065,359	Class 1 – Net accumulation shares	–	117.17	94.53
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	37,627	146.31p	25,716,895	Class 1 – EUR Hedged net accumulation shares	–	155.64	121.25
Class 1 – Net accumulation shares	1,031,837	146.33p	705,152,113	Class 2 – Net accumulation shares	0.0063	127.01	102.55
Class 1 – EUR Hedged net accumulation shares	9,069	176.21p	5,146,841	Class X – Net accumulation shares	0.4381	127.55	103.10
Class 2 – Net accumulation shares	964,375	160.82p	589,646,802	2012			
Class X – Net accumulation shares	8,209	165.03p	4,974,361	Class 1 – Net income shares	–	123.91	112.15
Class Z – Net income shares	72,299	122.75p	58,900,309	Class 1 – Net accumulation shares	–	123.92	112.16
Class Z – Net accumulation shares	48,265	122.92p	39,266,785	Class 1 – EUR Hedged net accumulation shares	–	152.83	131.23
				Class 2 – Net accumulation shares	0.3019	134.97	121.97
				Class X – Net accumulation shares	5.3081	136.54	123.08
				**Class Z – Net income shares	–	102.44	96.47
				§§Class Z – Net accumulation shares	–	102.44	96.47
				2013			
				†Class 1 – Net income shares	–	154.00	121.74
				†Class 1 – Net accumulation shares	–	154.02	121.76
				†Class 1 – EUR Hedged net accumulation shares	–	186.89	148.44
				†Class 2 – Net accumulation shares	0.6536	169.18	133.25
				†Class X – Net accumulation shares	2.1118	173.43	135.81
				†Class Z – Net income shares	0.1673	129.10	101.73
				†Class Z – Net accumulation shares	0.0646	129.28	101.73
				†To 7 September 2013			
				*Class 1 – EUR Hedged net accumulation shares commenced 2 April 2009			
				§Class X – Net accumulation shares commenced 27 July 2010			
				**Class Z – Net income shares commenced 12 September 2012			
				§§Class Z – Net accumulation shares commenced 12 September 2012			
<b>American Select Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	2,962	119.13p	2,486,825	2008			
Class 1 – Net accumulation shares	862,356	119.19p	723,515,679	Class 1 – Net income shares	–	103.93	69.82
Class 1 – EUR Hedged net accumulation shares	31,903	128.94p	24,742,477	Class 1 – Net accumulation shares	–	103.96	69.85
Class 2 – Net accumulation shares	383,627	129.04p	297,289,146	Class 2 – Net accumulation shares	–	110.31	74.47
Class 2 – EUR Hedged net accumulation shares	12,265	106.21p	11,547,702	2009			
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	4,809	128.17p	3,752,453	Class 1 – Net income shares	–	104.17	71.66
Class 1 – Net accumulation shares	1,024,768	128.23p	799,157,276	Class 1 – Net accumulation shares	–	104.23	71.70
Class 1 – EUR Hedged net accumulation shares	99,820	129.59p	77,025,162	*Class 1 – EUR Hedged net accumulation shares	–	119.24	85.72
Class 2 – Net accumulation shares	501,454	139.72p	358,898,899	Class 2 – Net accumulation shares	–	111.99	76.64
Class 2 – EUR Hedged net accumulation shares	19,134	107.19p	17,850,861	§Class 2 – EUR Hedged net accumulation shares	–	97.29	87.45
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	7,961	152.92p	5,205,753	2010			
Class 1 – Net accumulation shares	1,270,589	153.03p	830,274,702	Class 1 – Net income shares	–	118.60	94.47
Class 1 – EUR Hedged net accumulation shares	16,650	151.51p	10,988,729	Class 1 – Net accumulation shares	–	118.66	94.51
Class 2 – Net accumulation shares	672,332	167.78p	400,732,928	Class 1 – EUR Hedged net accumulation shares	–	122.09	92.99
Class 2 – EUR Hedged net accumulation shares	42,786	126.66p	33,779,076	Class 2 – Net accumulation shares	–	128.30	101.99
Class Z – Net income shares	5,510	116.65p	4,723,880	Class 2 – EUR Hedged net accumulation shares	–	100.02	76.27
Class Z – Net accumulation shares	20,970	116.71p	17,967,341	2011			
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	6,230	156.82p	3,972,621	Class 1 – Net income shares	–	126.61	100.41
Class 1 – Net accumulation shares	1,060,825	156.91p	676,080,215	Class 1 – Net accumulation shares	–	126.67	100.46
Class 1 – EUR Hedged net accumulation shares	13,926	156.38p	8,905,762	Class 1 – EUR Hedged net accumulation shares	–	140.01	106.57
Class 2 – Net accumulation shares	847,104	172.60p	490,795,567	Class 2 – Net accumulation shares	–	137.44	109.08
Class 2 – EUR Hedged net accumulation shares	36,776	131.17p	28,037,015	Class 2 – EUR Hedged net accumulation shares	–	115.31	87.92
Class Z – Net income shares	116,125	120.10p	96,688,143	2012			
Class Z – Net accumulation shares	76,139	120.17p	63,357,405	Class 1 – Net income shares	–	134.69	119.87
				Class 1 – Net accumulation shares	–	134.76	119.93
				Class 1 – EUR Hedged net accumulation shares	–	138.39	117.36
				Class 2 – Net accumulation shares	0.2484	146.89	130.53
				Class 2 – EUR Hedged net accumulation shares	0.3178	114.49	97.69
				**Class Z – Net income shares	–	101.12	95.50
				§§Class Z – Net accumulation shares	–	101.12	95.50
				2013			
				†Class 1 – Net income shares	–	164.08	133.19
				†Class 1 – Net accumulation shares	–	164.17	133.26
				†Class 1 – EUR Hedged net accumulation shares	–	164.88	134.41
				†Class 2 – Net accumulation shares	0.3379	180.48	145.96
				†Class 2 – EUR Hedged net accumulation shares	0.2222	138.22	112.25
				†Class Z – Net income shares	0.0662	125.57	101.51
				†Class Z – Net accumulation shares	0.1031	125.64	101.51
				†To 7 September 2013			
				*Class 1 – EUR Hedged net accumulation shares commenced 8 July 2009			
				§Class 2 – EUR Hedged net accumulation shares commenced 25 September 2009			
				**Class Z – Net income shares commenced 12 September 2012			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<i>§§Class Z – Net accumulation shares commenced 12 September 2012</i>							
<b>American Smaller Companies Fund (US)</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	15,782	134.76p	11,710,575	<b>2008</b>	–	90.37	61.52
Class 1 – Net accumulation shares	84,042	134.82p	62,338,099	Class 1 – Net accumulation shares	–	90.36	61.54
Class 2 – Net accumulation shares	226,077	146.18p	154,657,625	Class 2 – Net accumulation shares	–	96.05	65.76
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	9,484	130.06p	7,291,661	<b>2009</b>	–	103.28	65.10
Class 1 – Net accumulation shares	99,568	130.12p	76,523,011	Class 1 – Net accumulation shares	–	103.32	65.13
Class 2 – Net accumulation shares	210,274	141.99p	148,093,971	Class 2 – Net accumulation shares	–	111.18	69.72
Class X – Net accumulation shares	8,720	98.63p	8,840,942	<b>2010</b>	–	137.62	98.38
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	10,417	160.37p	6,495,973	Class 1 – Net accumulation shares	–	137.68	98.42
Class 1 – Net accumulation shares	152,986	160.43p	95,358,079	Class 2 – Net accumulation shares	–	149.09	105.97
Class 2 – Net accumulation shares	233,233	176.20p	132,371,576	<b>2011</b>	–	143.57	105.38
Class X – Net accumulation shares	54	138.74p	39,001	Class 1 – Net income shares	–	143.63	105.42
Class Z – Net accumulation shares	1,244	122.35p	1,016,578	Class 1 – Net accumulation shares	–	156.07	114.63
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	12,886	169.75p	7,590,947	Class 2 – Net accumulation shares	–	107.69	79.19
Class 1 – Net accumulation shares	208,480	169.82p	122,765,607	<b>2012</b>	–	137.82	122.47
Class 2 – Net accumulation shares	332,956	187.09p	177,968,157	Class 1 – Net income shares	–	137.88	122.52
Class X – Net accumulation shares	30	148.00p	20,350	Class 1 – Net accumulation shares	–	150.48	133.87
Class Z – Net accumulation shares	13,362	130.03p	10,276,310	Class 2 – Net accumulation shares	–	115.91	93.14
				Class X – Net accumulation shares	0.4156	102.33	96.08
				*Class Z – Net accumulation shares	–	179.97	135.63
				<b>2013</b>	–	180.04	135.68
				†Class 1 – Net income shares	–	198.23	148.84
				†Class 1 – Net accumulation shares	–	156.72	117.00
				†Class 2 – Net accumulation shares	–	137.75	103.33
				†Class X – Net accumulation shares	38.4120		
				†Class Z – Net accumulation shares	0.0036		
				<i>†To 7 September 2013</i>			
				<i>§Class X – Net accumulation shares commenced 10 March 2011</i>			
				<i>*Class Z – Net accumulation shares commenced 21 September 2012</i>			
<b>Dollar Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	42,086	47.61p	88,390,259	<b>2008</b>	1.8412	48.66	38.68
§Class 1 – Gross accumulation shares	12,359	88.82p	13,914,295	Class 1 – Net accumulation shares	3.7104	81.66	63.39
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	53,203	51.68p	102,942,575	<b>2009</b>	2.1531	50.51	43.22
§Class 1 – Gross accumulation shares	18,244	99.27p	18,377,441	Class 1 – Gross accumulation shares	4.5414	85.66	74.98
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	56,163	55.15p	101,843,442	<b>2010</b>	1.4931	54.34	46.73
§Class 1 – Gross accumulation shares	18,398	108.62p	16,938,956	Class 1 – Net accumulation shares	3.3250	98.21	82.97
Class Z – Net income shares	4	102.42p	3,727	<b>2011</b>	1.2422	52.47	47.36
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	52,509	50.28p	104,421,949	Class 1 – Gross accumulation shares	2.8661	99.49	88.41
§Class 1 – Gross accumulation shares	15,980	100.34p	15,926,476	<b>2012</b>	1.1473	54.19	50.21
Class Z – Net income shares	835	93.63p	891,442	Class 1 – Net income shares	2.7317	104.30	96.53
				Class 1 – Gross accumulation shares	1.0643	55.81	50.85
				†Class 1 – Net accumulation shares	2.6010	109.37	100.34
				†§Class Z – Net income shares	2.0008	103.64	94.70
				<i>†To 7 September 2013</i>			
				<i>§Class Z – Net income shares commenced 15 February 2013</i>			
<b>Japan Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	48,975	36.80p	133,074,465	<b>2008</b>	–	38.07	27.69
Class 2 – Net accumulation shares	151,158	39.88p	379,063,821	Class 2 – Net accumulation shares	0.1555	40.52	29.55
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	59,508	33.54p	177,418,723	<b>2009</b>	0.1844	36.80	27.45
Class 2 – Net accumulation shares	138,947	36.58p	379,893,256	Class 2 – Net accumulation shares	0.4351	39.32	29.36
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	58,806	37.10p	158,520,121	<b>2010</b>	0.0390	37.58	31.77
Class 2 – Net accumulation shares	88,463	40.71p	217,289,793	Class 2 – Net accumulation shares	0.2094	40.67	34.31
Class Z – Net accumulation shares	35	123.18p	28,512	<b>2011</b>	0.0104	37.91	30.26
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	84,504	39.01p	216,607,694	Class 2 – Net accumulation shares	0.2461	41.07	32.89
Class 2 – Net accumulation shares	119,135	42.95p	277,376,020	<b>2012</b>	0.1948	34.41	29.81
Class Z – Net accumulation shares	114	129.92p	87,648	Class 2 – Net accumulation shares	0.4299	37.53	32.64
				§Class Z – Net accumulation shares	–	107.14	98.56
				<b>2013</b>	–	43.81	32.11
				†Class 1 – Net accumulation shares	0.2458	48.15	35.20
				†Class 2 – Net accumulation shares	0.8227	145.56	106.34
				†Class Z – Net accumulation shares	–		
				<i>†To 7 September 2013</i>			
				<i>§Class Z – Net accumulation shares commenced 3 October 2012</i>			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>Japan Smaller Companies Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	1,999	80.03p	2,497,909	2008	-	71.38	48.62
Class 2 – Net accumulation shares	124,209	86.64p	143,361,226	Class 1 – Net accumulation shares	0.4096	75.92	51.82
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	2,317	79.96p	2,898,109	Class 2 – Net accumulation shares	0.4939	76.45	56.41
Class 2 – Net accumulation shares	119,555	87.12p	137,234,712	Class 1 – Net accumulation shares	0.8373	81.98	60.27
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	2,534	88.57p	2,861,337	Class 2 – Net accumulation shares	0.1046	83.82	68.21
Class 2 – Net accumulation shares	8,790	97.10p	9,052,287	Class 1 – Net accumulation shares	0.4569	90.26	73.28
Class Z – Net accumulation shares	4	118.13p	3,050	Class 2 – Net accumulation shares	0.3551	82.08	64.21
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	-	-	-	Class 1 – Net accumulation shares	0.8013	88.77	69.52
Class 2 – Net accumulation shares	-	-	-	Class 2 – Net accumulation shares	0.3268	82.22	73.87
Class Z – Net accumulation shares	-	-	-	Class 1 – Net accumulation shares	0.9558	89.61	80.79
				Class 2 – Net accumulation shares	-	104.71	98.17
				Class Z – Net accumulation shares	0.4517	103.15	77.45
				Class 1 – Net accumulation shares	16.1702	113.23	84.84
				Class 2 – Net accumulation shares	-	137.76	103.16
				Class Z – Net accumulation shares	-	-	-
				<i>†The Japan Smaller Companies Fund was closed on 27 August 2013</i>			
				<i>‡Class Z – Net accumulation shares commenced 5 October 2012</i>			
<b>Asia Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	355,235	124.23p	285,947,923	2008	0.1184	119.60	57.24
Class 2 – Net accumulation shares	603,207	133.03p	453,426,056	Class 1 – Net accumulation shares	0.7742	125.72	60.43
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	243,305	120.03p	202,704,197	Class 2 – Net accumulation shares	0.8726	115.60	65.84
Class 2 – Net accumulation shares	470,629	129.36p	363,826,121	Class 1 – Net accumulation shares	1.2673	122.87	69.63
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	229,431	140.88p	162,851,936	Class 2 – Net accumulation shares	0.2890	135.67	105.03
Class 2 – Net accumulation shares	555,749	152.81p	363,680,917	Class 1 – Net accumulation shares	1.0560	145.11	111.71
Class Z – Net accumulation shares	13	118.49p	10,972	Class 2 – Net accumulation shares	1.2409	137.25	99.64
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	183,863	130.74p	140,627,627	Class 1 – Net accumulation shares	1.4957	146.82	107.09
Class 2 – Net accumulation shares	374,385	142.26p	263,162,504	Class 2 – Net accumulation shares	1.1641	128.59	109.58
Class Z – Net accumulation shares	91	110.39p	82,140	Class 1 – Net accumulation shares	2.2960	139.31	118.25
				Class 2 – Net accumulation shares	-	107.99	99.31
				Class Z – Net accumulation shares	1.1743	144.18	122.31
				Class 1 – Net accumulation shares	2.0012	156.59	132.92
				Class 2 – Net accumulation shares	0.8697	121.46	103.11
				Class Z – Net accumulation shares	-	-	-
				<i>†To 7 September 2013</i>			
				<i>‡Class Z – Net accumulation shares commenced 21 September 2012</i>			
<b>Latin America Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	434,996	314.23p	138,434,524	2008	2.2609	279.39	112.55
Class 2 – Net accumulation shares	760,423	333.98p	227,688,330	Class 1 – Net accumulation shares	3.1414	292.07	117.90
Class X – Net accumulation shares	24	128.68p	18,715	Class 2 – Net accumulation shares	0.7610	68.89	27.90
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	390,203	298.01p	130,936,293	Class X – Net accumulation shares	1.3583	274.86	131.94
Class 2 – Net accumulation shares	618,457	318.77p	194,011,076	Class 1 – Net accumulation shares	2.4458	289.94	138.45
Class X – Net accumulation shares	4	124.04p	3,000	Class 2 – Net accumulation shares	0.5211	110.36	32.85
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	339,092	312.63p	108,462,681	Class X – Net accumulation shares	1.3652	342.17	245.47
Class 2 – Net accumulation shares	575,362	336.57p	170,950,863	Class 1 – Net accumulation shares	2.9426	363.26	259.10
Class X – Net accumulation shares	4	132.28p	3,000	Class 2 – Net accumulation shares	641.1219	139.70	98.73
Class Z – Net accumulation shares	324	114.32p	283,090	Class X – Net accumulation shares	1.0490	346.33	237.91
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	235,985	244.31p	96,590,829	Class 2 – Net accumulation shares	3.3800	367.71	253.80
Class 2 – Net accumulation shares	424,773	263.84p	160,995,800	Class X – Net accumulation shares	0.4510	141.44	98.35
Class X – Net accumulation shares	3	104.24p	3,000	Class 1 – Net accumulation shares	3.2750	309.56	247.87
Class Z – Net accumulation shares	2,075	89.68p	2,313,195	Class 2 – Net accumulation shares	6.0342	331.12	265.51
				Class X – Net accumulation shares	4.7265	128.86	103.55
				Class Z – Net accumulation shares	-	103.85	97.24
				Class 1 – Net accumulation shares	2.4164	318.20	238.07
				Class 2 – Net accumulation shares	4.5200	342.58	257.06
				Class X – Net accumulation shares	3.9482	134.66	101.54
				Class Z – Net accumulation shares	0.2894	116.37	87.37
				<i>†To 7 September 2013</i>			
				<i>‡Class Z – Net accumulation shares commenced 21 September 2012</i>			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>Emerging Market Bond Fund</b>							
<b>for the year ended 7 March 2011</b>				<b>2008</b>			
Class 1 – Net income shares	285,733	55.81p	512,013,281	Class 1 – Net income shares	3.1229	54.50	42.62
§Class 1 – Gross income shares	135,724	94.69p	143,338,627	Class 1 – Gross income shares	6.6114	93.06	72.60
§Class 1 – Gross accumulation shares	28,893	159.69p	18,093,476	Class 1 – Gross accumulation shares	8.8901	131.95	102.94
§Class 2 – Gross accumulation shares	17,579	154.80p	11,355,911	Class 2 – Gross accumulation shares	4.0053	126.11	98.27
§Class X – Gross accumulation shares	55,512	60.41p	91,887,068				
<b>for the year ended 7 March 2012</b>				<b>2009</b>			
Class 1 – Net income shares	449,413	61.19p	734,440,148	Class 1 – Net income shares	3.3245	59.70	51.53
§Class 1 – Gross income shares	175,792	103.81p	169,337,323	Class 1 – Gross income shares	7.0256	101.40	87.76
§Class 1 – Gross accumulation shares	37,216	185.70p	20,040,757	Class 1 – Gross accumulation shares	10.1596	155.07	126.54
§Class 2 – Gross accumulation shares	17,513	181.17p	9,666,444	Class 2 – Gross accumulation shares	9.8996	148.97	120.97
§Class X – Gross accumulation shares	66,208	71.42p	92,708,995	*Class X – Gross accumulation shares	1.3524	57.33	47.85
<b>for the year ended 7 March 2013</b>				<b>2010</b>			
Class 1 – Net income shares	699,543	66.80p	1,047,186,868	Class 1 – Net income shares	3.3027	64.92	57.71
§Class 1 – Gross income shares	168,845	113.31p	149,017,475	Class 1 – Gross income shares	6.9897	110.41	98.37
§Class 1 – Gross accumulation shares	49,733	212.45p	23,408,835	Class 1 – Gross accumulation shares	10.8663	174.58	150.45
§Class 2 – Gross accumulation shares	33,468	208.61p	16,043,395	Class 2 – Gross accumulation shares	10.6798	168.38	144.74
§Class X – Gross accumulation shares	54,285	83.06p	65,358,134	Class X – Gross accumulation shares	4.1300	65.19	55.83
Class Z – Net income shares	6,841	107.28p	6,376,290				
§Class Z – Gross income shares	3	100.46p	3,010	<b>2011</b>			
<b>for the period ended 7 September 2013</b>				<b>2011</b>			
Class 1 – Net income shares	121,830	55.97p	217,655,997	Class 1 – Net income shares	2.9489	61.31	55.26
§Class 1 – Gross income shares	126,846	95.04p	133,463,901	Class 1 – Gross income shares	6.2420	104.41	93.94
§Class 1 – Gross accumulation shares	41,818	183.69p	22,765,561	Class 1 – Gross accumulation shares	10.3564	181.26	158.37
§Class 2 – Gross accumulation shares	17,457	180.92p	9,648,981	Class 2 – Gross accumulation shares	10.2691	176.63	153.66
§Class X – Gross accumulation shares	9	75.84p	11,887	Class X – Gross accumulation shares	4.0073	69.49	60.05
Class Z – Net income shares	19,320	90.39p	21,373,231				
§Class Z – Gross income shares	373	84.64p	441,052	<b>2012</b>			
<i>§Only available to eligible investors</i>				<b>2012</b>			
				Class 1 – Net income shares	2.6325	65.54	59.86
				Class 1 – Gross income shares	5.5695	111.62	101.71
				Class 1 – Gross accumulation shares	9.8116	202.68	179.07
				Class 2 – Gross accumulation shares	9.8145	198.69	174.51
				Class X – Gross accumulation shares	3.8704	78.91	68.67
				§Class Z – Net income shares	–	104.30	99.27
				<b>2013</b>			
				†Class 1 – Net income shares	2.6579	68.29	57.42
				†Class 1 – Gross income shares	5.6150	116.36	97.84
				†Class 1 – Gross accumulation shares	10.4086	214.03	183.47
				†Class 2 – Gross accumulation shares	10.4813	210.17	180.49
				†Class X – Gross accumulation shares	10.3474	83.75	74.11
				†Class Z – Net income shares	4.2940	109.65	92.58
				††Class Z – Gross income shares	5.0176	103.17	86.99
				<i>†To 7 September 2013</i>			
				<i>*Class X – Gross accumulation shares commenced 3 April 2009</i>			
				<i>§Class Z – Net income shares commenced 14 September 2012</i>			
				<i>**Class Z – Gross income shares commenced 15 February 2013</i>			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>High Yield Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	474,760	44.54p	1,065,803,173	2008	3.2262	44.96	29.04
§Class 1 – Gross income shares	25,296	44.64p	56,669,540	Class 1 – Gross income shares	4.0379	44.98	29.19
Class 2 – Net income shares	75,263	62.14p	121,113,843	Class 2 – Net income shares	4.4855	61.61	40.06
§Class 2 – Gross income shares	21,215	53.53p	39,629,567	§Class 2 – Gross income shares	2.3382	50.11	34.62
§Class 2 – Gross accumulation shares	147,558	114.48p	128,897,751	Class 2 – Gross accumulation shares	7.8545	83.83	60.38
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	467,257	41.84p	1,116,812,266	2009	2.8513	41.90	29.31
§Class 1 – Gross income shares	31,872	41.92p	76,031,564	Class 1 – Gross income shares	3.5425	42.07	29.45
Class 2 – Net income shares	84,136	58.66p	143,432,337	Class 2 – Net income shares	3.9884	58.04	40.47
§Class 2 – Gross income shares	22,083	50.53p	43,703,883	Class 2 – Gross income shares	4.2750	50.13	34.97
§Class 2 – Gross accumulation shares	143,819	116.96p	122,962,376	Class 2 – Gross accumulation shares	7.8276	96.47	61.93
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	463,012	43.65p	1,060,763,523	2010	2.8319	44.22	41.14
§Class 1 – Gross income shares	75,052	43.71p	171,708,966	Class 1 – Gross income shares	3.5250	44.37	41.26
Class 2 – Net income shares	99,363	61.51p	161,546,607	Class 2 – Net income shares	4.0084	61.59	57.18
§Class 2 – Gross income shares	34,421	52.95p	65,006,368	Class 2 – Gross income shares	4.2758	53.13	49.29
§Class 2 – Gross accumulation shares	157,667	132.87p	118,663,237	Class 2 – Gross accumulation shares	8.5920	110.39	96.49
Class Z – Net income shares	5,940	101.88p	5,830,149	2011	2.6932	44.88	38.12
§Class Z – Gross accumulation shares	532	105.62p	503,484	Class 1 – Net income shares	3.3507	45.03	38.29
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	381,021	43.26p	880,731,904	Class 2 – Net income shares	3.8275	62.62	53.34
§Class 1 – Gross income shares	78,487	43.32p	181,181,581	Class 2 – Gross income shares	4.0951	54.01	46.06
Class 2 – Net income shares	99,122	61.11p	162,189,665	Class 2 – Gross accumulation shares	8.9046	116.45	102.58
§Class 2 – Gross income shares	31,630	52.61p	60,119,840	2012	2.6341	44.20	39.86
§Class 2 – Gross accumulation shares	148,686	136.97p	108,554,714	Class 1 – Net income shares	3.2761	44.30	40.01
Class Z – Net income shares	37,944	101.30p	37,458,432	Class 1 – Gross income shares	3.7760	62.24	55.84
§Class Z – Gross accumulation shares	1,285	108.92p	1,180,071	Class 2 – Net income shares	4.0257	53.63	48.18
<i>§Only available to eligible investors</i>							
				Class 2 – Gross income shares	9.4866	131.87	109.51
				*Class Z – Net income shares	1.4071	103.03	99.50
				§§Class Z – Gross accumulation shares	1.8006	104.80	99.40
				2013			
				†Class 1 – Net income shares	1.9852	44.72	42.73
				†Class 1 – Gross income shares	2.4682	44.83	42.83
				†Class 2 – Net income shares	2.8449	63.07	60.31
				†Class 2 – Gross income shares	3.0433	54.36	51.96
				†Class 2 – Gross accumulation shares	7.6728	137.78	132.00
				†Class Z – Net income shares	4.6468	104.47	99.93
				†Class Z – Gross accumulation shares	6.0538	109.55	104.92
				<i>†To 7 September 2013</i>			
				<i>§Class 2 – Gross income shares commenced 11 June 2008</i>			
				<i>*Class Z – Net income shares commenced 21 September 2012</i>			
				<i>§§Class Z – Gross accumulation shares commenced 19 September 2012</i>			
<b>Global Select Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	570,562	102.05p	559,076,425	2008	0.0073	93.74	62.18
Class 2 – Net accumulation shares	59,033	140.25p	42,091,486	§Class X – Net accumulation shares	–	49.53	40.14
Class X – Net accumulation shares	10,932	68.41p	15,980,123	2009			
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	665,505	101.45p	656,012,500	Class 1 – Net accumulation shares	0.6121	89.98	61.01
Class 2 – Net accumulation shares	65,907	140.31p	46,971,804	*Class 2 – Net accumulation shares	0.0768	122.73	82.78
Class X – Net accumulation shares	7,626	69.12p	11,032,405	Class X – Net accumulation shares	0.3664	59.16	39.58
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	670,629	118.80p	564,494,854	2010	0.1274	103.07	83.93
Class 2 – Net accumulation shares	72,298	165.37p	43,719,294	Class 2 – Net accumulation shares	0.1813	141.48	114.55
Class X – Net accumulation shares	1,841	82.26p	2,238,483	Class X – Net accumulation shares	0.9263	68.88	55.27
Class Z – Net accumulation shares	2,602	118.08p	2,203,670	2011			
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	639,072	119.45p	535,019,127	Class 1 – Net accumulation shares	–	107.63	83.91
Class 2 – Net accumulation shares	96,627	166.79p	57,935,262	Class 2 – Net accumulation shares	0.0785	148.22	115.74
Class X – Net accumulation shares	1,844	83.38p	2,211,170	Class X – Net accumulation shares	0.4874	72.54	56.78
Class Z – Net accumulation shares	10,932	119.20p	9,171,076	2012	0.0956	105.91	92.73
				Class 2 – Net accumulation shares	0.9525	146.51	128.42
				Class X – Net accumulation shares	1.6382	72.19	63.36
				§§Class Z – Net accumulation shares	–	102.02	96.87
				2013			
				†Class 1 – Net accumulation shares	0.2682	126.48	104.02
				†Class 2 – Net accumulation shares	1.2492	176.29	144.63
				†Class X – Net accumulation shares	1.3364	87.87	71.81
				†Class Z – Net accumulation shares	0.1399	125.94	103.25
				<i>†To 7 September 2013</i>			
				<i>§Class X – Net accumulation shares commenced 26 September 2008</i>			
				<i>*Class 2 – Net accumulation shares commenced 22 January 2009</i>			
				<i>§§Class Z – Net accumulation shares commenced 19 September 2012</i>			

## Comparative Tables

(continued)

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Highest share price p	Lowest share price p
<b>Global Bond Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net income shares	29,292	57.62p	50,839,724	2008	1.3281	68.83	46.80
Class 1 – Net accumulation shares	2,833	49.48p	5,725,778	Class 1 – Gross income shares	2.2282	94.24	64.11
§Class 1 – Gross income shares	136,231	78.70p	173,106,499	Class 1 – Gross accumulation shares	2.6412	113.29	74.46
§Class 1 – Gross accumulation shares	36,557	102.12p	35,798,971	Class 2 – Net income shares	1.4378	73.18	49.43
Class 2 – Net income shares	3,430	61.87p	5,543,726	Class 2 – Gross accumulation shares	2.0835	87.45	57.18
§Class 2 – Gross accumulation shares	92,048	79.95p	115,137,903	2009			
<b>for the year ended 7 March 2012</b>							
Class 1 – Net income shares	25,562	61.65p	41,466,623	Class 1 – Net income shares	1.7443	67.98	56.23
Class 1 – Net accumulation shares	2,967	54.03p	5,491,490	*Class 1 – Net accumulation shares	0.4217	51.79	46.05
§Class 1 – Gross income shares	143,136	84.20p	170,000,437	Class 1 – Gross income shares	3.0158	93.12	76.96
§Class 1 – Gross accumulation shares	36,840	112.05p	32,876,670	Class 1 – Gross accumulation shares	3.6613	111.94	94.09
Class 2 – Net income shares	4,988	66.54p	7,496,417	Class 2 – Net income shares	1.9864	72.29	59.86
§Class 2 – Gross accumulation shares	77,989	88.29p	88,337,154	Class 2 – Gross accumulation shares	2.8864	86.44	72.84
<b>for the year ended 7 March 2013</b>							
Class 1 – Net income shares	20,931	61.44p	34,067,285	2010			
Class 1 – Net accumulation shares	2,682	54.77p	4,896,936	Class 1 – Net income shares	1.4187	64.27	58.68
§Class 1 – Gross income shares	138,127	83.91p	164,606,506	Class 1 – Net accumulation shares	1.1836	54.02	48.76
§Class 1 – Gross accumulation shares	37,587	114.07p	32,950,832	Class 1 – Gross income shares	2.4170	87.87	80.35
Class 2 – Net income shares	5,564	66.65p	8,348,683	Class 1 – Gross accumulation shares	3.0300	111.01	100.03
§Class 2 – Gross accumulation shares	49,009	90.45p	54,180,947	Class 2 – Net income shares	1.5898	68.75	62.68
Class Z – Net income shares	31	101.04p	30,196	Class 2 – Gross accumulation shares	2.4705	86.47	77.74
§Class Z – Gross income shares	12	101.03p	11,940	2011			
<b>for the period ended 7 September 2013</b>							
Class 1 – Net income shares	17,134	56.34p	30,411,570	Class 1 – Net income shares	1.2839	63.69	57.79
Class 1 – Net accumulation shares	1,856	50.68p	3,661,979	Class 1 – Net accumulation shares	1.0974	55.29	49.12
§Class 1 – Gross income shares	112,596	76.95p	146,322,309	Class 1 – Gross income shares	2.1884	87.00	78.93
§Class 1 – Gross accumulation shares	31,099	105.78p	29,401,290	Class 1 – Gross accumulation shares	2.8221	114.43	101.33
Class 2 – Net income shares	3,419	61.27p	5,580,040	Class 2 – Net income shares	1.4508	68.59	62.06
§Class 2 – Gross accumulation shares	40,793	84.14p	48,483,286	Class 2 – Gross accumulation shares	2.3242	89.90	79.30
Class Z – Net income shares	192	93.01p	206,180	2012			
§Class Z – Gross income shares	20	93.00p	21,678	Class 1 – Net income shares	1.1036	63.47	59.54
				Class 1 – Net accumulation shares	0.9623	55.63	52.63
				Class 1 – Gross income shares	1.8814	86.78	81.43
				Class 1 – Gross accumulation shares	2.4886	115.49	109.29
				Class 2 – Net income shares	1.2674	68.60	64.54
				Class 2 – Gross accumulation shares	2.0838	91.13	86.19
				§Class Z – Net income shares	–	101.27	97.79
				§Class Z – Gross income shares	–	101.33	97.88
				2013			
				†Class 1 – Net income shares	1.0314	62.26	56.91
				†Class 1 – Net accumulation shares	0.9158	55.03	50.73
				†Class 1 – Gross income shares	1.7589	85.20	77.89
				†Class 1 – Gross accumulation shares	2.3778	114.59	105.89
				†Class 2 – Net income shares	1.1875	67.56	61.91
				†Class 2 – Gross accumulation shares	2.0021	90.86	84.23
				†Class Z – Net income shares	1.7430	102.40	93.96
				†Class Z – Gross income shares	2.1624	102.59	94.16
				†To 7 September 2013			
				*Class 1 – Net accumulation shares commenced 8 May 2009			
				§Class Z – Net income shares commenced 28 September 2012			
				**Class Z – Gross income shares commenced 28 September 2012			
<b>UK Institutional Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 1 – Net accumulation shares	182,222	100.39p	181,507,440	2008			
Class 2 – Net accumulation shares	1,385,229	106.24p	1,303,884,642	Class 1 – Net accumulation shares	1.4885	93.60	55.13
<b>for the year ended 7 March 2012</b>							
Class 1 – Net accumulation shares	84,460	98.29p	85,925,591	Class 2 – Net accumulation shares	2.2783	96.32	57.12
Class 2 – Net accumulation shares	1,040,576	104.95p	991,501,727	2009			
<b>for the year ended 7 March 2013</b>							
Class 1 – Net accumulation shares	92,633	115.17p	80,433,505	Class 1 – Net accumulation shares	1.6262	83.93	55.35
Class 2 – Net accumulation shares	1,026,548	124.06p	827,471,178	Class 2 – Net accumulation shares	2.3246	87.89	57.54
<b>for the period ended 7 September 2013</b>							
Class 1 – Net accumulation shares	97,691	121.50p	80,404,178	2010			
Class 2 – Net accumulation shares	975,359	131.46p	741,952,683	Class 1 – Net accumulation shares	0.8675	99.51	77.90
				Class 2 – Net accumulation shares	1.7649	105.13	81.94
				2011			
				Class 1 – Net accumulation shares	1.0687	102.44	79.84
				Class 2 – Net accumulation shares	2.0711	108.73	84.92
				2012			
				Class 1 – Net accumulation shares	1.8646	104.87	91.45
				Class 2 – Net accumulation shares	2.8133	112.77	97.85
				2013			
				†Class 1 – Net accumulation shares	2.2529	123.28	105.94
				†Class 2 – Net accumulation shares	3.7444	133.28	113.95
				†To 7 September 2013			
<b>UK Overseas Earnings Fund</b>							
<b>for the year ended 7 March 2011</b>							
Class 2 – Net income shares	112,856	75.59p	149,299,830	2008			
<b>for the year ended 7 March 2012</b>							
Class 2 – Net income shares	105,852	77.31p	136,910,621	Class 2 – Net income shares	1.6095	77.45	46.71
<b>for the year ended 7 March 2013</b>							
Class 2 – Net income shares	115,900	91.35p	126,878,438	2009			
<b>for the period ended 7 September 2013</b>							
Class 2 – Net income shares	119,632	99.80p	119,871,077	2010			
				Class 2 – Net income shares	1.3662	74.81	61.79
				2011			
				Class 2 – Net income shares	1.4077	80.38	65.43
				2012			
				Class 2 – Net income shares	1.7386	84.04	72.94
				2013			
				†Class 2 – Net income shares	2.0021	102.30	84.58
				†To 7 September 2013			

## Performance Summary for the six months ended 31 August 2013

Fund	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>UNITED KINGDOM</b>							
UK Fund	(IMA) UK All Companies	FTSE All-Share	+6.75	+7.10	+6.77	+6.94	+4.13
UK Select Fund	(IMA) UK All Companies	FTSE All-Share	+7.63	+7.96	+6.77	+7.67	+4.13
UK Smaller Companies Fund	(IMA) UK Smaller Companies	Numis NSCI ex Investment Companies	+6.40	+6.73	+12.29	+6.64	+11.47
UK Growth & Income Fund	(IMA) UK All Companies	FTSE All-Share	+11.16	+11.48	+6.77	+11.20	+4.13
UK Equity Income Fund	(IMA) UK Equity Income	FTSE All-Share	+11.06	+11.37	+7.61	+10.92	+4.13
UK Monthly Income Fund	(IMA) UK Equity Income	FTSE All-Share	+9.26	–	+7.61	+9.00	+4.13
Monthly Extra Income Fund	(IMA) UK Equity & Bond Income	–	+8.69	–	+5.59	+8.61	–
UK Corporate Bond Fund	(IMA) £ Corporate Bond	iBoxx £ Non Gilt	–0.54	–0.42	–0.55	+0.17	–0.11
Sterling Bond Fund	(IMA) UK Gilt	FTA UK All Stocks Gilts	–3.07	–	–2.76	–2.53	–2.33
UK Institutional Fund	(IMA) UK All Companies	FTSE All-Share	+6.31	+6.78	+6.77	+6.38	+4.13
UK Overseas Earnings Fund	(IMA) UK All Companies	FTSE All-Share	–	+10.46	+6.77	+10.44	+4.13
<b>EUROPE</b>							
European Fund	(IMA) Europe Excluding UK	FTSE World Europe ex UK	+2.27	+2.59	+4.96	+2.82	+3.66
European Select Fund	(IMA) Europe Excluding UK	FTSE World Europe ex UK	+2.27	+2.59	+4.96	+2.86	+3.66
European Smaller Companies Fund	(IMA) European Smaller Companies	HSBC European Smaller Companies ex UK	+1.32	+1.63	+5.51	+1.96	+6.04
Pan European Smaller Companies Fund	(IMA) European Smaller Companies	HSBC Smaller Europe inc UK	+2.26	+2.59	+5.51	+2.86	+6.93
Pan European Fund	(IMA) Europe Including UK	MSCI World Europe	+5.85	+6.18	+5.20	+6.56	+3.74
European Bond Fund†	(IMA) Global Bond	ML Pan Europe Large Cap	–1.22	–	–5.10	–0.39	–0.80
European Corporate Bond Fund†	(IMA) Global Bond	iBoxx Euro Corporate	–0.70	–0.20	–5.10	+0.15	–0.41
European High Yield Bond Fund†	(IMA) Global Bond	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg E (£ Terms)	+1.11	+0.83	–5.10	+2.37	+2.08
European High Yield Bond Fund (€)†	(IMA) Global Bond	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg E (£ Terms)	+2.16	+1.88	–4.12	+3.43	+3.14
Strategic Bond Fund	(IMA) £ Strategic Bond	60% iBoxx Sterling Non Gilts/40% ML Euro Currency HiYield – Constrained B-BB (GBP Hdg)	+0.32	+0.65	–0.13	+1.71	+1.29
<b>US</b>							
American Fund	(IMA) North America	S&P 500	+6.56	+6.89	+6.72	+7.29	+6.91
American Select Fund	(IMA) North America	S&P 500	+5.08	+5.41	+6.72	+5.77	+6.91
<b>American Smaller Companies</b>							
Fund (US)	(IMA) North American Smaller Companies	S&P 400 Mid Cap	+9.29	+9.63	+9.20	+8.99	+6.15
Dollar Bond Fund†	(IMA) Global Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	–5.56	–	–5.10	–4.59	–4.76
<b>JAPAN</b>							
Japan Fund	(IMA) Japan	Japan TOPIX 1st Section	+6.86	+7.21	+5.43	+7.67	+5.75
Japan Smaller Companies Fund	(IMA) Japanese Smaller Companies	TOPIX Small Cap	–	–	–	–	–

## Performance Summary for the six months ended 31 August 2013 (continued)

Fund	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>PACIFIC BASIN &amp; EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN</b>							
Asia Fund	(IMA) Asia Pacific Excluding Japan	MSCI All Country Asia Pacific ex Japan	-7.96	-7.67	-9.60	-7.13	-9.45
Latin America Fund†	UK Registered – Equity Latin America	MSCI Latin America 10/40	-21.09	-20.85	-21.02	-20.31	-20.41
Emerging Market Bond Fund†	(IMA) Global Bond	JPM EMBI Global	-11.86	-11.41	-5.10	-10.85	-10.12
<b>INTERNATIONAL</b>							
High Yield Bond Fund	(IMA) £ High Yield	ML Euro Currency HiYield 3% Constrained ex Sub Financial – 100% Hdg £	+2.18	+2.48	+0.88	+3.51	+3.39
Global Select Fund	(IMA) Global Growth	MSCI AC World Free	+1.90	+2.22	+3.30	+2.34	+2.41
Global Bond Fund	(IMA) Global Bond	JPM GBI Global (Traded) (prior to 31/07/2012 JPM Global ex Japan)	-5.26	-4.95	-5.10	-4.05	-4.36
<b>CASH</b>							
Sterling Fund	–	–	+0.07	–	–	–	–

The Fund Sector is taken from the UK Unit Trusts/OEICs universe. Comparing the fund's performance to this Fund Sector is only relevant for UK Investors.

†The Sector Median for these funds (as defined by the Investment Management Association) is not felt to be representative.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in GBP.

## Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ended 31 August 2013

Fund	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
<b>UK EQUITY</b>								
UK Fund	UK Large Cap Blend	FTSE All Share	+6.75	+7.10	+4.98	+6.94	+4.13	GBP
UK Select Fund	UK Large Cap Blend	FTSE All Share	+7.63	+7.96	+4.98	+7.67	+4.13	GBP
UK Smaller Companies Fund	UK Small Cap Equity	Numis ex IT	+6.40	+6.73	+11.39	+6.64	+11.47	GBP
UK Growth & Income Fund	UK Large Cap Value	FTSE All Share	+11.16	+11.48	+4.69	+11.20	+4.13	GBP
UK Equity Income Fund	UK Large Cap Value	FTSE All Share	+11.06	+11.37	+4.69	+10.92	+4.13	GBP
UK Monthly Income Fund	UK Large Cap Value	FTSE All Share	+9.26	–	+4.69	+9.00	+4.13	GBP
Monthly Extra Income Fund	GBP Aggressive Allocation	–	+8.96	–	–	+8.61	–	GBP
UK Institutional Fund	UK Large Cap Blend	FTSE All Share	+6.31	+6.78	+4.98	+6.38	+4.13	GBP
UK Overseas Earnings Fund	UK Large Cap Blend	FTSE All Share	–	+10.46	+4.98	+10.44	+4.13	GBP
<b>EUROPE EQUITY</b>								
European Fund	Europe ex UK Large Cap	FTSE World Europe ex UK	+3.33	+3.65	+5.78	+3.88	+4.73	EUR
European Select Fund	Europe ex UK Large Cap	FTSE World Europe ex UK	+3.33	+3.65	+5.78	+3.93	+4.73	EUR
European Smaller Companies Fund	Europe Small-Mid Cap Combined	HSBC European Smaller Cos ex UK	+2.36	+2.68	+7.37	+3.01	+7.14	EUR
Pan European Smaller Companies Fund	Europe Small-Mid Cap Combined	HSBC Smaller Europe inc UK	+3.32	+3.65	+7.37	+3.93	+8.03	EUR
Pan European Fund	Europe Large Cap Blend	MSCI World Europe	+6.94	+7.28	+4.40	+7.66	+4.82	EUR
<b>AMERICAS</b>								
American Fund	US Large Cap Growth	S&P 500	+8.72	+9.07	+8.29	+9.33	+8.95	USD
American Select Fund	US Large Cap Growth	S&P 500	+7.22	+7.56	+8.29	+7.79	+8.95	USD
American Smaller Companies Fund (US)	US Mid Cap Equity	S&P 400 Mid Cap	+11.37	+11.72	+9.79	+11.07	+8.18	USD
Latin America Fund	Latin America Equity	MSCI Latin America 10/40	–19.59	–19.34	–19.66	–18.79	–18.89	USD
<b>FAR EAST &amp; PACIFIC</b>								
Japan Fund	Japan Large Cap	Japan TOPIX 1st Section	+16.18	+16.56	+14.28	+16.69	+14.60	JPY
Japan Smaller Companies Fund	Japan Small-Mid Cap	TOPIX Small Cap	–	–	–	–	–	JPY
Asia Fund	Asia-Pacific ex-Japan	MSCI AC Asia Pacific ex Japan	–6.09	–5.80	–8.59	–5.36	–7.72	USD
<b>MONEY MARKET &amp; BOND</b>								
UK Corporate Bond Fund	GBP Corporate Bond	iBoxx £ Non Gilt	–0.54	–0.42	–0.41	+0.17	–0.11	GBP
High Yield Bond Fund	High Yield Bond	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg £	+2.18	+2.48	+1.99	+3.51	+3.39	GBP
Strategic Bond Fund	GBP Flexible Bond	60% iBoxx Sterling Non Gilts/40% ML Euro Currency HiYield – Constrained B-BB (GBP Hdg)	+0.32	+0.65	–0.29	+1.71	+1.29	GBP
Sterling Bond Fund*	GBP Government Bond	FTA UK All Stocks Gilts	–2.90	–	–2.74	–2.53	–2.33	GBP
European Bond Fund*	Europe Bond	ML Pan Europe Large Cap	+0.09	+2.20	–0.24	+0.64	+0.23	EUR
European Corporate Bond Fund*	Fixed Income Europe/Corporate	iBoxx Euro Corporate	+0.53	+0.84	+0.40	+1.19	+0.63	EUR
European High Yield Bond Fund*	Europe High Yield	ML Euro Currency HiYield 3% Constrained ex Sub Fin – 100% Hdg E (£ terms)	+2.76	+3.05	+2.81	+3.43	+3.14	EUR
Dollar Bond Fund*	USD Diversified Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	–3.37	–	–2.89	–2.77	–2.95	USD
Emerging Market Bond Fund*	Global Emerging Markets	JPM EMBI Global	–9.47	9.18	–8.51	–9.15	–8.40	USD
Global Bond Fund*	Global Bond	JPM GBI Global ex Japan (Traded)	–4.05	–3.75	–4.02	–3.05	–3.37	EUR

## Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ended 31 August 2013 (continued)

Fund	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
<b>GLOBAL EQUITY</b>								
<b>Global Select Fund</b>	Global Large Cap Growth	MSCI AC World	+3.09	+3.41	+3.14	+4.29	+4.36	USD

Morningstar changed its definition of the GIFS Offshore Universe as at February 2011. This resulted in Threadneedle OEIC funds being removed from it. For the purposes of comparison, Threadneedle continues to use this Universe with its OEICs included.

Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments.

*\*The performance of these funds relates to the gross accumulation shares of class 1.*

## Ongoing Charges Figure Summary

for the accounting period 8 March 2013 to 7 September 2013

Fund	Share Class	September 2013**	March 2013
<b>UK Fund</b>	Class 1 – Net income shares	1.67%	1.68%
	Class 2 – Net income shares	1.04%	1.04%
	Class 2 – Net accumulation shares	1.04%	1.04%
	Class Z – Net income shares	0.87%	0.87%
	Class Z – Net accumulation shares	0.87%	0.87%
<b>UK Select Fund</b>	Class 1 – Net income shares	1.69%	1.70%
	Class 2 – Net income shares	1.06%	1.06%
	Class Z – Net income shares	0.89%	0.88%
<b>UK Smaller Companies Fund</b>	Class 1 – Net income shares	1.71%	1.73%
	Class 2 – Net income shares	1.08%	1.08%
	Class Z – Net income shares	0.91%	0.91%
<b>UK Growth &amp; Income Fund</b>	Class 1 – Net income shares	1.63%	1.63%
	Class 2 – Net income shares	1.06%	1.05%
	Class Z – Net income shares	0.88%	0.88%
<b>UK Equity Income Fund</b>	Class 1 – Net income shares	1.62%	1.62%
	Class 1 – Net accumulation shares	1.62%	1.62%
	Class 2 – Net income shares	1.04%	1.04%
	Class Z – Net income shares	0.87%	0.87%
	Class Z – Net accumulation shares	0.87%	0.87%
<b>UK Monthly Income Fund</b>	Class 1 – Net income shares	1.62%	1.62%
	Class Z – Net income shares	0.87%	0.87%
<b>Monthly Extra Income Fund</b>	Class 1 – Net income shares	1.39%	1.39%
	Class Z – Net income shares	0.74%	0.74%
<b>UK Corporate Bond Fund</b>	Class 1 – Net income shares	0.92%	0.94%
	Class 1 – Gross income shares	0.92%	0.94%
	Class 2 – Net income shares	0.55%	0.55%
	Class 2 – Gross accumulation shares	0.55%	0.55%
<b>Sterling Bond Fund</b>	Class 1 – Net income shares	1.19%	1.20%
	Class 1 – Gross accumulation shares	1.19%	1.20%
	Class Z – Net income shares	0.54%	0.53%
	Class Z – Gross accumulation shares	0.54%	0.53%
<b>Sterling Fund</b>	Class 1 – Net income shares	0.27%	0.27%
<b>European Fund</b>	Class 1 – Net accumulation shares	1.70%	1.73%
	Class 2 – Net accumulation shares	1.08%	1.09%
	Class Z – Net accumulation shares	0.90%	0.91%
<b>European Select Fund</b>	Class 1 – Net accumulation shares	1.69%	1.71%
	Class 2 – Net income shares	1.07%	1.07%
	Class 2 – Net accumulation shares	1.07%	1.07%
	Class Z – Net accumulation shares	0.90%	0.89%
<b>European Smaller Companies Fund</b>	Class 1 – Net income shares	1.68%	1.72%
	Class 1 – Net accumulation shares	1.68%	1.72%
	Class 2 – Net accumulation shares	1.06%	1.08%
	Class Z – Net accumulation shares	0.88%	0.91%
<b>Pan European Smaller Companies Fund</b>	Class 1 – Net accumulation shares	1.68%	1.71%
	Class 2 – Net accumulation shares	1.06%	1.07%
	Class X – Net accumulation shares	0.06%	0.07%
	Class Z – Net accumulation shares	0.88%	0.89%
<b>Pan European Fund</b>	Class 1 – Net accumulation shares	1.71%	1.73%
	Class 2 – Net accumulation shares	1.09%	1.09%
	Class 2i – Net accumulation shares	1.09%	1.07%
	Class X – Net accumulation shares	0.09%	0.08%
	Class Z – Net accumulation shares	0.91%	0.91%
<b>European Bond Fund</b>	Class 1 – Net income shares	1.19%	1.21%
	Class 1 – Gross accumulation shares	1.19%	1.21%
	Class 2 – Gross accumulation shares	0.57%	0.57%
	Class Z – Net income shares	0.65%	0.64%
<b>European Corporate Bond Fund</b>	Class 1 – Net accumulation shares	1.23%	1.24%
	Class 1 – Gross accumulation shares	1.23%	1.24%
	Class 2 – Gross accumulation shares	0.61%	0.60%

## Ongoing Charges Figure Summary

(continued)

Fund	Share Class	September 2013**	March 2013
<b>European High Yield Bond Fund</b>	Class 1 – Net accumulation shares	1.45%	1.46%
	Class 1 – Gross income shares	1.45%	1.46%
	Class 1 – Gross accumulation shares	1.45%	1.47%
	Class 2 – Gross income shares	0.82%	0.82%
	Class 2 – Gross accumulation shares	0.82%	0.82%
	Class 2 – CHF Hedged gross accumulation shares	0.82%	0.82%
	Class X – Gross accumulation shares	0.07%	0.07%
	Class Z – Gross income shares	0.75%	0.75%
<b>Strategic Bond Fund</b>	Class Z – Gross accumulation shares	0.75%	0.75%
	Class 1 – Net income shares	1.44%	1.45%
	Class 1 – Gross income shares	1.44%	1.45%
	Class 2 – Net income shares	0.81%	0.81%
	Class 2 – Gross income shares	0.81%	0.81%
	Class 2 – Gross accumulation shares	0.81%	0.81%
	Class Z – Net income shares	0.74%	0.73%
	Class Z – Gross income shares	0.74%	0.73%
<b>American Fund</b>	Class Z – Gross accumulation shares	0.74%	0.73%
	Class 1 – Net income shares	1.66%	1.68%
	Class 1 – Net accumulation shares	1.66%	1.68%
	Class 1 – EUR Hedged net accumulation shares	1.67%	1.68%
	Class 2 – Net accumulation shares	1.04%	1.04%
	Class X – Net accumulation shares	0.04%	0.04%
	Class Z – Net income shares	0.86%	0.86%
	Class Z – Net accumulation shares	0.86%	0.86%
<b>American Select Fund</b>	Class 1 – Net income shares	1.66%	1.68%
	Class 1 – Net accumulation shares	1.66%	1.68%
	Class 1 – EUR Hedged net accumulation shares	1.66%	1.68%
	Class 2 – Net accumulation shares	1.04%	1.04%
	Class 2 – EUR Hedged net accumulation shares	1.04%	1.04%
	Class Z – Net income shares	0.87%	0.86%
	Class Z – Net accumulation shares	0.87%	0.86%
	<b>American Smaller Companies Fund (US)</b>	Class 1 – Net income shares	1.71%
Class 1 – Net accumulation shares		1.71%	1.72%
Class 2 – Net accumulation shares		1.09%	1.08%
Class X – Net accumulation shares		0.09%	0.08%
Class Z – Net accumulation shares		0.91%	0.91%
<b>Dollar Bond Fund</b>	Class 1 – Net income shares	1.21%	1.22%
	Class 1 – Gross accumulation shares	1.21%	1.22%
	Class Z – Net income shares	0.66%	0.66%
<b>Japan Fund</b>	Class 1 – Net accumulation shares	1.70%	1.71%
	Class 2 – Net accumulation shares	1.07%	1.07%
	Class Z – Net accumulation shares	0.90%	0.90%
<b>Japan Smaller Companies Fund*</b>	Class 1 – Net accumulation shares	N/A	1.78%
	Class 2 – Net accumulation shares	N/A	1.10%
	Class Z – Net accumulation shares	N/A	0.96%
<b>Asia Fund</b>	Class 1 – Net accumulation shares	1.71%	1.73%
	Class 2 – Net accumulation shares	1.09%	1.09%
	Class Z – Net accumulation shares	0.91%	0.91%
<b>Latin America Fund</b>	Class 1 – Net accumulation shares	1.77%	1.75%
	Class 2 – Net accumulation shares	1.15%	1.11%
	Class X – Net accumulation shares	0.15%	0.11%
	Class Z – Net accumulation shares	0.98%	0.94%
<b>Emerging Market Bond Fund</b>	Class 1 – Net income shares	1.70%	1.69%
	Class 1 – Gross income shares	1.70%	1.69%
	Class 1 – Gross accumulation shares	1.70%	1.69%
	Class 2 – Gross accumulation shares	1.07%	1.05%
	Class X – Gross accumulation shares	0.07%	0.05%
	Class Z – Net income shares	0.75%	0.73%
	Class Z – Gross income shares	0.75%	0.73%

## Ongoing Charges Figure Summary

(continued)

Fund	Share Class	September 2013**	March 2013
<b>High Yield Bond Fund</b>	Class 1 – Net income shares	1.45%	1.46%
	Class 1 – Gross income shares	1.45%	1.47%
	Class 2 – Net income shares	0.83%	0.83%
	Class 2 – Gross income shares	0.83%	0.82%
	Class 2 – Gross accumulation shares	0.83%	0.82%
	Class Z – Net income shares	0.76%	0.74%
	Class Z – Gross accumulation shares	0.76%	0.75%
<b>Global Select Fund</b>	Class 1 – Net accumulation shares	1.67%	1.70%
	Class 2 – Net accumulation shares	1.05%	1.06%
	Class X – Net accumulation shares	0.05%	0.06%
	Class Z – Net accumulation shares	0.88%	0.88%
<b>Global Bond Fund</b>	Class 1 – Net income shares	1.44%	1.45%
	Class 1 – Net accumulation shares	1.44%	1.45%
	Class 1 – Gross income shares	1.44%	1.45%
	Class 1 – Gross accumulation shares	1.44%	1.45%
	Class 2 – Net income shares	0.81%	0.81%
	Class 2 – Gross accumulation shares	0.81%	0.81%
	Class Z – Net income shares	0.64%	0.63%
	Class Z – Gross income shares	0.64%	0.63%
<b>UK Institutional Fund</b>	Class 1 – Net accumulation shares	1.67%	1.69%
	Class 2 – Net accumulation shares	0.80%	0.80%
<b>UK Overseas Earnings Fund</b>	Class 2 – Net income shares	1.57%	1.57%

The ongoing 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 [threadneedle.com/fees](http://threadneedle.com/fees).

\*The Japan Smaller Companies Fund was closed on 27 August 2013.

\*\*Annualised.

## Risk and Reward Profiles

for the accounting period 8 March 2013 to 7 September 2013

Fund	Share Class	SRRI*
<b>UK Fund</b>	Class 1 – Net income shares	6
	Class 2 – Net income shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
<b>UK Select Fund</b>	Class 1 – Net income shares	6
	Class 2 – Net income shares	6
	Class Z – Net income shares	6
<b>UK Smaller Companies Fund</b>	Class 1 – Net income shares	6
	Class 2 – Net income shares	6
	Class Z – Net income shares	6
<b>UK Growth &amp; Income Fund</b>	Class 1 – Net income shares	6
	Class 2 – Net income shares	6
	Class Z – Net income shares	6
<b>UK Equity Income Fund</b>	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net income shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
<b>UK Monthly Income Fund</b>	Class 1 – Net income shares	6
	Class Z – Net income shares	6
<b>Monthly Extra Income Fund</b>	Class 1 – Net income shares	5
	Class Z – Net income shares	5
<b>UK Corporate Bond Fund</b>	Class 1 – Net income shares	4
	Class 1 – Gross income shares	4
	Class 2 – Net income shares	4
	Class 2 – Gross accumulation shares	4
<b>Sterling Bond Fund</b>	Class 1 – Net income shares	4
	Class 1 – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Gross accumulation shares	4
<b>Sterling Fund</b>	Class 1 – Net income shares	1
<b>European Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>European Select Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net income shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>European Smaller Companies Fund</b>	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Pan European Smaller Companies Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Pan European Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Zi – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>European Bond Fund</b>	Class 1 – Net income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class Z – Net income shares	5
<b>European Corporate Bond Fund</b>	Class 1 – Net accumulation shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>European High Yield Bond Fund</b>	Class 1 – Net accumulation shares	5
	Class 1 – Gross income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross income shares	5
	Class 2 – Gross accumulation shares	5
	Class 2 – CHF Hedged gross accumulation shares	5
	Class X – Gross accumulation shares	5
	Class Z – Gross income shares	5
<b>Strategic Bond Fund</b>	Class 1 – Net income shares	4
	Class 1 – Gross income shares	4
	Class 2 – Net income shares	4
	Class 2 – Gross income shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
<b>American Fund</b>	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 1 – EUR Hedged net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
<b>American Select Fund</b>	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 1 – EUR Hedged net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class 2 – EUR Hedged net accumulation shares	6
	Class Z – Net income shares	6
	Class Z – Net accumulation shares	6
<b>American Smaller Companies Fund (US)</b>	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Dollar Bond Fund</b>	Class 1 – Net income shares	5
	Class 1 – Gross accumulation shares	5
	Class Z – Net income shares	5
<b>Japan Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Japan Smaller Companies Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Asia Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Latin America Fund</b>	Class 1 – Net accumulation shares	7
	Class 2 – Net accumulation shares	7
	Class X – Net accumulation shares	7
	Class Z – Net accumulation shares	7
<b>Emerging Market Bond Fund</b>	Class 1 – Net income shares	5
	Class 1 – Gross income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross accumulation shares	5
	Class Z – Net income shares	5
	Class Z – Gross income shares	5

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>High Yield Bond Fund</b>	Class 1 – Net income shares	4
	Class 1 – Gross income shares	4
	Class 2 – Net income shares	4
	Class 2 – Gross income shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Net income shares	4
	Class Z – Gross accumulation shares	4
<b>Global Select Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net accumulation shares	6
<b>Global Bond Fund</b>	Class 1 – Net income shares	5
	Class 1 – Net accumulation shares	5
	Class 1 – Gross income shares	5
	Class 2 – Net income shares	5
	Class 2 – Gross accumulation shares	5
	Class Z – Net income shares	5
	Class Z – Gross income shares	5
<b>UK Institutional Fund</b>	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
<b>UK Overseas Earnings Fund</b>	Class 2 – Net income shares	6

\*As at 7 September 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. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (threadneedle.com) according to the currency of your investment in the fund.

Historical data may not be a reliable indication of the future risk profile of the funds.

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the funds.

## Shares Issued and Redeemed Summary

for the accounting period 8 March 2013 to 7 September 2013

Fund	Number Issued	Number Redeemed	Conversion
UK Fund	452,750,712	(389,813,636)	4,803,041
UK Select Fund	13,429,589	(53,306,809)	51,234
UK Smaller Companies Fund	21,119,055	(27,117,390)	(18,375)
UK Growth & Income Fund	36,699,308	(55,777,033)	196,217
UK Equity Income Fund	350,502,938	(232,296,803)	16,846,369
UK Monthly Income Fund	23,785,708	(59,750,281)	4,766,348
Monthly Extra Income Fund	32,950,127	(26,208,220)	746,964
UK Corporate Bond Fund	28,216,000	(124,521,802)	964
Sterling Bond Fund	7,779,232	(74,085,457)	43,500
Sterling Fund	15,582,814	(32,492,664)	–
European Fund	22,570,391	(63,370,998)	(166,683)
European Select Fund	222,051,912	(122,139,834)	(549,147)
European Smaller Companies Fund	64,283,414	(41,606,534)	(1,019,519)
Pan European Smaller Companies Fund	200,705,648	(118,246,040)	(15,296)
Pan European Fund	51,086,805	(69,364,985)	(3,039)
European Bond Fund	21,651,366	(15,005,164)	35,512
European Corporate Bond Fund	9,648,852	(8,122,805)	–
European High Yield Bond Fund	95,900,530	(92,634,546)	–
Strategic Bond Fund	24,673,095	(69,385,413)	2,320,752
American Fund	196,250,392	(272,062,041)	(1,646,468)
American Select Fund	408,868,033	(328,802,021)	(15,901,693)
American Smaller Companies Fund (US)	113,649,008	(30,264,093)	(44,751)
Dollar Bond Fund	7,204,056	(4,761,688)	11,374
Japan Fund	299,883,191	(181,670,244)	19,989
Asia Fund	12,198,940	(134,861,210)	(9,284)
Latin America Fund	10,268,675	(28,845,924)	(1,219,561)
Emerging Market Bond Fund	54,053,554	(961,738,253)	5,651,302
High Yield Bond Fund	155,870,220	(343,257,352)	34,781,005
Global Select Fund	39,303,709	(47,605,171)	(18,204)
Global Bond Fund	8,872,854	(43,946,701)	68,854
UK Institutional Fund	55,882,350	(141,430,172)	–
UK Overseas Earnings Fund	9,722,101	(16,729,462)	–

## Total Purchases and Sales

for the accounting period 8 March 2013 to 7 September 2013

Fund	September 2013 £000	March 2013 £000
<b>UK Fund</b>		
Total purchases for the period	319,586	312,749
Total sales for the period	198,866	434,014
<b>UK Select Fund</b>		
Total purchases for the period	52,818	58,164
Total sales for the period	77,215	95,883
<b>UK Smaller Companies Fund</b>		
Total purchases for the period	42,567	41,625
Total sales for the period	47,104	101,400
<b>UK Growth &amp; Income Fund</b>		
Total purchases for the period	12,115	58,641
Total sales for the period	23,892	157,821
<b>UK Equity Income Fund</b>		
Total purchases for the period	274,346	414,967
Total sales for the period	73,094	114,523
<b>UK Monthly Income Fund</b>		
Total purchases for the period	68,814	186,581
Total sales for the period	92,237	205,297
<b>Monthly Extra Income Fund</b>		
Total purchases for the period	30,602	22,382
Total sales for the period	14,693	20,628
<b>UK Corporate Bond Fund</b>		
Total purchases for the period	133,018	371,728
Total sales for the period	167,192	271,460
<b>Sterling Bond Fund</b>		
Total purchases for the period	195,732	779,328
Total sales for the period	229,887	845,964
<b>Sterling Fund</b>		
Total purchases for the period	329,446	750,795
Total sales for the period	343,831	752,511
<b>European Fund</b>		
Total purchases for the period	92,302	232,127
Total sales for the period	153,484	348,637
<b>European Select Fund</b>		
Total purchases for the period	798,607	1,144,671
Total sales for the period	585,997	565,899
<b>European Smaller Companies Fund</b>		
Total purchases for the period	410,852	593,366
Total sales for the period	297,217	445,358
<b>Pan European Smaller Companies Fund</b>		
Total purchases for the period	262,717	496,889
Total sales for the period	153,979	148,626
<b>Pan European Fund</b>		
Total purchases for the period	100,389	188,928
Total sales for the period	120,757	177,169
<b>European Bond Fund</b>		
Total purchases for the period	191,828	298,936
Total sales for the period	195,251	321,656
<b>European Corporate Bond Fund</b>		
Total purchases for the period	59,113	80,631
Total sales for the period	57,160	68,965
<b>European High Yield Bond Fund</b>		
Total purchases for the period	167,929	363,492
Total sales for the period	162,332	325,052
<b>Strategic Bond Fund</b>		
Total purchases for the period	65,646	155,743
Total sales for the period	90,351	173,933

## Total Purchases and Sales

(continued)

Fund	September 2013 £000	March 2013 £000
<b>American Fund</b>		
Total purchases for the period	504,946	2,224,645
Total sales for the period	645,370	2,118,578
<b>American Select Fund</b>		
Total purchases for the period	1,541,615	3,172,614
Total sales for the period	1,492,257	2,991,256
<b>American Smaller Companies Fund (US)</b>		
Total purchases for the period	272,043	273,712
Total sales for the period	136,356	294,284
<b>Dollar Bond Fund</b>		
Total purchases for the period	36,709	74,533
Total sales for the period	35,837	72,506
<b>Japan Fund</b>		
Total purchases for the period	152,255	144,256
Total sales for the period	103,431	199,713
<b>Japan Smaller Companies Fund</b>		
Total purchases for the period	7,575	32,816
Total sales for the period	19,736	137,376
<b>Asia Fund</b>		
Total purchases for the period	116,941	266,269
Total sales for the period	286,336	302,161
<b>Latin America Fund</b>		
Total purchases for the period	157,145	294,573
Total sales for the period	194,709	444,127
<b>Emerging Market Bond Fund</b>		
Total purchases for the period	345,980	1,057,371
Total sales for the period	884,660	901,558
<b>High Yield Bond Fund</b>		
Total purchases for the period	154,693	348,228
Total sales for the period	209,497	302,188
<b>Global Select Fund</b>		
Total purchases for the period	179,468	348,895
Total sales for the period	175,461	456,823
<b>Global Bond Fund</b>		
Total purchases for the period	154,616	671,794
Total sales for the period	172,804	726,887
<b>UK Institutional Fund</b>		
Total purchases for the period	77,631	182,165
Total sales for the period	178,847	331,661
<b>UK Overseas Earnings Fund</b>		
Total purchases for the period	10,387	14,286
Total sales for the period	16,348	22,885

## Further Information

Threadneedle Investment Funds ICVC (Company) is an open-ended investment company with variable capital under regulation 14 (Authorisation) of the Open Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is an umbrella company in that different sub-funds (funds) may be established from time to time by the Authorised Corporate Director (ACD) with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

### Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, International Financial Data Services, PO Box 10033, Chelmsford, Essex CM99 2AL and from the Paying Agents and Distributors in the countries where the funds are distributed.

As a fund is not a legal entity, if the assets attributable to any 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 funds of the Company.

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FCA rules).

Other funds may be launched in the future.

### Key Investor Information Document (KIID) – Subscription requirements

The KIID is a pre contractual document and investors have to confirm that they have read the latest KIID before making a subscription. Threadneedle 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](http://threadneedle.com).

### Changes to the Prospectus

The prospectus of the Company was updated in June 2013 to reflect the following changes:

- update to “Buying, selling and switching shares” section to clarify that the ACD has the right to reject orders if clients are not able to demonstrate that they have complied with applicable law and regulation, including where clients have not read the Key Investor Information document for the applicable fund;
- termination of the Japan Smaller Companies Fund (effective as of 27 August 2013);
- change in Transfer Agent;
- insertion of wording regarding Ongoing Charges Figure;
- improved disclosure on our Registration Fees;
- change in name of FSA to FCA;
- inclusion of Portfolio Hedged Share Classes;
- amendment of definition of Gross Paying Shares and Net Paying Shares for greater clarity;
- removal of Crispin Henderson as Director and noting of Campbell Fleming as Chair and Chief Executive;
- inclusion of ability to convert shares;
- money laundering wording amended for greater clarity;
- insertion of enhanced conflicts of interest wording;

- update to list of countries in which shares may be offered;
- an ability for funds to become “Limited issue funds” has been included and described; and
- update that Columbia Management Investment Advisers, LLC will be making investment recommendations to the Investment Manager and therefore providing investment advice supported by research to the Investment Manager in respect of certain funds.

### Changes to the Instrument of Incorporation

The instrument of incorporation of the Company was amended on 4 June 2013 to permit the introduction of limited issue funds of the Company.

### Retail Distribution Review (RDR)

RDR is an initiative that is being driven by the Financial Conduct Authority to change how investors get financial advice. The RDR came into effect 31 December 2012.

For more information on RDR please visit [fca.org.uk/consumers/protect-yourself/investment-rights/payadvice](http://fca.org.uk/consumers/protect-yourself/investment-rights/payadvice)

### Types of share available

The Company is structured as an umbrella company and currently consists of 32 different sub-funds. Several classes of share may be issued in respect of each fund: such share classes are distinguished by their criteria for subscription and fee structure. Details of the investment criteria for Class 1 Shares, Class 2 Shares, Class 2i Shares, Class X Shares and Class Z Shares are set out in the Prospectus. Typically, Class 1 Shares are available to retail investors and Class 2 Shares, Class 2i Shares and Class Z Shares are available to non-retail investors. Class X Shares are available only to eligible investors and will accommodate an alternative charging structure for the funds. The level of net income attributable to each share class will differ.

### Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency or Portfolio Currency and replace it with an exposure to the Hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- “Reference Currency” or “Reference Currencies” means the currency or currencies against which the currency hedging transaction will be applied;
- “Portfolio Currency” or “Portfolio Currencies” means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund; and
- “Hedged Currency” is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund where HSCs are available, please refer to the latest version of the Prospectus.

### SDRT Provision

SDRT is chargeable on the surrender, and certain transfers of shares in the funds. The current rate of SDRT is 0.5%.

## Further Information

*(continued)*

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 ACD 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.

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the funds are managed. We continue to show stock market indices for information purposes and for those funds for which the Investment Management Association sector is not considered to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

### Report and Accounts

Investors will receive a report on the Company twice a year. The reports received will be short form versions and reports containing the full accounts will be available from ACD, Client Services, PO Box 10033, Chelmsford, Essex CM99 2AL and from the Paying Agents and Distributors in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios. The annual accounting period for the funds shall end on 7 March and the interim reporting period shall end on 7 September.

## Directory

### Registered Office

60 St Mary Axe, London EC3A 8JQ

### Authorised Corporate Director (ACD)

Threadneedle Investment Services Limited  
60 St Mary Axe, London EC3A 8JQ

### Registrar

Threadneedle Investment Services Limited  
Delegated to:  
International Financial Data Services (UK) Limited  
St Nicholas Lane  
Basildon, Essex SS15 5FS

### Investment Manager

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

### Depository

J.P. Morgan Trustee and Depository Company Limited  
(Regulated by the FCA)  
Chaseside, Bournemouth BH7 7DA

### Legal Advisers

Eversheds LLP  
One Wood Street, London EC2V 7WS  
Baum Financial Services Law Team  
Grosser Burstah 42 : 20457 Hamburg, Germany

### Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside, London SE1 2RT

### Authorised Corporate Director Client Services Details

#### UK Investors

**Address:** Threadneedle Investment Services Limited  
PO Box 10033 Chelmsford Essex CM99 2AL  
**Telephone** (dealing & customer enquiries): 0845 113 0273\*  
**Fax** (dealing): 0845 113 0274  
**Email** (enquiries): questions@service.threadneedle.co.uk

#### Asian Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services 47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +852 3667 7111\*  
**Fax** (dealing): +352 2452 9817  
**Email** (enquiries): ThreadneedleEnquiries@Statestreet.com

#### All other Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services 47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +352 464 010 7020\*  
**Fax** (dealing): +352 2455 29807  
**Email** (enquiries): questions@service.threadneedle.co.uk

**Website:** threadneedle.com

### Paying and Information Agent in Austria

Raiffeisen Bank International AG  
Am Stadtpark 9  
1030 Vienna  
Austria

### Paying and Information Agent in Belgium

J.P. Morgan Chase  
1, Boulevard du Roi Albert II  
1210 Brussels  
Belgium

### Paying and Information Agent in France

BNP Paribas Securities Services  
66 rue de la Victoire  
75009 Paris  
France

### Paying and Information Agent in Germany

J.P. Morgan AG  
Jungthofstr. 14  
60311 Frankfurt am Main  
Germany

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

### Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

### Representative and Paying Agent in Ireland

J.P. Morgan Bank Administration Services (Ireland) Limited  
J.P. Morgan House, International Financial Services Centre  
Dublin 1  
Ireland

### Paying and Information Agents in Italy

State Street Bank S.p.A.  
Via Ferrante Aporti, 10  
20125 Milan  
Italy

Allfunds Bank S.A.  
Via Santa Margherita, 7  
20121 Milan  
Italy

Societe Generale Securities Services S.p.A.  
via Benigno Crespi 19/A – MAC2  
20159 Milan  
Italy

BNP Paribas Securities Services  
Via Ansperto 5  
20123 Milan  
Italy

### Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.  
49 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Paying and Information Agent in the Netherlands

Intertrust (Netherlands) B.V.  
Prins Bernhardplein 200  
1097 JB Amsterdam  
The Netherlands

### Representative and Paying Agent in Switzerland

BNP Paribas Securities Services, Paris, succursale de Zurich  
Selnaustrasse 16  
8002 Zurich  
Switzerland

*\*Calls will be recorded*

## Important Information

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information Document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

### Key Risks of the funds:

The following table below shows the key risks applying to each fund. A definition of the key risks can be found overleaf.

Funds/Key risks	Market	Currency	Investor Currency	Volatility	High Volatility	Effect of Portfolio Concentration	Issuer	Liquidity	Political and Financial	Inflation	Interest Rate	Valuation	Short Selling	Leverage	Investment in Derivatives	No Capital Guarantee	Investment in Deposits
UK Fund	X		X		X												
UK Select Fund	X		X		X	X											
UK Smaller Companies Fund	X		X		X			X									
UK Growth & Income Fund	X		X		X												
UK Equity Income Fund	X		X		X												
UK Monthly Income Fund	X		X		X												
Monthly Extra Income Fund	X		X	X			X										
UK Corporate Bond Fund	X		X				X	X		X	X						
Sterling Bond Fund	X		X				X	X		X	X						
Sterling Fund						X				X						X	X
European Fund	X		X		X												
European Select Fund	X	X	X		X	X											
European Smaller Companies Fund	X	X	X		X			X									
Pan European Smaller Companies Fund	X	X	X		X			X									
Pan European Fund	X	X	X		X												
European Bond Fund	X	X	X				X	X		X	X						
European Corporate Bond Fund	X	X	X				X	X		X	X						
European High Yield Bond Fund	X		X	X			X	X		X	X						
Strategic Bond Fund	X	X	X				X	X		X	X	X	X	X	X	X	X
American Fund	X		X		X												
American Select Fund	X		X		X	X											

Funds/Key risks	Market	Currency	Investor Currency	Volatility	High Volatility	Effect of Portfolio Concentration	Issuer	Liquidity	Political and Financial	Inflation	Interest Rate	Valuation	Short Selling	Leverage	Investment in Derivatives	No Capital Guarantee	Investment in Deposits
American Smaller Companies Fund (US)	X		X		X			X									
Dollar Bond Fund	X		X				X	X		X	X						
Japan Fund	X	X	X		X												
Japan Smaller Companies Fund	X	X	X		X			X									
Asia Fund	X	X	X		X				X								
Latin America Fund	X	X	X		X				X								
Emerging Market Bond Fund	X	X	X	X			X	X	X	X	X						
High Yield Bond Fund	X		X	X			X	X		X	X						
Global Select Fund	X	X	X		X	X											
Global Bond Fund	X	X	X				X	X		X	X						
UK Institutional Fund	X		X		X												
UK Overseas Earnings Fund	X		X		X												

### Description of the Key Risks:

**Market Risk:** The value of investments can fall as well as rise and investors might not get back the sum originally invested.

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

**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.

**Volatility Risk:** The fund may exhibit significant price volatility.

**High Volatility Risk:** The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and pronounced than with other funds.

**Effect of Portfolio Concentration Risk:** The fund has a concentrated portfolio (holds a limited number of investments and/or takes large positions in a relatively small number of stocks) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

**Issuer Risk:** The fund invests in securities whose value would be significantly affected if the issuer either refused to pay or was unable to pay.

**Liquidity Risk:** The fund invests in assets that are not always readily saleable without suffering a discount to fair value. The portfolio may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity.

**Political and Financial Risk:** The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

**Inflation Risk:** Most bond funds offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the value of capital and income over time.

**Interest Rate Risk:** Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

**Valuation Risk:** The fund's assets may sometimes be difficult to value objectively and the true value may not be recognised until assets are sold.

**Short Selling Risk:** Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

**Leverage Risk:** Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

**Investment in Derivatives Risk:** The Investment Policy of the fund allows it to invest materially in derivatives.

**No Capital Guarantee Risk:** Positive returns are not guaranteed and no form of capital protection applies.

**Investment in Deposits Risk:** The Investment Policy of the fund allows it to invest principally in deposits.

Further risks applicable to the funds can be found in the prospectus.





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