

# THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC



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## Company Information

### Company

Threadneedle Specialist Investment Funds ICVC  
Registered Number IC000232

### 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 Specialist Investment Funds ICVC for the six months to 31 October 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.

A handwritten signature in black ink, appearing to read 'Campbell Fleming', followed by a horizontal line.

**Campbell Fleming**  
**Director**

## Aggregated Financial Statements for Threadneedle Specialist Investment Funds ICVC

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	213,540	54,605
Revenue	45,737	28,770
Expenses	(22,379)	(13,454)
Finance costs:		
Derivative expenses	(2,457)	(3,499)
Interest	(1)	(56)
Net revenue before taxation	20,900	11,761
Taxation	(2,029)	(988)
Net revenue after taxation	18,871	10,773
<b>Total return before distributions</b>	<b>232,411</b>	<b>65,378</b>
Finance costs: Distributions	(25,576)	(11,697)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>206,835</b>	<b>53,681</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,837,506</b>	<b>1,892,876</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	1,230,062	454,993
Amounts payable on the cancellation of shares	(603,775)	(329,535)
	626,287	125,458
Dilution adjustment	1,434	702
Stamp duty reserve tax	(245)	(186)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	206,835	53,681
Retained distribution on accumulation shares	8,064	3,517
<b>Closing net assets attributable to shareholders</b>	<b>3,679,880</b>	<b>2,076,048</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>3,268,518</b>	<b>2,515,168</b>
<b>Other assets</b>		
Debtors	122,971	66,709
Cash and bank balances	439,105	338,321
Total other assets	562,076	405,030
Total assets	3,830,594	2,920,198
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(23,346)</b>	<b>(17,954)</b>
<b>Other liabilities</b>		
Creditors	(102,822)	(46,971)
Bank overdrafts	(6,640)	(5,548)
Distribution payable on income shares	(17,906)	(12,219)
Total other liabilities	(127,368)	(64,738)
Total liabilities	(150,714)	(82,692)
<b>Net assets attributable to shareholders</b>	<b>3,679,880</b>	<b>2,837,506</b>

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

**5 December 2013**

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

### Notes to the financial statements

*for the accounting period 1 May 2013 to 31 October 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 30 April 2013 and are described in those financial statements.

##### **(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 Mid 250 Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2013, the published share price of the Threadneedle UK Mid 250 Fund has risen from 162.22p to 184.38p.

For comparison, using noon prices, the performance of the Class 1 share class was +13.66% and +13.99% for the Class 2 share class compared to a return of +10.68% for the Morningstar UK Unit Trusts/OEICs – (IMA) UK All Companies Peer Group (on a bid to

bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE Mid 250 (ex Investment Trusts) Index was +13.90%.

#### Portfolio Activity

The Threadneedle UK Mid 250 Fund outperformed a strong market during the 6 months ended 31 October 2013 on a total return basis, gross of fees.

Overall, risk appetite was very strong at the start of the period, with improving economic data from the UK, and ongoing fiscal stimulus across the US, Japan and Europe. This meant that certain areas of the market, from industrials to UK consumer stocks, re-rated significantly in valuation terms. Towards the end of the period, in late summer and early autumn, concerns over how policymakers in the US would 'taper' monetary easing, along with a more mixed macro and corporate picture, created a choppy background, which the fund outperformed on a relative basis.

The fund benefited from holdings in industrials, such as Melrose, support services stocks including

Berendsen, and speciality financials such as Close Brothers. Holdings in housebuilders were initially beneficial, although they sold off through the summer. Detractors from performance included strong sectors where the fund was relatively less exposed, for example general retail, including stocks such as Ocado, which the fund didn't hold. AZ Electronic Materials suffered over the period under review, after the stock was affected by the slow market for consumer electronics. Our oil-services holdings also continued to be weak.

Activity-wise, we added to Amec, Ashmore and Informa, while starting new holdings in DCC, Elementis and Stock Spirits Group. Profit was taken in Berendsen, Melrose and Persimmon, and we exited Halfords, Ophir Energy and Provident Financial.

The near-term outlook for earnings is less predictable as macroeconomic issues create a climate of uncertainty, with companies investing cautiously into recovery. In this environment we have a heightened focus in holding stocks where we believe earnings visibility is clearer, and where valuations are undemanding.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	15,605	8,474
Revenue	2,899	2,018
Expenses	(854)	(640)
Net revenue before taxation	2,045	1,378
Taxation	–	7
Net revenue after taxation	2,045	1,385
<b>Total return</b>	<b>17,650</b>	<b>9,859</b>
Finance costs: Equalisation	9	50
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>17,659</b>	<b>9,909</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>144,113</b>	<b>120,064</b>
<b>Other assets</b>		
Debtors	1,450	2,082
Cash and bank balances	315	3,230
Total other assets	1,765	5,312
<b>Total assets</b>	<b>145,878</b>	<b>125,376</b>
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(811)	(1,275)
Total other liabilities	(811)	(1,275)
<b>Total liabilities</b>	<b>(811)</b>	<b>(1,275)</b>
<b>Net assets attributable to shareholders</b>	<b>145,067</b>	<b>124,101</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>124,101</b>	<b>93,000</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	11,742	16,307
Amounts payable on the cancellation of shares	(8,389)	(10,046)
	3,353	6,261
Dilution adjustment	–	27
Stamp duty reserve tax	(46)	(33)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,659	9,909
<b>Closing net assets attributable to shareholders</b>	<b>145,067</b>	<b>109,164</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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



## Threadneedle UK Extended Alpha Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

securities (including fixed interest securities and money market instruments).

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

Over the six months to 31 October 2013, the published share price of net accumulation shares in the Threadneedle UK Extended Alpha Fund has risen from 298.56p to 330.19p.

For comparison, using noon prices, the performance of the Class 1 share class was +10.59% and +10.85% for the Class 2 share class compared to a return of +10.68% for the Morningstar UK Unit Trusts/OEICs – (IMA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was +7.66%.

#### Portfolio Activity

The period under review delivered a positive return for equity markets globally, with the FTSE All-Share index delivering a healthy total return of 7.7%. This was primarily due to the highly accommodative stance of central banks across the globe, the largely benign outlook for corporate profitability, the incrementally better economic data across the world and the relative attractiveness of equities compared to other asset classes.

The UK Extended Alpha Fund performed well during the period. The fund benefited from its exposure to strong end-markets, such as civil aerospace and recovering auto markets globally, and its positions in leading companies in the pharmaceuticals and telecommunications sectors. Our consumer-exposed stocks also benefited from the rebound in UK economic activity and the continued improvement in UK house building. The major area of relative weakness in the fund came from its underweight position in mining companies.

Despite the many macro-economic issues yet to be resolved, we continue to remain cautiously optimistic on the outlook for UK equities. The real value in the market appears to be concentrated in large, resilient, economically-insensitive companies, and so we continue to own firms such as GlaxoSmithkline, BT Group, Imperial Tobacco and Centrica. We also see selective opportunities in quality companies exposed to global-growth trends; companies such as Rolls-Royce, WPP and Compass Group. But we remain cautious on companies selling to the UK government and the UK consumer.

We feel that the most reliable driver of returns in this environment is likely to be stock specific. We have a number of uncorrelated positions in both the long and short books.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	2,379	329
Revenue	450	353
Expenses	(245)	(85)
Finance costs: Derivative expense	–	(22)
Net revenue before taxation	205	246
Taxation	–	–
Net revenue after taxation	205	246
<b>Total return</b>	<b>2,584</b>	<b>575</b>
Finance costs: Equalisation	(4)	5
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,580</b>	<b>580</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>24,818</b>	<b>21,451</b>
<b>Other assets</b>		
Debtors	365	237
Cash and bank balances	1,138	2,480
Total other assets	1,503	2,717
Total assets	26,321	24,168
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(296)	(40)
Total other liabilities	(296)	(40)
Total liabilities	(296)	(40)
<b>Net assets attributable to shareholders</b>	<b>26,025</b>	<b>24,128</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>24,128</b>	<b>19,572</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	759	1,406
Amounts payable on the cancellation of shares	(1,437)	(984)
	(678)	422
Stamp duty reserve tax	(5)	(3)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,580	580
<b>Closing net assets attributable to shareholders</b>	<b>26,025</b>	<b>20,571</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle UK Equity Alpha Income Fund

### Investment Report

#### Investment Objective

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

#### Investment Policy

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

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

Over the six months to 31 October 2013, the published share price of the Threadneedle UK Equity Alpha Income Fund has risen from 57.13p to 65.36p.

For comparison, using noon prices, the performance of the Class 1 share class was +16.68% and +17.03%

for the Class 2 share class compared to a return of +9.43% for the Morningstar UK Unit Trusts/OEICs – (IMA) UK Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was +7.66%.

#### Portfolio Activity

The period under review was positive for equity markets, with the FTSE All-Share index delivering a healthy total return of 7.7%. This was primarily due to the highly accommodative stance of central banks across the globe, the largely benign outlook for corporate profitability, incrementally better economic data and the relative attractiveness of equities compared with other asset classes.

Our activity concentrated on investing inflows across a range of out-of-favour stocks where valuations have been excessively suppressed by stock-specific issues or by recent weaker trading. We introduced a new holding in Imperial Tobacco, taking advantage of the poor share-price performance over the year to

date to adopt a more neutral position relative to the benchmark. We also opened a position in Rentokil Initial, reflecting our view that the hygiene-services company's valuation has yet to reflect the benefits that should result from its recent restructuring. As the period progressed, we increased our holding; although the stock offers a below-market yield, we believe that the firm has the opportunity to deliver organic growth, improve cashflows and reduce costs under its new management. Meanwhile, purchases in insurer Aviva reflected our view that the management's turnaround strategy is beginning to deliver on its potential.

Elsewhere, we disposed of British American Tobacco and sold our stake in Royal Dutch Shell. We also disposed of transport group Stagecoach, using some of the proceeds to add to our existing holding in more attractively valued peer National Express.

We believe that the outlook remains positive at the company level, and we continue to focus on well-managed, fundamentally strong businesses that have realistic potential to deliver positive earnings surprises.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	68,586	15,588
Revenue	11,501	6,643
Expenses	(3,020)	(1,680)
Net revenue before taxation	8,481	4,963
Taxation	–	–
Net revenue after taxation	8,481	4,963
<b>Total return before distributions</b>	<b>77,067</b>	<b>20,551</b>
Finance costs: Distributions	(11,328)	(6,549)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>65,739</b>	<b>14,002</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>579,010</b>	<b>413,039</b>
<b>Other assets</b>		
Debtors	16,511	11,122
Cash and bank balances	13,939	6,086
<b>Total other assets</b>	<b>30,450</b>	<b>17,208</b>
<b>Total assets</b>	<b>609,460</b>	<b>430,247</b>
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(19,150)	(3,644)
Distribution payable on income shares	(12,601)	(8,513)
<b>Total other liabilities</b>	<b>(31,751)</b>	<b>(12,157)</b>
<b>Total liabilities</b>	<b>(31,751)</b>	<b>(12,157)</b>
<b>Net assets attributable to shareholders</b>	<b>577,709</b>	<b>418,090</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>418,090</b>	<b>257,071</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	97,773	41,565
Amounts payable on the cancellation of shares	(3,898)	(5,703)
	93,875	35,862
Dilution adjustment	80	–
Stamp duty reserve tax	(75)	(46)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	65,739	14,002
<b>Closing net assets attributable to shareholders</b>	<b>577,709</b>	<b>306,889</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 1 May 2013 to 31 October 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>				
01/05/13 to 31/10/13	1.3816	–	1.3816	1.1165
<b>Group 2</b>				
01/05/13 to 31/10/13	0.5361	0.8455	1.3816	1.1165
<b>Total distributions in the period</b>			<b>1.3816</b>	<b>1.1165</b>

#### Class 2 Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	1.4573	–	1.4573	1.1720
<b>Group 2</b>				
01/05/13 to 31/10/13	0.7000	0.7573	1.4573	1.1720
<b>Total distributions in the period</b>			<b>1.4573</b>	<b>1.1720</b>

## Threadneedle UK Equity Alpha Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z Shares

Net Income Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	2.8188	—	2.8188	0.5498
<b>Group 2</b>				
01/05/13 to 31/10/13	0.9949	1.8239	2.8188	0.5498
<b>Total distributions in the period</b>			<b>2.8188</b>	<b>0.5498</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle UK Absolute Alpha Fund

### Investment Report

#### Investment Objective

The investment objective of the UK Absolute Alpha Fund is to achieve an absolute return, irrespective of market conditions, over the long term.

#### Investment Policy

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

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

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

Over the six months to 31 October 2013, the published share price of the Threadneedle UK Absolute Alpha Fund has risen from 116.13p to 121.81p.

For comparison, using noon prices, the performance of the Class 1 share class was +4.89% and +4.95% for the Class 2 share class compared to a return of +1.24% for the Morningstar UK Unit Trusts/OEICS – (IMA) UK Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the UK LIBOR 3 Month returned +0.26%.

#### Portfolio Activity

The period under review delivered a positive return for equity markets globally, with the FTSE All-Share index delivering a healthy total return of 7.7%. This was primarily due to the highly accommodative stance of central banks across the globe, the largely benign outlook for corporate profitability, the incrementally better economic data across the world and the relative attractiveness of equities compared to other asset classes.

The UK Absolute Alpha Fund performed well during the period. The fund benefited from its exposure to strong end-markets, such as civil aerospace and recovering auto markets globally, and its positions in leading companies in the pharmaceuticals and telecommunications sectors. Our consumer-exposed stocks also benefited from the rebound in UK economic activity and the continued improvement in UK house building. The major area of loss in the fund was in the index futures positions we have as part of the portfolio volatility management.

Despite the many macro-economic issues yet to be resolved, we continue to remain cautiously optimistic on the outlook for UK equities. The real value in the market appears to be concentrated in large, resilient, economically-insensitive companies, and so we continue to own firms such as GlaxoSmithkline, BT Group and Centrica. We also see selective opportunities in quality companies exposed to global-growth trends; companies such as Rolls-Royce, WPP and Compass Group. But we remain cautious on companies selling to the UK government and the UK consumer.

We feel that the most reliable driver of returns in this environment is likely to be stock specific. We have a number of uncorrelated positions in both the long and short books.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	6,387	927
Revenue	1,031	698
Expenses	(1,825)	(512)
Finance costs: Derivative expense	(386)	(450)
Net expenses before taxation	(1,180)	(264)
Taxation	—	—
Net expenses after taxation	(1,180)	(264)
<b>Total return</b>	<b>5,207</b>	<b>663</b>
Finance costs: Equalisation	59	3
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,266</b>	<b>666</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>60,618</b>	<b>41,090</b>
<b>Other assets</b>		
Debtors	2,198	1,602
Cash and bank balances	65,835	44,915
Total other assets	68,033	46,517
Total assets	128,651	87,607
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(258)</b>	<b>(121)</b>
<b>Other liabilities</b>		
Creditors	(2,369)	(849)
Total other liabilities	(2,369)	(849)
Total liabilities	(2,627)	(970)
<b>Net assets attributable to shareholders</b>	<b>126,024</b>	<b>86,637</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>86,637</b>	<b>64,446</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	46,503	19,353
Amounts payable on the cancellation of shares	(12,327)	(12,239)
	34,176	7,114
Dilution adjustment	7	78
Stamp duty reserve tax	(62)	(92)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,266	666
<b>Closing net assets attributable to shareholders</b>	<b>126,024</b>	<b>72,212</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle Absolute Return Bond Fund

### Investment Report

#### Investment Objective

The investment objective of the Absolute Return Bond Fund is to achieve a total positive return in all market conditions.

#### Investment Policy

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

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

Over the six months to 31 October 2013, the published share price of the Threadneedle Absolute Return Bond Fund has risen from 62.93p to 62.95p.

Using noon prices, the performance of the Class 1 share class was +0.03% and +0.30% for the Class 2 share class compared to a return of +1.24% for the Morningstar UK Unit Trusts/OEICs – (IMA) Absolute

Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the LIBOR 3 Month Deposit Rate returned +0.26%.

#### Portfolio Activity

The period was dominated by the expectation of an imminent reduction of quantitative easing by the US Federal Reserve (the Fed). As US government bonds sold off, European government bonds followed, which prompted a response by both the European Central Bank and the Bank of England; both banks began to provide "forward guidance" in an attempt to moderate rate-hike expectations. Backward-looking data, such as non-farm payrolls and GDP, continued to disappoint, however, with payrolls particularly important in light of the Fed's mooted unemployment targets. Nevertheless, the signs of recovery drove yields up further over the period, despite mounting geopolitical tensions across the Middle East. Having prepared the markets for a gradual withdrawal of monetary stimulus, the Fed delivered a significant surprise in September by announcing that it would maintain current levels. This was warmly received by risk markets.

We maintained our forecast of upward pressure on yields, and we generally held short-duration positions in core and semi-core governments at the start of the period. However, we became concerned that the magnitude of the sell off in bonds would act as a brake against a nascent economic recovery, so moved to a more neutral position. The washout in positioning in short-dated interest-rate contracts, associated with expectation of quantitative easing tapering, led to the market pricing in an aggressive hiking cycle from the Fed. We used this opportunity to add significant positions, as we did not feel this was an accurate reflection of economic fundamentals, or central bank response. As absolute yields on the credit market were at or near multi-year lows, we entered a long protection position on credit indices in Europe and the US, concerned about the disconnect between asset markets and economic fundamentals.

In the currency market, we broadly held a long US-dollar bias, particularly against commodity currencies such as Australian and Canadian dollars but also against select safe-haven currencies, such as the Swiss franc. We expected a reversal of capital flight from the eurozone, as data gently improved and peripheral debt crises subdued.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(67)	9,602
Revenue	4,311	5,225
Expenses	(2,036)	(2,416)
Finance costs:		
Derivative expense	(770)	(1,183)
Interest	—	(30)
Net revenue before taxation	1,505	1,596
Taxation	(147)	(142)
Net revenue after taxation	1,358	1,454
<b>Total return</b>	<b>1,291</b>	<b>11,056</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,291</b>	<b>11,056</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	2012 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>317,009</b>	<b>363,861</b>
<b>Other assets</b>		
Debtors	16,665	4,467
Cash and bank balances	42,032	12,527
<b>Total other assets</b>	<b>58,697</b>	<b>16,994</b>
<b>Total assets</b>	<b>375,706</b>	<b>380,855</b>
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(13,929)</b>	<b>(9,097)</b>
<b>Other liabilities</b>		
Creditors	(10,632)	(1,595)
Bank overdrafts	—	(191)
<b>Total other liabilities</b>	<b>(10,632)</b>	<b>(1,786)</b>
<b>Total liabilities</b>	<b>(24,561)</b>	<b>(10,883)</b>
<b>Net assets attributable to shareholders</b>	<b>351,145</b>	<b>369,972</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>369,972</b>	<b>479,508</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	41,617	10,332
Amounts payable on the cancellation of shares	(61,766)	(85,652)
	(20,149)	(75,320)
Dilution adjustment	31	—
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,291	11,056
<b>Closing net assets attributable to shareholders</b>	<b>351,145</b>	<b>415,244</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

## Threadneedle Target Return Fund

### Investment Report

#### Investment Objective

The investment objective of the Target Return Fund is to target a total positive return in all market conditions.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund to gain exposure to global bond and currency markets. The ACD will invest in derivatives, cash and near cash, fixed interest securities, index linked securities, money market instruments and deposits. At times the portfolio may be concentrated in any one or a combination of such assets. The ACD may take long and short positions through derivatives in such issues. Where securities are non-euro denominated they may be hedged into Euros on a Portfolio Currency level.

#### Performance of Net Accumulation Class 1 Shares

Over the six months to 31 October 2013, the published share price of the Threadneedle Target Return Fund has fallen from 1.1764 to 1.1763 Euros.

The performance of the Class 1 gross accumulation share class was +0.10% and +0.45% for the Class 2 gross accumulation share class, in EUR terms.

For information purposes, the Euribor 3 Month Deposit Rate returned +0.11%.

#### Portfolio Activity

The period was dominated by the expectation of an imminent reduction of quantitative easing by the US Federal Reserve (the Fed). As US government bonds sold off, European government bonds followed, which prompted a response by both the European Central Bank and the Bank of England; both banks began to provide "forward guidance" in an attempt to moderate rate-hike expectations. Backward-looking data, such as non-farm payrolls and GDP, continued to disappoint, however, with payrolls particularly important in light of the Fed's mooted unemployment targets. Nevertheless, the signs of recovery drove yields up further over the period, despite mounting geopolitical tensions across the Middle East. Having prepared the markets for a gradual withdrawal of monetary stimulus, the Fed delivered a significant surprise in September by announcing that it would maintain current levels. This was warmly received by risk markets.

We maintained our forecast of upward pressure on yields, and we generally held short-duration positions

in core and semi-core governments at the start of the period. However, we became concerned that the magnitude of the sell off in bonds would act as a brake against a nascent economic recovery, so moved to a more neutral position. The washout in positioning in short-dated interest-rate contracts, associated with expectation of quantitative easing tapering, led to the market pricing in an aggressive hiking cycle from the Fed. We used this opportunity to add significant positions, as we did not feel this was an accurate reflection of economic fundamentals, or central bank response. As absolute yields on the credit market were at or near multi-year lows, we entered a long protection position on credit indices in Europe and the US, concerned about the disconnect between asset markets and economic fundamentals.

In the currency market, we broadly held a long US-dollar bias, particularly against commodity currencies such as Australian and Canadian dollars but also against select safe-haven currencies, such as the Swiss franc. We expected a reversal of capital flight from the eurozone, as data gently improved and peripheral debt crises subdued.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	1,520	2,130
Revenue	1,622	1,650
Expenses	(622)	(983)
Finance costs:		
Derivative expense	(325)	(600)
Interest	—	(24)
Net revenue before taxation	675	43
Taxation	—	—
Net revenue after taxation	675	43
Total return before distributions	2,195	2,173
Finance costs: Distributions	(675)	(221)
Change in net assets attributable to shareholders from investment activities	1,520	1,952

### BALANCE SHEET

as at 31 October 2013

	2013 £000	2012 £000
Assets		
Investment assets	132,484	154,202
Other assets		
Debtors	2,638	2,584
Cash and bank balances	17,846	13,813
Total other assets	20,484	16,397
Total assets	152,968	170,599
Liabilities		
Derivative liabilities	(5,897)	(4,035)
Other liabilities		
Creditors	(2,092)	(9,626)
Distribution payable on income shares	(1)	(1)
Total other liabilities	(2,093)	(9,627)
Total liabilities	(7,990)	(13,662)
Net assets attributable to shareholders	144,978	156,937

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Opening net assets attributable to shareholders	156,937	253,416
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	39,135	8,712
Amounts payable on the cancellation of shares	(53,354)	(63,855)
	(14,219)	(55,143)
Dilution adjustment	67	46
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,520	1,952
Retained distribution on accumulation shares	673	221
Closing net assets attributable to shareholders	144,978	200,492

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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

Please refer to pages 61 to 67 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 1 May 2013 to 31 October 2013

Interest distribution in pence per share

Class 1 Shares					
Net Accumulation					
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
01/05/13 to 31/10/13	0.1331	0.0266	0.1065	0.1065	—
Total distributions in the period				0.1065	—
Class 1 Shares					
Gross Accumulation					
Distribution Period	Gross Revenue			Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
01/05/13 to 31/10/13	0.1443			0.1443	—
Total distributions in the period				0.1443	—
Class 1 CHF Hedged Shares					
Gross Accumulation					
Distribution Period	Gross Revenue			Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
01/05/13 to 31/10/13	0.1179			0.1179	—
Total distributions in the period				0.1179	—



## Threadneedle Target Return Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 USD Hedged Shares

Gross Accumulation Distribution Period	Gross Revenue	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
01/05/13 to 31/10/13	0.1092	0.1092	–
Total distributions in the period		0.1092	–

#### Class 2 Shares

Gross Income Distribution Period	Gross Revenue	Distribution Payable 2013	Distribution Paid 2012
01/05/13 to 31/10/13	0.4984	0.4984	0.1098
Total distributions in the period		0.4984	0.1098

#### Class 2 Shares

Gross Accumulation Distribution Period	Gross Revenue	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
01/05/13 to 31/10/13	0.5424	0.5424	0.1231
Total distributions in the period		0.5424	0.1231

#### Class X Shares

Gross Accumulation Distribution Period	Gross Revenue	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
01/05/13 to 31/10/13	0.8279	0.8279	0.4592
Total distributions in the period		0.8279	0.4592

#### Class Z Shares

Net Accumulation Distribution Period	Gross Revenue	Income Tax	Net Revenue	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
01/05/13 to 31/10/13	0.4025	0.0805	0.3220	0.3220	0.0062
Total distributions in the period				0.3220	0.0062

#### Class Z Shares

Gross Accumulation \*

There is no distribution for the accounting period 1 May 2013 to 31 October 2013, as expenses exceed revenue.

\*Class Z – Gross accumulation shares commenced on 18 September 2013

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle Pan European Focus Fund (formerly Threadneedle Pan European Accelerando Fund)

### Investment Report

#### Investment Objective

The investment objective of the Pan European Focus Fund is to achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to actively manage a concentrated portfolio of primarily European equities including UK Equities with the ability to hold cash and/or money market securities in order to enable the pursuit of the Fund's investment objective. This approach means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility. The portfolio will primarily consist of equities of companies domiciled in Europe including the UK or which have a significant part of their economic activities in Europe and/or the UK. Where securities are non-euro denominated they may be hedged into Euros. If the ACD considers it desirable it may hold a substantial proportion or all of the Funds in cash and/or money market instruments.

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

Over the six months to 31 October 2013, the published share price of the Threadneedle Pan European Focus

Fund has risen from 168.08p to 188.19p in sterling terms and from 1.9921 to 2.2127 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was +11.96% and 12.24% for the Class 2 share class compared to a return of +10.44% for the Morningstar UK Unit Trusts/OEICs – (IMA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was +9.70%.

#### Portfolio Activity

European markets fell back in the early part of the period, mainly owing to fears that the quantitative easing (QE) programme in the US would be "tapered". After the end of June, equities rose steadily, encouraged by more reassuring rhetoric over QE and indications of a better European economic backdrop. Consensus forecasts point to eurozone GDP expanding by at least 0.9% in 2014, after years of poor performance, with even some of the formerly weak peripheral eurozone countries expected to post positive results. The vote of confidence in Italy was taken well, as was the re-election of Chancellor

Merkel in Germany. Peripheral bond markets were also supportive, and this boosted Spanish and Italian equities which did better than those in Germany and Switzerland; the UK was a notable laggard.

Mindful of the more supportive environment for domestically-oriented stocks in Europe, we sold Nestlé and Anheuser-Busch InBev. These companies have strong long-term track records but are more dependent on growth outside Europe, particularly in emerging markets, and they are vulnerable to a slowdown in China and Latin America. We took profits by trimming our holding in Swatch for similar reasons – much of the recent growth has come from sales to Chinese consumers, and the rating of the stock had become extended. We used these sales to fund the purchase of Ziggo, the Dutch cable operator; the company's technology and low cost-base give it a long-term competitive advantage over KPN, the incumbent telecom major. We also bought Vodafone, where the well-received deal to sell its US interests to joint venture partner Verizon for \$130 billion has boosted the shares. We sold our holding in Kabel Deutschland after a bid from Vodafone, realising a good profit.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	8,012	1,110
Revenue	848	939
Expenses	(960)	(4)
Net (expenses)/revenue before taxation	(112)	935
Taxation	(57)	(64)
Net (expenses)/revenue after taxation	(169)	871
<b>Total return</b>	<b>7,843</b>	<b>1,981</b>
Finance costs: Equalisation	(1)	63
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>7,842</b>	<b>2,044</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>72,732</b>	<b>66,289</b>
<b>Other assets</b>		
Debtors	1,597	271
Cash and bank balances	674	596
<b>Total other assets</b>	<b>2,271</b>	<b>867</b>
<b>Total assets</b>	<b>75,003</b>	<b>67,156</b>
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(960)	(213)
Bank overdrafts	(1,379)	–
<b>Total other liabilities</b>	<b>(2,339)</b>	<b>(213)</b>
<b>Total liabilities</b>	<b>(2,339)</b>	<b>(213)</b>
<b>Net assets attributable to shareholders</b>	<b>72,664</b>	<b>66,943</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>66,943</b>	<b>46,743</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	8,296	15,087
Amounts payable on the cancellation of shares	(10,425)	(5,687)
	(2,129)	9,400
Dilution adjustment	11	35
Stamp duty reserve tax	(3)	(2)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,842	2,044
<b>Closing net assets attributable to shareholders</b>	<b>72,664</b>	<b>58,220</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.



## Threadneedle Pan European Equity Dividend Fund

### Investment Report

#### Investment Objective

The investment objective of the Pan European Equity Dividend Fund is to achieve a reasonable and growing income combined with prospects for capital growth from a portfolio of Pan European equities.

#### Investment Policy

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

The ACD will look to invest in companies that exhibit a high potential for paying above average dividends.

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

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

Over the six months to 31 October 2013, the published share price of the Threadneedle Pan European Equity Dividend Fund has risen from 77.25p to 82.97p in sterling terms and from 0.9156 to 0.9756 Euros.

For comparison, using noon prices, the performance of the Class 1 share class was +9.76% and +10.07% for the Class 2 share class compared to a return of +10.44% for the Morningstar UK Unit Trusts/OEICs – (IMA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was +9.70%.

#### Portfolio Activity

European markets fell back in the early part of the period, mainly owing to fears that the quantitative easing (QE) programme in the US would be "tapered". After the end of June, equities rose steadily, encouraged by more reassuring rhetoric over QE and indications of a better European economic backdrop. Consensus forecasts point to eurozone GDP expanding by at least 0.9% in 2014, after years of poor performance, with even some of the formerly weak peripheral eurozone countries expected to post positive results. The vote of confidence in Italy was taken well, as was the re-election of Chancellor Merkel in Germany. Peripheral bond markets were

also supportive, and this boosted Spanish and Italian equities which did better than those in Germany and Switzerland; the UK was a notable laggard.

We sold our holding in BBVA, the Spanish bank, after a strong rally towards the end of the period, realising a gain. We also sold Zon, the Portuguese telecom company, after good performance. Purchases included Unilever, which despite a robust long-term record, warned of lower profits owing to its emerging market exposure and this caused a major setback in the shares. We also bought Royal Dutch Shell, the oil major, as the sector is standing at a valuation low-point after a long period of underperformance; the shares offer an attractive yield of 5.4%. Meanwhile we purchased Repsol, the Spanish oil and gas exploration, production and refining business, as production growth should boost future returns and they have a chance of getting good compensation for the Argentinian seizure of their stake in YPF. We sold British American Tobacco as the income yield on the shares has progressively fallen after years of solid performance.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	2,767	916
Revenue	573	297
Expenses	(251)	(118)
Net revenue before taxation	322	179
Taxation	(37)	(20)
Net revenue after taxation	285	159
<b>Total return before distributions</b>	<b>3,052</b>	<b>1,075</b>
Finance costs: Distributions	(508)	(261)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,544</b>	<b>814</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>40,082</b>	<b>24,549</b>
<b>Other assets</b>		
Debtors	1,584	937
Cash and bank balances	938	636
<b>Total other assets</b>	<b>2,522</b>	<b>1,573</b>
<b>Total assets</b>	<b>42,604</b>	<b>26,122</b>
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(1,747)	(993)
Bank overdrafts	(530)	(264)
Distribution payable on income shares	(433)	(389)
<b>Total other liabilities</b>	<b>(2,710)</b>	<b>(1,646)</b>
<b>Total liabilities</b>	<b>(2,710)</b>	<b>(1,646)</b>
<b>Net assets attributable to shareholders</b>	<b>39,894</b>	<b>24,476</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>24,476</b>	<b>13,113</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	16,431	3,216
Amounts payable on the cancellation of shares	(3,793)	(1,530)
	12,638	1,686
Dilution adjustment	9	7
Stamp duty reserve tax	(6)	(1)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,544	814
Retained distribution on accumulation shares	233	47
<b>Closing net assets attributable to shareholders</b>	<b>39,894</b>	<b>15,666</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### DISTRIBUTION TABLE

for the accounting period 1 May 2013 to 31 October 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>				
01/05/13 to 31/10/13	1.3669	—	1.3669	1.2125
<b>Group 2</b>				
01/05/13 to 31/10/13	0.2931	1.0738	1.3669	1.2125
<b>Total distributions in the period</b>			<b>1.3669</b>	<b>1.2125</b>
<b>Class 1 Shares</b>				
<b>Net Accumulation</b>				
Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	1.8347	—	1.8347	1.5614
<b>Group 2</b>				
01/05/13 to 31/10/13	0.4787	1.3560	1.8347	1.5614
<b>Total distributions in the period</b>			<b>1.8347</b>	<b>1.5614</b>

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

## Threadneedle Pan European Equity Dividend Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	1.4506	—	1.4506	1.2789
<b>Group 2</b>				
01/05/13 to 31/10/13	0.2544	1.1962	1.4506	1.2789
<b>Total distributions in the period</b>			<b>1.4506</b>	<b>1.2789</b>

#### Class 2 Shares

##### Net Accumulation

Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	1.9663	—	1.9663	1.6395
<b>Group 2</b>				
01/05/13 to 31/10/13	0.7168	1.2495	1.9663	1.6395
<b>Total distributions in the period</b>			<b>1.9663</b>	<b>1.6395</b>

#### Class Z Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	2.0752	—	2.0752	0.0869
<b>Group 2</b>				
01/05/13 to 31/10/13	0.4603	1.6149	2.0752	0.0869
<b>Total distributions in the period</b>			<b>2.0752</b>	<b>0.0869</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle American Extended Alpha Fund

### Investment Report

#### Investment Objective

The investment objective of the American Extended Alpha Fund is to achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to equities of companies which are domiciled in North America or which have significant North American operations, by investing directly or indirectly in such securities. If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in markets other than in North America. Exposure to North American and other markets may be gained through both long and short positions.

The ACD may invest in equities, derivatives, forward transactions and collective investment schemes. The ACD may also invest in other securities (including fixed interest securities and money market securities), deposits and cash.

In order to gain short exposure the ACD will invest in derivatives. The ACD may also invest in derivatives to gain long exposure.

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

Over the six months to 31 October 2013, the published share price of the Threadneedle American Extended Alpha Fund has risen from 177.60p to 195.67p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +10.17% and +10.63% for the Class 2 share class compared to a return of +8.41% for the Morningstar UK Unit Trusts/OEICs – (IMA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +7.67%.

#### Portfolio Activity

US equity markets posted strong returns in dollar terms, despite considerable volatility on concerns that the Federal Reserve would start to wind down its stimulus programme. Markets were supported by generally robust corporate earnings and evidence that economic recovery is gaining momentum. As a result, cyclical sectors such as consumer discretionary, financials and information technology performed particularly well, while defensive sectors such as consumer staples and utilities lagged.

The fund was well positioned to take advantage of these prevailing trends and outperformed the S&P 500 index over the period.

Activity was driven by stock-level decisions. Major purchases included increasing our holding in technology giant Apple, ahead of a new product launch. We initiated new positions in news, sports channels and studios

media group Twenty-First Century Fox and in connectors firm TE Connectivity. We also added to existing holdings in Alliance Data Systems, search engine Google, online travel website priceline.com and methanol producer Methanex.

Conversely, we took some profits on positions in pharmaceutical groups Pfizer and Johnson & Johnson and exited holdings in alarm monitoring firm ADT, car dealer Autonation, General Electric and medical supplies firm Becton Dickinson.

The net impact of these stock-level decisions was to reduce exposure to defensive sectors, where valuations have become stretched, and to add to cyclical holdings. On balance, we added to positions in the consumer discretionary, IT and material sectors and took profits on positions in the healthcare, telecommunications and industrial sectors.

The US economic backdrop continues to provide a supportive corporate trading environment, although equity markets are likely to remain volatile as investors try to anticipate stimulus reduction. In our opinion, US equities remain attractively valued, but some defensive sectors and high growth stocks have seen a substantial multiple expansion that makes them less compelling. We continue to prefer companies with quality growth prospects and high free cash flows.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	105,671	15,706
Revenue	4,078	2,251
Expenses	(7,182)	(4,524)
Finance costs:		
Derivative expense	(941)	(1,220)
Interest	–	(1)
Net expenses before taxation	(4,045)	(3,494)
Taxation	(480)	(203)
Net expenses after taxation	(4,525)	(3,697)
<b>Total return</b>	<b>101,146</b>	<b>12,009</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>101,146</b>	<b>12,009</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>805,600</b>	<b>639,332</b>
<b>Other assets</b>		
Debtors	54,573	25,290
Cash and bank balances	249,957	235,966
<b>Total other assets</b>	<b>304,530</b>	<b>261,256</b>
<b>Total assets</b>	<b>1,110,130</b>	<b>900,588</b>
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(2,871)</b>	<b>(4,620)</b>
<b>Other liabilities</b>		
Creditors	(22,763)	(17,506)
Bank overdrafts	(2,287)	(3,909)
<b>Total other liabilities</b>	<b>(25,050)</b>	<b>(21,415)</b>
<b>Total liabilities</b>	<b>(27,921)</b>	<b>(26,035)</b>
<b>Net assets attributable to shareholders</b>	<b>1,082,209</b>	<b>874,553</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>874,553</b>	<b>290,198</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	466,256	226,339
Amounts payable on the cancellation of shares	(359,783)	(90,298)
	106,473	136,041
Dilution adjustment	56	114
Stamp duty reserve tax	(19)	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	101,146	12,009
<b>Closing net assets attributable to shareholders</b>	<b>1,082,209</b>	<b>438,362</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle China Opportunities Fund

### Investment Report

#### Investment Objective

The investment objective of the China Opportunities Fund is to achieve long-term capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities and equity related securities of Chinese companies. These are defined as companies domiciled in and/or whose significant activities are in the People's Republic of China.

If the ACD considers it desirable, it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities, other equities, money market securities and cash).

In exceptional circumstances and on a temporary basis, the ACD may hold a substantial proportion of the Fund in cash and/or money market instruments.

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

Over the six months to 31 October 2013, the published share price of the Threadneedle China Opportunities Fund has risen from 177.09p to 196.59p.

For comparison, using noon prices, the performance of the Class 1 share class was +11.01% and +11.33% for the Class 2 share class compared to a return of +3.66% for the Morningstar UK Unit Trusts/OEICs – (IMA) China – Greater China Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer). For information purposes, using global close prices, the total return of the MSCI China Index was +3.01%.

#### Portfolio Activity

The Chinese market delivered solid gains in the period under review, despite a sizeable dip in June on concerns over US stimulus withdrawal. Chinese economic data was initially disappointing, but grew increasingly positive as the review period progressed. The fund performed strongly; our focus on information technology, industrials and consumer discretionary was rewarded, as was our cautious stance in the energy sector. Stock selection within the information technology sector proved especially beneficial.

Major investments over the period included Beijing Enterprises Water, a water treatment company which should benefit from China's urbanisation and the increasing importance of environmental protection. Another major purchase was China Mengniu Dairy,

which is consolidating its market position through mergers and acquisitions, and which stands to benefit from increasing demand for value-added dairy products in China. We also added the energy generator company Huaneng Power on valuation metrics. In the financial sector, we increased our exposure to Ping An Insurance group and acquired a new holding in China Life Insurance on improved earnings momentum.

We locked in profits by selling Spreadtrum, the chip designer, which had performed well, and is now the subject of a takeover bid. Meanwhile, we took profits by trimming our holdings in Qihoo 360 Technology, an internet software company, and acoustic components manufacturer AAC Technologies, which is seeing increased competition.

China's economy appears to be stabilising, based on data from both the manufacturing and services side of the economy. Recent decisions to accelerate infrastructure and housing expenditure should have a positive effect, but they indicate that growth is still being driven by an unusually high level of fixed-asset investment. For the future, economic rebalancing remains a core priority. In the meantime, we continue to find a range of buying opportunities in the areas of the economy where there is structural growth.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains/(losses)	5,659	(2,775)
Revenue	1,201	1,348
Expenses	(415)	(364)
Net revenue before taxation	786	984
Taxation	(46)	(58)
Net revenue after taxation	740	926
<b>Total return</b>	<b>6,399</b>	<b>(1,849)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>6,399</b>	<b>(1,849)</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>73,020</b>	<b>69,902</b>
<b>Other assets</b>		
Debtors	2,471	74
Cash and bank balances	1,797	974
Total other assets	4,268	1,048
Total assets	77,288	70,950
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(2,876)	(129)
Bank overdrafts	(134)	(170)
Total other liabilities	(3,010)	(299)
Total liabilities	(3,010)	(299)
<b>Net assets attributable to shareholders</b>	<b>74,278</b>	<b>70,651</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>70,651</b>	<b>63,200</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	21,613	4,437
Amounts payable on the cancellation of shares	(24,500)	(14,292)
	(2,887)	(9,855)
Dilution adjustment	115	62
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	6,399	(1,849)
<b>Closing net assets attributable to shareholders</b>	<b>74,278</b>	<b>51,558</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

## Threadneedle Global Emerging Markets Equity Fund

### Investment Report

#### Investment Objective

The investment objective of the Global Emerging Markets Equity Fund is to achieve long-term capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities of Emerging Markets companies. These are defined as companies domiciled in and/or whose significant activities are in Emerging Market countries. Emerging Market countries are those characterised as developing or emerging by the World Bank, the United Nations or the MSCI Emerging Markets Free Index.

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

In addition, the ACD may use derivatives and forward transactions for purposes that are limited to efficient portfolio management.

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

Over the six months to 31 October 2013, the published share price of the Threadneedle Global Emerging Markets Equity Fund has fallen from 90.15p to 88.47p.

For comparison, using noon prices, the performance of the Class 1 share class was -1.86% and -1.58% for the Class 2 share class compared to a return of -2.80% for the Morningstar UK Unit Trusts/OEICs – (IMA) Global Emerging Markets Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Emerging Markets Index was -1.75%.

#### Portfolio Activity

Emerging markets underperformed their developed counterparts over the six months to the end of October, with a negative return in sterling terms. This weakness was driven by concerns over the withdrawal of quantitative easing in the US and weak economic data from China. Following the US Federal Reserve's decision in September not to reduce its bond purchases, however, emerging markets rallied and continued to perform strongly in October. More encouraging data from China and signs of economic stabilisation in the eurozone also helped to improve investor sentiment later in the period.

The fund performed better than the index during the period (in gross terms) helped by good stock selection in China and strong performance in the IT and healthcare sectors.

We initiated a number of new positions in the fund. One of the main purchases was a position in Korean

technology company SK Hynix as we believe that their operational performance will improve, helped by the consolidation of the industry. We also bought shares of Aspen, a South African pharmaceutical company, which offers an attractive medium-term growth profile due to the strength of its distribution network in emerging markets. Elsewhere, we reduced our exposure to Turkey (selling out of Bank Garanti), as we think that Turkey's large current account deficit position increases the vulnerability of the country in the current economic environment. We also took profits from our position in South Africa's Naspers and sold out of Peruvian bank Credicorp, as the stock reached our price target.

Going forward, we are optimistic about the prospects for emerging markets businesses whose fortunes are geared towards the recovery underway in the developed world. This is particularly relevant in the export sectors, areas such as technology and food processing for example. We also see attractive opportunities in service sectors where structural increases in services penetration in emerging markets is driving growth. We are cautious about the countries with significant external imbalances however, as rising bond yields globally could force a painful rebalancing in those economies. In this group of countries, the ones with significant dependence on the mining industry concern us most.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital losses	(2,018)	(557)
Revenue	2,699	2,023
Expenses	(1,021)	(816)
Finance costs: Interest	—	(1)
Net revenue before taxation	1,678	1,206
Taxation	(304)	(214)
Net revenue after taxation	1,374	992
<b>Total return</b>	<b>(644)</b>	<b>435</b>
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(644)</b>	<b>435</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>199,766</b>	<b>161,425</b>
<b>Other assets</b>		
Debtors	2,173	5,465
Cash and bank balances	12,593	2,700
<b>Total other assets</b>	<b>14,766</b>	<b>8,165</b>
<b>Total assets</b>	<b>214,532</b>	<b>169,590</b>
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(18,873)	(4,789)
Bank overdrafts	(867)	(715)
<b>Total other liabilities</b>	<b>(19,740)</b>	<b>(5,504)</b>
<b>Total liabilities</b>	<b>(19,740)</b>	<b>(5,504)</b>
<b>Net assets attributable to shareholders</b>	<b>194,792</b>	<b>164,086</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>164,086</b>	<b>142,907</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	58,495	5,555
Amounts payable on the cancellation of shares	(27,338)	(27,511)
	31,157	(21,956)
Dilution adjustment	193	82
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(644)	435
<b>Closing net assets attributable to shareholders</b>	<b>194,792</b>	<b>121,468</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.



## Threadneedle Emerging Market Local Fund

### Investment Report

#### Investment Objective

The investment objective of the Emerging Market Local Fund is to achieve a total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to actively manage an exposure primarily in emerging market local currencies and emerging market local currency debt issued by governments in Emerging Markets and/or companies which are domiciled or have significant operations in an Emerging Market. Emerging markets countries are those characterised as developing or emerging by the MSCI Emerging Markets Free Index or those not listed in the OECD country list. If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in markets other than emerging markets.

The ACD will invest the total assets of the Fund in local currency government bonds and treasury bills, corporate bonds issued in local currency, cash or near cash, securitised notes, foreign exchange forward transactions, and other type of derivatives. At times the portfolio may be concentrated in any one or a combination of such assets.

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

Over the six months to 31 October 2013, the published share price of Class 1 shares in the Threadneedle

Emerging Market Local Fund has fallen from 128.39p to 109.46p.

For comparison, using noon prices, the performance of the Class 1 share class was -13.01%. The performance of the Class 1 gross accumulation share class was -12.55% and -12.19% for the Class 2 gross accumulation share class.

For information purposes, using global close prices, the total return of the JPM GBI-EM Global Diversified Index was -10.93%.

#### Portfolio Activity

Emerging market debt declined over the period under review, driven by concerns over the potential withdrawal of quantitative easing by the US Federal Reserve (the Fed). As the period progressed, investors remained concerned about slowing growth in the emerging world, and local-currency debt sold off as emerging market currencies remained under pressure from a strengthening US dollar. Meanwhile, economic activity in the US and other advanced economies has been reviving, undermining the appeal of emerging markets. Having prepared the markets for the gradual withdrawal of monetary stimulus, the Fed surprised investors in September by keeping its stimulus programme unchanged at US\$85 billion a month. This news was warmly received by risk markets, and emerging market bonds rallied sharply alongside emerging market

currencies. Encouraging data from China and signs of economic stabilisation in the eurozone also helped to improve investor sentiment.

We started the period with a long-duration bias, as we sought to take advantage of the potential for interest-rate cuts in several countries. With yields moving sharply higher as markets reacted to the prospect of an earlier-than-expected end to quantitative easing, we rapidly lowered our duration exposure in Thailand, Colombia, Mexico and Turkey. As the period progressed, we decreased our weighting to Turkey, where we were already underweight, taking the view that the ongoing instability in the Middle East could obstruct fiscal improvement. We also moved further underweight in Indonesia, believing that the country's debt could be vulnerable to further underperformance.

Although the growth outlook in developed markets is improving, emerging markets will still register much stronger growth than the advanced economies for the foreseeable future, and we remain positive over the asset class's long-term prospects. In the present volatile market environment, we continue to focus on countries which are backed by strong fundamentals and good levels of liquidity.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital (losses)/gains	(15,281)	218
Revenue	2,357	2,159
Expenses	(523)	(368)
Finance costs: Interest	(1)	—
Net revenue before taxation	1,833	1,791
Taxation	(30)	(36)
Net revenue after taxation	1,803	1,755
<b>Total return before distributions</b>	<b>(13,478)</b>	<b>1,973</b>
Finance costs: Distributions	(2,254)	(2,064)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(15,732)</b>	<b>(91)</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>80,363</b>	<b>98,426</b>
<b>Other assets</b>		
Debtors	4,111	3,996
Cash and bank balances	1,342	6,869
Total other assets	5,453	10,865
<b>Total assets</b>	<b>85,816</b>	<b>109,291</b>
<b>Liabilities</b>		
<b>Derivative liabilities</b>	<b>(391)</b>	<b>(81)</b>
<b>Other liabilities</b>		
Creditors	(928)	(2,202)
Bank overdrafts	(1,232)	(128)
Distribution payable on income shares	(69)	(126)
Total other liabilities	(2,229)	(2,456)
<b>Total liabilities</b>	<b>(2,620)</b>	<b>(2,537)</b>
<b>Net assets attributable to shareholders</b>	<b>83,196</b>	<b>106,754</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>106,754</b>	<b>67,153</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	9,817	14,320
Amounts payable on the cancellation of shares	(19,734)	(3,095)
	(9,917)	11,225
Dilution adjustment	59	18
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(15,732)	(91)
Retained distribution on accumulation shares	2,032	2,180
<b>Closing net assets attributable to shareholders</b>	<b>83,196</b>	<b>80,485</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

\*In pound Sterling and against UK peer group.

Please refer to pages 61 to 67 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 1 May 2013 to 31 October 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>						
01/05/13 to 31/10/13	2.7690	0.5538	2.2152	—	2.2152	2.7727
<b>Group 2</b>						
01/05/13 to 31/10/13	1.6806	0.3361	1.3445	0.8707	2.2152	2.7727
<b>Total distributions in the period</b>					<b>2.2152</b>	<b>2.7727</b>

#### Class 1 Shares

Gross Accumulation Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b>				
01/05/13 to 31/10/13	3.4780	—	3.4780	4.1291
<b>Group 2</b>				
01/05/13 to 31/10/13	0.6844	2.7336	3.4780	4.1291
<b>Total distributions in the period</b>			<b>3.4780</b>	<b>4.1291</b>

## Threadneedle Emerging Market Local 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> 01/05/13 to 31/10/13	3.9599	—	3.9599	4.6516
<b>Group 2</b> 01/05/13 to 31/10/13	1.0400	2.9199	3.9599	4.6516
<b>Total distributions in the period</b>			<b>3.9599</b>	<b>4.6516</b>

#### Class X Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b> 01/05/13 to 31/10/13	4.7087	—	4.7087	5.4700
<b>Group 2</b> 01/05/13 to 31/10/13	3.7681	0.9406	4.7087	5.4700
<b>Total distributions in the period</b>			<b>4.7087</b>	<b>5.4700</b>

#### Class Z Shares

##### Net Income

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2013	Distribution Paid 2012
<b>Group 1</b> 01/05/13 to 31/10/13	2.3755	0.4751	1.9004	—	1.9004	0.2504
<b>Group 2</b> 01/05/13 to 31/10/13	0.9023	0.1805	0.7218	1.1786	1.9004	0.2504
<b>Total distributions in the period</b>					<b>1.9004</b>	<b>0.2504</b>

#### Class Z Shares

##### Gross Accumulation

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2013	Gross Revenue Accumulated 2012
<b>Group 1</b> 01/05/13 to 31/10/13	2.4423	—	2.4423	0.3135
<b>Group 2</b> 01/05/13 to 31/10/13	2.4423	—	2.4423	0.3135
<b>Total distributions in the period</b>			<b>2.4423</b>	<b>0.3135</b>

Group 2: shares purchased during a distribution period

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle Global Extended Alpha Fund

### Investment Report

#### Investment Objective

The investment objective of the Global Extended Alpha Fund is to achieve long term capital growth.

#### Investment Policy

The ACD's investment policy is to actively manage an exposure by investing directly or indirectly into equity securities worldwide, including companies located in developed and emerging markets. Exposure to these markets may be gained through both long and short positions.

The ACD may invest in equities, derivatives, forward transactions and collective investment schemes. The ACD may also invest in other securities (including fixed interest securities and money market securities), deposits and cash.

In order to gain short exposure the ACD will invest in derivatives. The ACD may also invest in derivatives to gain long exposure.

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

Over the six months to 31 October 2013, the published share price of Class 1 shares in the Threadneedle

Global Extended Alpha Fund has risen from 153.66p to 164.60p.

For comparison, using noon prices, the performance of the Class 1 share class was +7.12% and +7.76% for the Class 2 share class compared to a return of +6.28% for the Morningstar UK Unit Trusts/OEICs – (IMA) Global Growth Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

#### Portfolio Activity

Over the course of the reporting period, regional adjustments within the portfolio included increasing the positions in North America and Japan, while reducing the positions in Europe and Asia.

Holdings in North America included companies that benefit from an improving US economic recovery and rising demand for digital content. Examples include United Rentals (equipment rental), and Comcast. In Japan, we have responded to recent policy changes dubbed 'Abenomics' by investing in the likes of investment bank Nomura, and house builder Sekisui Chemical.

At the sector level, the portfolio continues to favour technology and consumer discretionary and is

biased against telecommunications and utilities. Changes included reducing the overweight position in technology and increasing the position in financials.

In an environment of improving growth, and continued stimulatory policy, we took the view that diversified financials are attractive, but remain underweight banks. Holdings within the sector include JP Morgan, Discover Financial Services and Equifax. We reduced the exposure of the portfolio to smartphone-related stocks including Qualcomm.

The outlook for markets is positive, supported by stimulative central bank actions in major developed economies including the US, Japan and the UK. Improving economic data in the eurozone is also supportive. Against this backdrop, equity valuations remain reasonable, despite recent strong performance, and we retain our focus on companies with high or rising returns on capital.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains/(losses)	1,305	(214)
Revenue	135	109
Expenses	(196)	(13)
Finance costs: Derivative expense	(35)	(24)
Net (expenses)/revenue before taxation	(96)	72
Taxation	(13)	(9)
Net (expenses)/revenue after taxation	(109)	63
<b>Total return</b>	<b>1,196</b>	<b>(151)</b>
Finance costs: Equalisation	1	(1)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,197</b>	<b>(152)</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>18,757</b>	<b>13,066</b>
<b>Other assets</b>		
Debtors	622	335
Cash and bank balances	1,313	583
Total other assets	1,935	918
Total assets	20,692	13,984
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(469)	(311)
Bank overdrafts	(211)	(171)
Total other liabilities	(680)	(482)
Total liabilities	(680)	(482)
<b>Net assets attributable to shareholders</b>	<b>20,012</b>	<b>13,502</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>13,502</b>	<b>11,242</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	7,102	1,018
Amounts payable on the cancellation of shares	(1,796)	(2,285)
	5,306	(1,267)
Dilution adjustment	8	3
Stamp duty reserve tax	(1)	(1)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,197	(152)
<b>Closing net assets attributable to shareholders</b>	<b>20,012</b>	<b>9,825</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.



## Threadneedle Global Equity Income Fund

### Investment Report

#### Investment Objective

The investment objective of the Global Equity Income Fund is to achieve a high and growing income over the long term combined with prospects for capital growth.

#### Investment Policy

The ACD's investment policy is to invest no less than two-thirds of the gross assets of the Fund in global equities. Income will be in the form of dividend distribution.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities and money market securities) deposits and cash.

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

Over the six months to 31 October 2013, the published share price of Class 1 shares in the Threadneedle Global Equity Income Fund has risen from 114.73p to 115.12p.

For comparison, using noon prices, the performance of the Class 1 share class was +3.12% and +3.41%

for the Class 2 share class compared to a return of +6.28% for the Morningstar UK Unit Trusts/OEICS – (IMA) Global Growth Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer). For information purposes, using global close prices, the total return of the MSCI AC World Free Index was +5.54%.

#### Portfolio Activity

Over the course of the reporting period, regional adjustments within the portfolio included increasing positions in Japan and Europe, while reducing positions in North America.

New holdings in Europe included companies that should benefit from economic stabilisation and the beginning of a slow return to economic growth. Examples included French bank BNP Paribas. In Japan, traditionally a market with few opportunities for income investors, holdings include camera maker Canon, and Aozora Bank.

At the sector level, the portfolio continues to be overweight telecommunications, and underweight technology. Changes included increasing positions in financials and decreasing positions in healthcare.

We added two European banks, and increased positions in companies benefiting from the theme of bank deleveraging, such as Blackstone Group. This asset manager is earning strong performance fee income as a result of shrewd investments made during the financial crisis of 2008 and 2009.

We have reduced exposure to the healthcare sector as strong performance has seen dividend yields fall, and as an improving outlook leads us to identify better opportunities in other sectors of the market.

The outlook for markets is positive, supported by stimulatory central bank actions in major developed economies including the US, Japan and the UK. Improving economic data in the eurozone is also supportive. Against this backdrop, equity valuations remain reasonable, despite recent strong performance, and we retain our focus on companies that exhibit a high and sustainable dividend yield and are set to deliver earnings and dividend growth.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
Income		
Net capital gains	13,015	3,151
Revenue	12,032	3,057
Expenses	(3,229)	(931)
Net revenue before taxation	8,803	2,126
Taxation	(915)	(249)
Net revenue after taxation	7,888	1,877
<b>Total return before distributions</b>	<b>20,903</b>	<b>5,028</b>
Finance costs: Distributions	(10,876)	(2,722)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>10,027</b>	<b>2,306</b>

### BALANCE SHEET

as at 31 October 2013

	2013 £000	April 2013 £000
<b>Assets</b>		
<b>Investment assets</b>	<b>720,146</b>	<b>328,472</b>
<b>Other assets</b>		
Debtors	16,013	8,247
Cash and bank balances	29,386	6,946
Total other assets	45,399	15,193
<b>Total assets</b>	<b>765,545</b>	<b>343,665</b>
<b>Liabilities</b>		
<b>Other liabilities</b>		
Creditors	(18,856)	(3,799)
Distribution payable on income shares	(4,802)	(3,190)
Total other liabilities	(23,658)	(6,989)
<b>Total liabilities</b>	<b>(23,658)</b>	<b>(6,989)</b>
<b>Net assets attributable to shareholders</b>	<b>741,887</b>	<b>336,676</b>

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

for the accounting period 1 May 2013 to 31 October 2013

	2013 £000	2012 £000
<b>Opening net assets attributable to shareholders</b>	<b>336,676</b>	<b>91,307</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on the issue of shares	404,523	87,346
Amounts payable on the cancellation of shares	(15,235)	(6,358)
	389,288	80,988
Dilution adjustment	798	230
Stamp duty reserve tax	(28)	(8)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,027	2,306
Retained distribution on accumulation shares	5,126	1,069
<b>Closing net assets attributable to shareholders</b>	<b>741,887</b>	<b>175,892</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 30 April 2013 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2012.

### DISTRIBUTION TABLE

for the accounting period 1 May 2013 to 31 October 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>				
01/05/13 to 31/07/13	1.5555	—	1.5555	1.1317
01/08/13 to 31/10/13	1.0834	—	1.0834	1.0776
<b>Group 2</b>				
01/05/13 to 31/07/13	0.5951	0.9604	1.5555	1.1317
01/08/13 to 31/10/13	0.3585	0.7249	1.0834	1.0776
<b>Total distributions in the period</b>			<b>2.6389</b>	<b>2.2093</b>

#### Class 1 Shares

Net Accumulation Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
<b>Group 1</b>				
01/05/13 to 31/07/13	2.0620	—	2.0620	1.4317
01/08/13 to 31/10/13	1.4561	—	1.4561	1.3813
<b>Group 2</b>				
01/05/13 to 31/07/13	0.9235	1.1385	2.0620	1.4317
01/08/13 to 31/10/13	0.5451	0.9110	1.4561	1.3813
<b>Total distributions in the period</b>			<b>3.5181</b>	<b>2.8130</b>

\*In pound Sterling and against UK peer group.  
Please refer to pages 61 to 67 for comparative tables.

## Threadneedle Global Equity Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 Hedged Shares

##### Net Income\*\*\*

Distribution Period	Net Revenue	Equalisation	Distribution Payable 2013
<b>Group 1</b>			
01/08/13 to 31/10/13	0.1393	–	0.1393
<b>Group 2</b>			
01/08/13 to 31/10/13	0.0993	0.0400	0.1393
<b>Total distributions in the period</b>			<b>0.1393</b>

#### Class 1 Hedged Shares

##### Net Accumulation\*\*

Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013
<b>Group 1</b>			
01/08/13 to 31/10/13	0.1382	–	0.1382
<b>Group 2</b>			
01/08/13 to 31/10/13	0.1382	–	0.1382
<b>Total distributions in the period</b>			<b>0.1382</b>

#### Class 2 Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
01/05/13 to 31/07/13	1.6191	–	1.6191	1.1737
01/08/13 to 31/10/13	1.1357	–	1.1357	1.1229
<b>Group 2</b>				
01/05/13 to 31/07/13	0.7820	0.8371	1.6191	1.1737
01/08/13 to 31/10/13	0.8845	0.2512	1.1357	1.1229
<b>Total distributions in the period</b>			<b>2.7548</b>	<b>2.2966</b>

#### Class 2 Shares

##### Net Accumulation

Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013	Net Revenue Accumulated 2012
<b>Group 1</b>				
01/05/13 to 31/07/13	2.1571	–	2.1571	1.4903
01/08/13 to 31/10/13	1.5334	–	1.5334	1.4419
<b>Group 2</b>				
01/05/13 to 31/07/13	0.4044	1.7527	2.1571	1.4903
01/08/13 to 31/10/13	0.5049	1.0285	1.5334	1.4419
<b>Total distributions in the period</b>			<b>3.6905</b>	<b>2.9322</b>

#### Class Z Shares

##### Net Income

Distribution Period	Net Revenue	Equalisation	Distribution Paid/Payable 2013	Distribution Paid 2012
<b>Group 1</b>				
01/05/13 to 31/07/13	1.6280	–	1.6280	–
01/08/13 to 31/10/13	1.1371	–	1.1371	0.2349
<b>Group 2</b>				
01/05/13 to 31/07/13	0.6684	0.9596	1.6280	–
01/08/13 to 31/10/13	0.2710	0.8661	1.1371	0.2349
<b>Total distributions in the period</b>			<b>2.7651</b>	<b>0.2349</b>

#### Class Z Shares

##### Net Accumulation\*

Distribution Period	Net Revenue	Equalisation	Net Revenue Accumulated 2013
<b>Group 1</b>			
01/08/13 to 31/10/13	0.9899	–	0.9899
<b>Group 2</b>			
01/08/13 to 31/10/13	0.0472	0.9427	0.9899
<b>Total distributions in the period</b>			<b>0.9899</b>

Group 2: shares purchased during a distribution period

\*Class Z – Net Accumulation shares commenced on 18 September 2013

\*\*Class 1 – Hedged Net Accumulation shares commenced on 10 October 2013

\*\*\*Class 1 – Hedged Net Income shares commenced on 10 October 2013

### Notes to the financial statements

for the accounting period 1 May 2013 to 31 October 2013

#### 1 ACCOUNTING POLICIES

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

## Threadneedle UK Mid 250 Fund

### Portfolio Statement

as at 31 October 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 18.11% (16.57%)</b>					<b>GENERAL INDUSTRIALS 21.19% (21.89%)</b>				
		<b>Chemicals 2.91% (1.11%)</b>					<b>Aerospace &amp; defence 6.12% (6.49%)</b>		
	85,364	Croda International	2,117	1.46		1,324,259	Cobham	3,760	2.59
	805,000	Elementis	2,101	1.45		278,395	Meggitt	1,574	1.08
		<b>Construction &amp; building materials 13.69% (14.11%)</b>				185,469	Ultra Electronics Holdings	3,550	2.45
	1,677,174	Balfour Beatty	4,783	3.30			<b>Electronic &amp; electrical equipment 6.25% (6.87%)</b>		
	90,000	Berkeley Group Holdings	2,109	1.45		1,603,416	AZ Electronic Materials	4,576	3.15
	229,211	Bovis Homes Group	1,801	1.24		359,436	Domino Printing	2,466	1.70
	940,732	Carillion	2,849	1.96		405,094	Invensys	2,032	1.40
	720,577	Crest Nicholson Holdings	2,709	1.87			<b>Engineering &amp; machinery 8.82% (8.53%)</b>		
	185,528	Persimmon	2,343	1.62		222,497	Amec	2,579	1.78
	1,617,515	SIG	3,267	2.25		1,251,811	Melrose Industries	3,995	2.75
		<b>Forestry &amp; paper 1.51% (1.35%)</b>				1,033,211	Morgan Advanced Materials	3,115	2.15
	721,665	DS Smith	2,197	1.51		135,168	Weir Group	3,101	2.14
		<b>Total basic industries</b>	<b>26,276</b>	<b>18.11</b>			<b>Total general industrials</b>	<b>30,748</b>	<b>21.19</b>
<b>CYCLICAL SERVICES 25.64% (24.67%)</b>					<b>INFORMATION TECHNOLOGY 1.01% (0.00%)</b>				
		<b>Distributors 0.95% (0.00%)</b>					<b>Information technology hardware 1.01% (0.00%)</b>		
	50,000	DCC	1,382	0.95		266,098	CSR	1,460	1.01
		<b>General retailers 3.78% (3.71%)</b>					<b>Total information technology</b>	<b>1,460</b>	<b>1.01</b>
	1,447,627	Debenhams	1,459	1.01			<b>NON-CYCLICAL CONSUMER GOODS 0.88% (0.00%)</b>		
	758,401	Majestic Wine	4,023	2.77			<b>Beverages 0.88% (0.00%)</b>		
		<b>Leisure entertainment &amp; hotels 4.39% (4.27%)</b>				567,412	Stock Spirits Group	1,276	0.88
	639,736	Greene King	5,323	3.67			<b>Total non-cyclical consumer goods</b>	<b>1,276</b>	<b>0.88</b>
	1,445,931	Spirit Pub Company	1,052	0.72			<b>NON-CYCLICAL SERVICES 0.61% (0.83%)</b>		
		<b>Media &amp; photography 2.94% (2.66%)</b>					<b>Telecommunications services 0.61% (0.83%)</b>		
	767,651	Informa	4,260	2.94		785,720	Spirent Communications	882	0.61
		<b>Support services 9.50% (9.86%)</b>					<b>Total non-cyclical services</b>	<b>882</b>	<b>0.61</b>
	460,654	Ashtead Group	3,040	2.10			<b>RESOURCES 6.92% (7.54%)</b>		
	243,894	Babcock International Group	3,098	2.14			<b>Mining 1.69% (1.65%)</b>		
	713,673	Berendsen	6,876	4.74		752,292	Lonmin	2,448	1.69
	160,000	Big Yellow Group	757	0.52			<b>Oil &amp; gas 5.23% (5.89%)</b>		
		<b>Transport 4.08% (4.17%)</b>				473,369	Hunting	4,206	2.90
	115,857	Go Ahead Group	1,949	1.34		979,840	Premier Oil	3,386	2.33
	315,000	National Express Group	814	0.56			<b>Total resources</b>	<b>10,040</b>	<b>6.92</b>
	707,647	Northgate	3,160	2.18			<b>UTILITIES 4.03% (3.72%)</b>		
		<b>Total cyclical services</b>	<b>37,193</b>	<b>25.64</b>			<b>Electricity 1.25% (1.40%)</b>		
		<b>FINANCIALS 20.95% (21.53%)</b>				282,801	Drax Group	1,807	1.25
		<b>Insurance 3.74% (4.44%)</b>					<b>Water 2.78% (2.32%)</b>		
	746,047	Amlin	3,206	2.21		587,960	Pennon Group	4,033	2.78
	275,060	Lancashire Holdings	2,220	1.53			<b>Total utilities</b>	<b>5,840</b>	<b>4.03</b>
		<b>Real estate 5.34% (4.11%)</b>					<b>Total value of investments</b>	<b>144,113</b>	<b>99.34</b>
	109,986	Derwent London	2,751	1.89			<b>Net other assets (3.25%)</b>	<b>954</b>	<b>0.66</b>
	173,820	Foxtons Group	534	0.37			<b>Net assets</b>	<b>145,067</b>	<b>100.00</b>
	1,029,740	Green REIT	1,033	0.71			<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>		
	581,315	Shaftesbury	3,438	2.37			<i>April 2013 comparatives in brackets.</i>		
		<b>Speciality &amp; other finance 11.87% (12.98%)</b>							
	1,180,852	Ashmore Group	4,801	3.31					
	351,536	Close Bros Group	4,443	3.06					
	493,963	IG Group Holdings	3,016	2.08					
	817,001	Intermediate Capital Group	3,945	2.72					
	318,492	Tullett Prebon	1,011	0.70					
		<b>Total financials</b>	<b>30,398</b>	<b>20.95</b>					

## Threadneedle UK Extended Alpha Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 3.34% (6.61%)</b>				<b>Electronic &amp; electrical equipment 0.00% (1.30%)</b>			
	<b>Chemicals 1.83% (2.42%)</b>				<b>Engineering &amp; machinery 4.43% (4.53%)</b>		
16,000	Johnson Matthey	477	1.83	40,000	Amec	464	1.78
	<b>Construction &amp; building materials 1.51% (4.19%)</b>			42,000	Fenner	171	0.66
104,910	Crest Nicholson Holdings	394	1.51	112,000	Melrose Industries	357	1.37
	<b>Total basic industries</b>	<b>871</b>	<b>3.34</b>	7,000	Weir Group	161	0.62
					<b>Total general industrials</b>	<b>2,977</b>	<b>11.44</b>
<b>CYCLICAL CONSUMER GOODS 2.82% (2.63%)</b>				<b>INFORMATION TECHNOLOGY 1.70% (1.40%)</b>			
	<b>Automobiles &amp; parts 2.82% (2.63%)</b>				<b>Software &amp; computer services 1.70% (1.40%)</b>		
200,000	GKN	733	2.82	132,000	Sage Group	443	1.70
	<b>Total cyclical consumer goods</b>	<b>733</b>	<b>2.82</b>		<b>Total information technology</b>	<b>443</b>	<b>1.70</b>
<b>CYCLICAL SERVICES 19.01% (15.82%)</b>				<b>NON-CYCLICAL CONSUMER GOODS 18.44% (19.18%)</b>			
	<b>Distributors 2.99% (2.39%)</b>				<b>Food producers &amp; processors 2.52% (2.26%)</b>		
23,400	Wolseley	778	2.99	26,000	Unilever	655	2.52
	<b>General retailers 2.84% (1.92%)</b>				<b>Health 3.29% (3.33%)</b>		
65,000	Inchcape	411	1.58	108,000	Smith & Nephew	857	3.29
62,000	Majestic Wine	329	1.26		<b>Personal care &amp; household products 3.71% (3.43%)</b>		
	<b>Leisure entertainment &amp; hotels 3.11% (2.42%)</b>			20,000	Reckitt Benckiser	965	3.71
15,917	Carnival	351	1.35		<b>Pharmaceuticals &amp; biotechnology 1.67% (1.82%)</b>		
140,000	Rank Group	205	0.79	26,361	GlaxoSmithKline	434	1.67
345,000	Spirit Pub Company	251	0.97		<b>Tobacco 7.25% (8.34%)</b>		
	<b>Media &amp; photography 7.11% (5.49%)</b>			25,000	British American Tobacco	862	3.31
114,000	Informa	633	2.43	44,000	Imperial Tobacco Group	1,026	3.94
50,000	Pearson	654	2.51		<b>Total non-cyclical consumer goods</b>	<b>4,799</b>	<b>18.44</b>
43,000	WPP	565	2.17				
	<b>Support services 2.96% (3.60%)</b>			<b>NON-CYCLICAL SERVICES 4.92% (3.37%)</b>			
1,776	Aggreko	28	0.11		<b>Telecommunications services 4.92% (3.37%)</b>		
28,000	Berendsen	270	1.04	98,000	BT Group	372	1.43
38,000	Compass Group	340	1.31	405,000	Vodafone Group	907	3.49
50,646	G4S	131	0.50		<b>Total non-cyclical services</b>	<b>1,279</b>	<b>4.92</b>
	<b>Total cyclical services</b>	<b>4,946</b>	<b>19.01</b>				
<b>FINANCIALS 14.11% (7.41%)</b>				<b>RESOURCES 15.14% (13.03%)</b>			
	<b>Banks 7.89% (5.44%)</b>				<b>Mining 4.55% (3.07%)</b>		
226,000	Barclays	606	2.33	37,000	Rio Tinto	1,183	4.55
155,219	HSBC Holdings	1,064	4.09		<b>Oil &amp; gas 10.59% (9.96%)</b>		
25,258	Standard Chartered	383	1.47	80,121	BG Group	1,016	3.90
	<b>Insurance 1.09% (1.05%)</b>			182,603	BP	885	3.40
66,000	Amlin	284	1.09	77,000	Premier Oil	266	1.02
	<b>Life assurance 3.43% (0.92%)</b>			72,500	Wood Group	590	2.27
44,000	Prudential	562	2.16		<b>Total resources</b>	<b>3,940</b>	<b>15.14</b>
49,000	St. James's Place	330	1.27				
	<b>Speciality &amp; other finance 1.70% (0.00%)</b>			<b>UTILITIES 3.80% (6.36%)</b>			
27,000	London Stock Exchange Group	441	1.69		<b>Gas distribution 1.50% (4.49%)</b>		
3,000	†W&G Investment	3	0.01	110,000	Centrica	390	1.50
	<b>Total financials</b>	<b>3,673</b>	<b>14.11</b>		<b>Water 2.30% (1.87%)</b>		
<b>GENERAL INDUSTRIALS 11.44% (12.85%)</b>				87,453	Pennon Group	600	2.30
	<b>Aerospace &amp; defence 7.01% (7.02%)</b>				<b>Total utilities</b>	<b>990</b>	<b>3.80</b>
71,420	Meggitt	404	1.55				
6,880,000	*Rolls-Royce 'C' Shares	7	0.03				
80,000	Rolls-Royce Holdings	917	3.52				
35,000	Smiths Group	496	1.91				

## Threadneedle UK Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.64% (0.25%)</b>			
	<b>Portfolio swap 0.64% (0.25%)</b>		
	UBS – Portfolio Swap	167	0.64
	<b>Total derivatives</b>	<b>167</b>	<b>0.64</b>
<hr/>			
<b>Total value of investments</b>		<b>24,818</b>	<b>95.36</b>
<b>Net other assets (11.09%)</b>		<b>1,207</b>	<b>4.64</b>
<b>Net assets</b>		<b>26,025</b>	<b>100.00</b>

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

April 2013 comparatives in brackets.

†Alternative Investment Market

\*Manually priced

## Threadneedle UK Equity Alpha Income Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 5.75% (6.22%)</b>				<b>GENERAL INDUSTRIALS 14.13% (12.71%)</b>			
	Chemicals 0.00% (2.20%)				Aerospace & defence 10.90% (9.75%)		
	Construction & building materials 2.20% (1.16%)			6,242,683	BAE Systems	28,336	4.90
701,669	Kier Group	12,679	2.20	4,730,884	Cobham	13,431	2.32
	Forestry & paper 3.18% (2.86%)			1,500,000	Smiths Group	21,270	3.68
6,036,375	DS Smith	18,375	3.18		Engineering & machinery 3.23% (2.96%)		
	Steel & other metals 0.37% (0.00%)			4,970,990	Melrose Industries	15,862	2.75
500,000	Castings	2,151	0.37	4,374,084	Severfield-Rowen	2,745	0.48
	<b>Total basic industries</b>	<b>33,205</b>	<b>5.75</b>		<b>Total general industrials</b>	<b>81,644</b>	<b>14.13</b>
<b>CYCLICAL CONSUMER GOODS 2.76% (2.68%)</b>				<b>NON-CYCLICAL CONSUMER GOODS 18.96% (17.51%)</b>			
	Automobiles & parts 2.76% (2.68%)				Food producers & processors 2.61% (4.75%)		
4,345,742	GKN	15,927	2.76	598,372	Unilever	15,079	2.61
	<b>Total cyclical consumer goods</b>	<b>15,927</b>	<b>2.76</b>		Pharmaceuticals & biotechnology 10.41% (9.35%)		
<b>CYCLICAL SERVICES 22.58% (20.47%)</b>					AstraZeneca	25,169	4.36
	Distributors 0.00% (2.67%)			2,122,408	GlaxoSmithKline	34,935	6.05
	General retailers 3.56% (2.81%)				Tobacco 5.94% (3.41%)		
4,189,316	Marks & Spencer Group	20,582	3.56	1,471,743	Imperial Tobacco Group	34,336	5.94
	Leisure entertainment & hotels 0.71% (1.24%)				<b>Total non-cyclical consumer goods</b>	<b>109,519</b>	<b>18.96</b>
2,818,176	Rank Group	4,120	0.71		<b>NON-CYCLICAL SERVICES 8.49% (9.00%)</b>		
	Media & photography 6.87% (7.17%)				Food & drug retailers 3.53% (3.75%)		
9,210,280	ITV	17,656	3.06	5,733,898	Booker Group	8,624	1.49
2,537,447	Reed Elsevier	22,025	3.81	4,176,357	Morrison (Wm) Supermarkets	11,807	2.04
	Support services 8.42% (3.94%)				Telecommunications services 4.96% (5.25%)		
1,000,000	Big Yellow Group	4,732	0.82	6,030,136	BT Group	22,884	3.96
4,775,721	Electrocomponents	14,155	2.45	2,572,709	Vodafone Group	5,760	1.00
15,716,600	Rentokil Initial	16,392	2.84		<b>Total non-cyclical services</b>	<b>49,075</b>	<b>8.49</b>
1,092,570	WS Atkins	13,340	2.31		<b>RESOURCES 1.22% (5.95%)</b>		
	Transport 3.02% (2.64%)				Oil & gas 1.22% (5.95%)		
6,743,954	National Express Group	17,433	3.02	555,019	BG Group	7,041	1.22
	<b>Total cyclical services</b>	<b>130,435</b>	<b>22.58</b>		<b>Total resources</b>	<b>7,041</b>	<b>1.22</b>
<b>FINANCIALS 18.89% (17.85%)</b>					<b>UTILITIES 7.45% (6.40%)</b>		
	Insurance 4.05% (4.93%)				Gas distribution 4.73% (4.35%)		
18,240,345	RSA Insurance Group	23,366	4.05	3,485,190	National Grid	27,341	4.73
	Investment companies 2.56% (3.42%)				Water 2.72% (2.05%)		
3,976,244	3i Group	14,780	2.56	2,287,357	Pennon Group	15,691	2.72
	Life assurance 10.49% (6.32%)				<b>Total utilities</b>	<b>43,032</b>	<b>7.45</b>
5,341,204	Aviva	23,987	4.15		<b>Total value of investments</b>	<b>579,010</b>	<b>100.23</b>
1,978,021	Chesnara	5,791	1.00		<b>Net other (liabilities)/assets (1.21%)</b>	<b>(1,301)</b>	<b>(0.23)</b>
14,231,413	Legal & General	30,868	5.34		<b>Net assets</b>	<b>577,709</b>	<b>100.00</b>
	Real estate 0.25% (0.00%)				<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>		
1,126,760	LondonMetric Property	1,454	0.25		<i>April 2013 comparatives in brackets.</i>		
	Speciality & other finance 1.54% (3.18%)				<i>tAlternative Investment Market.</i>		
199,000	tW&G Investment	199	0.04				
8,500,000	F&C Asset Management	8,687	1.50				
	<b>Total financials</b>	<b>109,132</b>	<b>18.89</b>				

## Threadneedle UK Absolute Alpha Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC INDUSTRIES 1.31% (3.72%)</b>				<b>GENERAL INDUSTRIALS 3.27% (4.19%)</b>			
	Chemicals 0.00% (1.01%)				Aerospace & defence 2.30% (1.16%)		
	Construction & building materials 1.31% (2.71%)			13,193,260	*Rolls-Royce 'C' Shares	13	0.01
440,000	Crest Nicholson Holdings	1,654	1.31	153,410	Rolls-Royce Holdings	1,758	1.39
	<b>Total basic industries</b>	<b>1,654</b>	<b>1.31</b>	80,000	Smiths Group	1,134	0.90
<b>CYCLICAL SERVICES 11.32% (10.85%)</b>					Electronic & electrical equipment 0.00% (0.96%)		
	General retailers 0.98% (1.28%)				Engineering & machinery 0.97% (2.07%)		
195,000	Inchcape	1,232	0.98	45,000	Amec	522	0.42
	Leisure entertainment & hotels 2.94% (2.32%)			171,396	Fenner	696	0.55
111,268	InterContinental Hotels Group	2,023	1.61		<b>Total general industrials</b>	<b>4,123</b>	<b>3.27</b>
500,000	Rank Group	731	0.58	<b>INFORMATION TECHNOLOGY 1.64% (0.63%)</b>			
1,300,000	Spirit Pub Company	946	0.75		Information technology hardware 0.68% (0.63%)		
	Media & photography 4.13% (4.48%)			155,018	CSR	850	0.68
650,000	ITV	1,246	0.99		Software & computer services 0.96% (0.00%)		
115,000	Pearson	1,505	1.19	360,000	Sage Group	1,210	0.96
140,000	Reed Elsevier	1,215	0.96		<b>Total information technology</b>	<b>2,060</b>	<b>1.64</b>
95,000	WPP	1,248	0.99	<b>NON-CYCLICAL CONSUMER GOODS 8.01% (8.80%)</b>			
	Support services 1.57% (1.96%)				Food producers & processors 0.98% (1.02%)		
135,303	Compass Group	1,212	0.96	49,000	Unilever	1,235	0.98
294,519	G4S	762	0.61		Health 1.61% (1.86%)		
	Transport 1.70% (0.81%)			255,000	Smith & Nephew	2,025	1.61
167,292	Royal Mail	920	0.73		Personal care & household products 1.30% (1.36%)		
348,218	Stagecoach Group	1,227	0.97	34,000	Reckitt Benckiser	1,640	1.30
	<b>Total cyclical services</b>	<b>14,267</b>	<b>11.32</b>		Pharmaceuticals & biotechnology 2.40% (2.63%)		
<b>FINANCIALS 10.66% (8.32%)</b>				111,801	GlaxoSmithKline	1,840	1.46
	Banks 2.73% (2.56%)			42,500	Shire	1,177	0.94
415,000	Barclays	1,113	0.88		Tobacco 1.72% (1.93%)		
340,000	HSBC Holdings	2,330	1.85	63,002	British American Tobacco	2,172	1.72
	Insurance 0.97% (1.39%)				<b>Total non-cyclical consumer goods</b>	<b>10,089</b>	<b>8.01</b>
285,000	Amlin	1,225	0.97	<b>NON-CYCLICAL SERVICES 2.90% (2.57%)</b>			
	Investment companies 0.58% (0.82%)				Telecommunications services 2.90% (2.57%)		
709,978	Sherborne Investors (Guernsey) 'B' Shares	724	0.58	497,770	BT Group	1,889	1.50
	Life assurance 5.13% (3.55%)			790,000	Vodafone Group	1,769	1.40
1,336,548	Legal & General	2,899	2.30		<b>Total non-cyclical services</b>	<b>3,658</b>	<b>2.90</b>
146,825	Prudential	1,876	1.49	<b>RESOURCES 5.30% (4.60%)</b>			
250,000	St. James's Place	1,684	1.34		Mining 1.78% (1.47%)		
	Speciality & other finance 1.25% (0.00%)			70,000	Rio Tinto	2,238	1.78
13,000	TW&G Investment	13	0.01		Oil & gas 3.52% (3.13%)		
96,000	London Stock Exchange Group	1,567	1.24	76,000	BG Group	964	0.76
	<b>Total financials</b>	<b>13,431</b>	<b>10.66</b>	186,644	Hunting	1,658	1.31
				224,000	Wood Group	1,822	1.45
					<b>Total resources</b>	<b>6,682</b>	<b>5.30</b>

## Threadneedle UK Absolute Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UTILITIES 3.64% (3.31%)</b>			
	<b>Gas distribution 2.50% (2.25%)</b>		
375,000	Centrica	1,330	1.06
231,701	National Grid	1,818	1.44
	<b>Water 1.14% (1.06%)</b>		
209,693	Pennon Group	1,439	1.14
	<b>Total utilities</b>	<b>4,587</b>	<b>3.64</b>
<b>DERIVATIVES -0.15% (0.30%)</b>			
	<b>Forward foreign exchange contracts -0.05% (-0.14%)</b>		
	Sell GBP 136,744		
	Buy EUR 159,546 J.P.Morgan	(1)	—
	Sell GBP 28,245,273		
	Buy EUR 33,130,147 J.P.Morgan	(61)	(0.05)
	Sell GBP 292,260		
	Buy EUR 342,747 J.P.Morgan	—	—
	Sell EUR 36,282		
	Buy GBP 30,919 J.P.Morgan	—	—
	Sell GBP 55,992		
	Buy EUR 65,399 J.P.Morgan	—	—
	<b>Futures and options -0.16% (0.04%)</b>		
(249)	UBS FTSE 100 Future Expiring December 2013	(196)	(0.16)
	<b>Portfolio swaps 0.06% (0.40%)</b>		
1,000	UBS – Portfolio Swap	67	0.06
	<b>Total derivatives</b>	<b>(191)</b>	<b>(0.15)</b>
<b>Total value of investments</b>		<b>60,360</b>	<b>47.90</b>
<b>Net other assets (52.71%)</b>		<b>65,664</b>	<b>52.10</b>
<b>Net assets</b>		<b>126,024</b>	<b>100.00</b>

### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
J.P.Morgan	Cash	560
UBS	Cash	40

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

April 2013 comparatives in brackets.

\*Manually priced.

†Alternative Investment Market



## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

as at 31 October 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 3.77% (1.47%)</b>					<b>INDONESIA 0.57% (1.00%)</b>				
		<b>AA- 2.85% (1.47%)</b>					<b>BB+ 0.57% (1.00%)</b>		
GBP	5,250,000	*Commonwealth Bank of Australia 1.215% 04/09/2015	5,287	1.51	USD	3,200,000	Perusahaan Penerbit SBSN 4% 21/11/2018	1,994	0.57
GBP	1,000,000	Commonwealth Bank of Australia 3.875% 14/12/2015	1,055	0.30	<b>Total Indonesia</b>				<b>1,994 0.57</b>
GBP	150,000	*Wespac Banking 1.165% 03/06/2014	151	0.04	<b>ITALY 0.81% (0.61%)</b>				
GBP	3,500,000	Westpac Banking 1.375% 23/12/2015	3,513	1.00			<b>BBB+ 0.00% (0.61%)</b>		
		<b>A- 0.92% (0.00%)</b>					<b>BBB 0.62% (0.00%)</b>		
GBP	3,000,000	QBE Insurance Group 6.125% 28/09/2015	3,237	0.92	USD	3,480,000	*Intesa Sanpaolo 2.6621% 24/02/2014	2,179	0.62
<b>Total Australia</b>			<b>13,243</b>	<b>3.77</b>	GBP	630,000	Baa2u 0.19% (0.00%) Italian Govement Bond 10.5% 28/04/2014	651	0.19
<b>BELGIUM 0.00% (2.36%)</b>					<b>Total Italy</b>				<b>2,830 0.81</b>
		<b>Not rated 0.00% (2.36%)</b>			<b>LATVIA 0.00% (0.60%)</b>				
<b>Total Belgium</b>			<b>—</b>	<b>—</b>			<b>BBB 0.00% (0.60%)</b>		
<b>BRAZIL 0.11% (0.00%)</b>					<b>Total Latvia</b>				<b>— —</b>
		<b>BBB 0.11% (0.00%)</b>			<b>LUXEMBOURG 0.00% (2.96%)</b>				
USD	600,000	Banco Nacional de Desenvolvimento Econômico e Social 3.375% 26/09/2016	379	0.11			<b>AAA 0.00% (1.83%)</b>		
<b>Total Brazil</b>			<b>379</b>	<b>0.11</b>			<b>BBB 0.00% (1.13%)</b>		
<b>CHILE 0.24% (0.25%)</b>					<b>Total Luxembourg</b>				<b>— —</b>
		<b>AA- 0.24% (0.00%)</b>			<b>MEXICO 1.75% (1.86%)</b>				
USD	1,323,000	Codelco 3.75% 04/11/2020	830	0.24			<b>BBB 1.75% (0.73%)</b>		
		<b>A 0.00% (0.25%)</b>			EUR	2,011,000	United Mexican States 2.75% 22/04/2023	1,645	0.47
<b>Total Chile</b>			<b>830</b>	<b>0.24</b>	USD	6,404,000	United Mexican States 6.05% 11/01/2040	4,516	1.28
<b>CROATIA 0.36% (0.34%)</b>							<b>Baa1e 0.00% (1.13%)</b>		
		<b>BB+ 0.36% (0.34%)</b>			<b>Total Mexico</b>				<b>6,161 1.75</b>
USD	2,030,000	Croatia 5.5% 04/04/2023	1,252	0.36	<b>NETHERLANDS 5.96% (7.03%)</b>				
<b>Total Croatia</b>			<b>1,252</b>	<b>0.36</b>			<b>AA- 1.56% (1.21%)</b>		
<b>DENMARK 2.74% (2.06%)</b>					GBP	5,200,000	Rabobank Nederland 4% 10/09/2015	5,462	1.56
		<b>A- 2.74% (2.06%)</b>					<b>A 1.70% (1.65%)</b>		
GBP	9,157,000	Danske Bank 4% 09/12/2015	9,614	2.74	GBP	5,969,000	BMW Finance 5.25% 21/11/2013	5,981	1.70
<b>Total Denmark</b>			<b>9,614</b>	<b>2.74</b>			<b>A- 2.62% (4.09%)</b>		
<b>FINLAND 2.91% (2.78%)</b>					GBP	3,550,000	Daimler International Finance 1.75% 21/05/2014	3,564	1.01
		<b>AAA 2.91% (2.78%)</b>			GBP	1,850,000	Daimler International Finance 2.125% 10/12/2013	1,852	0.53
GBP	10,150,000	Municipality Finance 1.5% 15/12/2014	10,232	2.91	GBP	3,550,000	E.On International Finance 5.125% 27/01/2014	3,583	1.02
<b>Total Finland</b>			<b>10,232</b>	<b>2.91</b>	GBP	200,000	Volkswagen International Finance 2.125% 19/12/2014	202	0.06
<b>FRANCE 0.46% (2.20%)</b>							<b>BBB+ 0.08% (0.08%)</b>		
		<b>Aa1 0.00% (2.20%)</b>			GBP	275,000	Deutsche Telekom International Finance 4.875% 23/09/2014	284	0.08
		<b>AA 0.46% (0.00%)</b>			<b>Total Netherlands</b>				<b>20,928 5.96</b>
GBP	1,610,000	*Dexia Crédit Local 0.9175% 01/04/2014	1,611	0.46	<b>NEW ZEALAND 3.13% (0.00%)</b>				
<b>Total France</b>			<b>1,611</b>	<b>0.46</b>			<b>AA- 3.13% (0.00%)</b>		
<b>GERMANY 1.25% (4.06%)</b>					GBP	3,500,000	ANZ New Zealand International 1.5% 17/12/2015	3,522	1.00
		<b>AAA 1.25% (1.98%)</b>			GBP	7,430,000	*ASB Finance London 1.34719% 23/10/2015	7,471	2.13
GBP	150,000	*KFW 0.616% 09/03/2015	150	0.04	<b>Total New Zealand</b>				<b>10,993 3.13</b>
AUD	7,500,000	Landwirtschaft Rentenbank 4.25% 24/01/2023	4,232	1.21					
		<b>Aaa 0.00% (2.08%)</b>							
<b>Total Germany</b>			<b>4,382</b>	<b>1.25</b>					

## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NORWAY 2.25% (2.25%)</b>					<b>TURKEY 0.11% (0.00%)</b>				
		<b>Aaa 0.57% (0.00%)</b>					<b>Baa3 0.11% (0.00%)</b>		
AUD	3,500,000	Kommunalbanken 4.5% 17/04/2023	1,986	0.57	USD	620,000	Coca-Cola İçecek Yatırım 4.75% 01/10/2018	401	0.11
		<b>Aaa 0.00% (0.61%)</b>					<b>Total Turkey</b>	<b>401</b>	<b>0.11</b>
		<b>BB+ 1.68% (1.64%)</b>			<b>UNITED KINGDOM 38.54% (35.39%)</b>				
USD	4,175,000	Ekspofinans 2% 15/09/2015	2,547	0.72			<b>AAA 4.76% (4.77%)</b>		
USD	5,400,000	Ekspofinans 3% 17/11/2014	3,373	0.96	GBP	13,000,000	*Abbey National Treasury Service 2.1125% 16/02/2015	13,201	3.76
		<b>Total Norway</b>	<b>7,906</b>	<b>2.25</b>	GBP	2,000,000	*Abbey National Treasury Service 2.2175% 05/04/2017	2,069	0.59
<b>REPUBLIC OF IRELAND 2.50% (8.29%)</b>					GBP	250,000	*Arkle Master Issuer 2.26356% 17/11/2015	254	0.07
		<b>AA+ 0.30% (2.12%)</b>			GBP	94,085	*Brass 1.96738% 16/12/2048	95	0.03
GBP	1,000,000	GE Capital UK Funding 5.625% 12/12/2014	1,051	0.30	GBP	734,067	*E-Carat 1.3% 18/06/2020	733	0.21
		<b>BBB+ 2.20% (5.76%)</b>			GBP	250,000	*Permanent Master Issuer 2009-1 A2 2.2195% 15/07/2042	253	0.07
EUR	8,300,000	Irish Treasury 4.5% 18/10/2018	7,731	2.20	GBP	92,138	*Silk Road Finance 1.9175% 21/12/2052	93	0.03
		<b>BBB 0.00% (0.41%)</b>					<b>Aaa 3.13% (2.99%)</b>		
		<b>Total Republic of Ireland</b>	<b>8,782</b>	<b>2.50</b>	GBP	4,350,000	*Clydesdale Bank 2.216% 08/06/2015	4,437	1.26
<b>RUSSIAN FEDERATION 0.00% (3.05%)</b>					GBP	6,450,000	*Coventry Building Society 2.1125% 10/02/2015	6,550	1.87
		<b>BBB+ 0.00% (1.09%)</b>					<b>AA+ 0.00% (1.57%)</b>		
		<b>BBB 0.00% (1.96%)</b>					<b>Aa2 0.87% (0.00%)</b>		
		<b>Total Russian Federation</b>	<b>—</b>	<b>—</b>	GBP	3,000,000	*Yorkshire Building Society 2.2675% 23/03/2016	3,066	0.87
<b>SLOVENIA 3.34% (1.66%)</b>							<b>A+ 2.14% (5.38%)</b>		
		<b>A 0.00% (1.03%)</b>			GBP	4,319,000	Prudential 1.25% 16/11/2015	4,322	1.23
		<b>A- 3.34% (0.63%)</b>			GBP	3,000,000	Standard Chartered 6.5% 28/04/2014	3,079	0.88
EUR	5,265,000	Republic of Slovenia 4.375% 02/04/2014	4,494	1.28	GBP	100,000	Unilever 4% 19/12/2014	104	0.03
USD	6,001,000	Republic of Slovenia 5.5% 26/10/2022	3,582	1.02			<b>A 14.88% (10.10%)</b>		
USD	6,030,000	Republic of Slovenia 5.85% 10/05/2023	3,655	1.04	GBP	8,400,000	*Barclays Bank 2.515% 01/09/2016	8,622	2.46
		<b>Total Slovenia</b>	<b>11,731</b>	<b>3.34</b>	GBP	6,382,000	Abbey National Treasury Service 5.5% 18/06/2014	6,556	1.87
<b>SOUTH KOREA 1.50% (1.36%)</b>					AUD	7,500,000	Barclays Bank Australia 6.75% 24/02/2014	4,494	1.28
		<b>A+ 1.50% (1.36%)</b>			GBP	7,040,000	BP Capital Markets 4% 29/12/2014	7,275	2.07
USD	650,000	Export-Import Bank of Korea 2.875% 17/09/2018	412	0.12	GBP	3,080,000	Compass Group 7% 08/12/2014	3,273	0.93
USD	3,055,000	Export-Import Bank of Korea 5.125% 16/03/2015	2,007	0.57	GBP	9,721,000	Lloyds TSB Bank 6.375% 15/04/2014	9,951	2.83
USD	4,329,000	Export-Import Bank of Korea 5.875% 14/01/2015	2,857	0.81	GBP	11,666,000	Royal Bank of Scotland 6.375% 29/04/2014	11,965	3.41
		<b>Total South Korea</b>	<b>5,276</b>	<b>1.50</b>	GBP	100,000	Santander 6.5% 09/09/2015	108	0.03
<b>SWEDEN 6.13% (4.21%)</b>							<b>A- 10.68% (8.73%)</b>		
		<b>Aa1 0.00% (0.03%)</b>			GBP	5,805,000	Experian Finance 5.625% 12/12/2013	5,832	1.66
		<b>AA- 1.76% (1.90%)</b>			GBP	11,429,000	Heathrow Funding 5.85% 27/11/2013	11,461	3.26
GBP	3,000,000	Nordea Bank 3.875% 15/12/2015	3,166	0.90	GBP	453,000	Hutchison Ports 6.75% 07/12/2015	501	0.14
GBP	3,000,000	*Svenska Handelsbanken 0.9125% 10/05/2016	3,000	0.86	GBP	10,250,000	SSE 5.75% 05/02/2014	10,369	2.95
		<b>A+ 2.34% (2.28%)</b>			GBP	9,100,000	Vodafone Group 4.625% 08/09/2014	9,370	2.67
GBP	7,913,000	Skandinaviska Enskilda Banken 6.625% 09/07/2014	8,219	2.34			<b>BBB+ 2.08% (1.85%)</b>		
		<b>A1 2.03% (0.00%)</b>			GBP	6,051,000	National Grid 6.125% 15/04/2014	6,186	1.76
GBP	7,091,000	Swedish Export Credit 1.5% 15/12/2014	7,141	2.03	GBP	1,100,000	Tesco 5% 24/02/2014	1,113	0.32
		<b>Total Sweden</b>	<b>21,526</b>	<b>6.13</b>			<b>Total United Kingdom</b>	<b>135,332</b>	<b>38.54</b>

## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 10.01% (8.02%)</b>									
<b>AA+ 0.00% (1.86%)</b>									
<b>AA 0.87% (0.78%)</b>									
GBP	2,875,000	Roche Holdings 5.5% 04/03/2015	3,052	0.87			Sell EUR 16,050,112		
<b>AA- 0.48% (0.00%)</b>							Buy CAD 23,106,304 Royal Bank of Canada	115	0.03
AUD	2,800,000	Toyota Motor Credit 5.54% 18/12/2014	1,696	0.48			Sell USD 22,176,736		
<b>A- 5.56% (2.76%)</b>							Buy CAD 23,180,366 Barclays	(18)	(0.01)
GBP	7,100,000	American Express Credit 5.375% 01/10/2014	7,383	2.10			Sell JPY 2,165,346,287		
GBP	3,000,000	Citigroup 5.5% 18/11/2015	3,249	0.93			Buy USD 22,177,881 RBS	86	0.02
GBP	150,000	*J.P. Morgan Chase 1.05125% 30/05/2017 144 0.04					Sell EUR 16,127,096		
USD	3,400,000	Morgan Stanley 4.75% 22/03/2017	2,321	0.66			Buy USD 22,286,743 Royal Bank of Canada	180	0.05
USD	6,300,000	Morgan Stanley 6% 28/04/2015	4,206	1.20			Sell USD 2,386,250		
AUD	3,500,000	Morgan Stanley 7.625% 03/03/2016	2,219	0.63			Buy EUR 1,744,705 RBS	(4)	—
<b>BBB 2.45% (2.47%)</b>							Sell AUD 25,930,579		
USD	6,265,000	Pemex Project Funding Master Trust 5.75% 01/03/2018	4,363	1.24			Buy USD 25,023,269 UBS	255	0.07
GBP	4,220,000	Pemex Project Funding Master Trust 7.5% 18/12/2013	4,251	1.21			Sell EUR 20,085,540		
<b>B+ 0.00% (0.15%)</b>							Buy USD 27,708,484 RBS	194	0.06
<b>B1 0.65% (0.00%)</b>							Sell EUR 2,088,313		
USD	3,750,000	Dominican Republic 5.875% 18/04/2024	2,286	0.65			Buy USD 2,872,220 Barclays	15	—
<b>Total United States of America</b>			<b>35,170</b>	<b>10.01</b>			Sell USD 33,050,536		
<b>VENEZUELA 0.00% (1.73%)</b>							Buy CAD 34,042,845 Royal Bank of Canada	(326)	(0.09)
<b>B+ 0.00% (1.73%)</b>							Sell NZD 38,907,053		
<b>Total Venezuela</b>			<b>—</b>	<b>—</b>			Buy USD 32,751,841 RBS	353	0.10
<b>DERIVATIVES -2.13% (0.35%)</b>							Sell USD 32,895,221		
<b>Credit default swaps -1.72% (0.02%)</b>							Buy RUB 1,055,114,209 HSBC	(77)	(0.02)
EUR	87,035,000	Barclays EUR Markit iTraxx Cross-Over 20/12/2018 Spread 500	(5,037)	(1.43)			Sell RUB 1,061,737,006		
GBP	25,000,000	RBS GBP Libor-BBA/0.0179125 03/09/2018	(262)	(0.07)			Buy USD 33,075,919 Citigroup	61	0.02
USD	55,000,000	HSBC USD Japan-55 (20 Year Issue) 20/12/2016	(793)	(0.23)			Sell EUR 23,973,051		
USD	3,300,000	HSBC USD Japan-55 (20 Year Issue) 20/12/2016 Spread 100	(48)	(0.01)			Buy NZD 40,030,776 Royal Bank of Canada	259	0.07
USD	610,000	HSBC USD United Mexican States 2 0/09/2017 Spread 100	3	—			Sell JPY 3,785,849,592		
USD	11,650,000	HSBC USD United Mexican States 20/09/2017 Spread 100	59	0.02			Buy USD 38,531,801 RBS	(2)	—
<b>Forward foreign exchange contracts 0.60% (1.09%)</b>							Sell SEK 282,159,181		
		Sell USD 16,467,250					Buy EUR 32,172,913 RBS	160	0.05
		Buy EUR 11,979,222 J.P. Morgan	(79)	(0.02)			Sell EUR 40,116,221		
		Sell JPY 1,618,510,345					Buy NOK 326,625,345 Credit Suisse	109	0.03
		Buy USD 16,527,926 RBS	33	0.01			Sell EUR 4,017,069		
		Sell CAD 1,854,156					Buy USD 5,549,971 Citigroup	44	0.01
		Buy USD 1,774,251 Royal Bank of Canada	2	—			Sell CAD 57,232,923		
		Sell INR 1,371,019,759					Buy USD 55,546,261 RBS	537	0.15
		Buy USD 22,045,663 HSBC	(77)	(0.02)			Sell CAD 68,200,616		
		Sell USD 22,097,018					Buy USD 66,151,828 Royal Bank of Canada	616	0.18
		Buy INR 1,363,827,951 HSBC	(28)	(0.01)			Sell EUR 4,999,310		
							Buy GBP 4,238,650 UBS	(14)	—
							Sell SEK 5,093,446		
							Buy USD 796,923 SEB	6	—
							Sell GBP 497,133		
							Buy USD 798,551 Citigroup	1	—
							Sell USD 79,782,662		
							Buy JPY 7,845,858,861 RBS	49	0.01
							Sell NZD 1,123,723		
							Buy EUR 674,913 RBS	(6)	—
							Sell USD 102,478,615		
							Buy GBP 63,519,068 RBS	(393)	(0.11)
							Sell CAD 1,158,157		
							Buy USD 1,107,472 HSBC	1	—
							Sell EUR 8,043,771		
							Buy USD 11,093,084 Credit Suisse	76	0.02
							Sell GBP 753,217		
							Buy EUR 883,819 Citigroup	(1)	—
							Sell USD 1,248,090		
							Buy NOK 7,342,365 Barclays	(9)	—

## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -2.13% (0.35%) (continued)</b>					USD	(530)	UBS US 5 Year Treasury Note Future Expiring December 2013	(207)	(0.06)
<b>Futures and options -0.72% (-0.40%)</b>					USD	95	UBS US Long Bond Future Expiring December 2013	(4)	—
EUR	1,226	UBS 3 Month Euribor Future Expiring December 2014	464	0.13	USD	59	UBS US Ultra Bond Future Expiring December 2013	(26)	(0.01)
EUR	(814)	UBS 3 Month Euribor Mid-Curve Put Option Expiring November 2013 Strike 99.125	—	—	<b>Interest rate swap -0.29% (-0.36%)</b>				
EUR	814	UBS 3 Month Euribor Mid-Curve Put Option Expiring November 2013 Strike 99.375	9	—	CAD	72,150,000	Citigroup CADBA-Cdor/0.01528 19/09/2015	126	0.04
USD	544	UBS 3 Month Euro Future Expiring December 2014	38	0.01	CAD	30,374,000	HSBC CADBA-Cdor/0.02356 19/09/2018	276	0.08
USD	1,657	UBS 3 Month Euro Future Expiring December 2015	812	0.23	EUR	12,430,000	Barclays EUR Euribor-Reuters/0.01815 21/06/2023	117	0.03
USD	(1,676)	UBS 3 Month Euro Future Expiring December 2016	(1,703)	(0.48)	EUR	12,810,000	Citigroup EUR Euribor-Reuters/0.01845 12/02/2023	43	0.01
USD	(600)	UBS 3 Month Euro Future Expiring September 2014	(201)	(0.06)	EUR	2,180,000	Barclays EUR Euribor-Reuters/0.01875 06/02/2023	3	—
USD	600	UBS 3 Month Euro Future Expiring September 2015	313	0.09	EUR	590,000	Citigroup EUR Euribor-Reuters/0.02355 07/01/2043	29	0.01
GBP	544	UBS 3 Month Libor Mid-Curve Put Option Expiring November 2013 Strike 98.50	—	—	EUR	5,700,000	Citigroup EUR Euribor-Reuters/0.02459 15/01/2043	169	0.05
GBP	(1,088)	UBS 3 Month Libor Mid-Curve Put Option Expiring November 2013 Strike 98.75	—	—	JPY	165,000,000	Citigroup JPY Libor-BBA/0.0075125 28/01/2023	(7)	—
GBP	544	UBS 3 Month Libor Mid-Curve Put Option Expiring November 2013 Strike 99.00	3	—	JPY	1,608,800,000	Citigroup JPY Libor-BBA/0.0174875 28/06/2033	(457)	(0.13)
GBP	747	UBS 3 Month Sterling Future Expiring December 2014	37	0.01	JPY	1,700,000,000	Barclays JPY Libor-BBA/0.0176625 07/06/2033	(518)	(0.15)
USD	(2,182)	UBS 3 Year Eurodollar Mid curve Put Option Expiring December 2013 Strike 97.5	(102)	(0.03)	SEK	110,945,000	Citigroup SEK Stibor-Side/0.0241 12/02/2023	(176)	(0.05)
USD	1,091	UBS 3 Year Eurodollar Mid curve Put Option Expiring December 2013 Strike 97.75	60	0.02	SEK	18,570,000	Barclays SEK Stibor-Side/0.02421 06/02/2023	(26)	(0.01)
USD	1,091	UBS 3 Year Eurodollar Mid curve Put Option Expiring December 2013 Strike 98.25	13	—	SEK	106,600,000	Barclays SEK Stibor-Side/0.0248875 24/06/2023	(114)	(0.03)
AUD	322	UBS Austria 10 Year Bond Future December 2013	247	0.07	USD	360,000	Citigroup USD Libor-BBA/0.02849 07/01/2043	(31)	(0.01)
EUR	(229)	UBS Euro Bobl Future Expiring December 2013	(272)	(0.08)	USD	9,000,000	Citigroup USD Libor-BBA/0.031425 04/06/2043	(460)	(0.13)
EUR	(397)	UBS Euro-BUND Future Expiring December 2013	(994)	(0.28)	<b>Total derivatives</b>			<b>(7,493)</b>	<b>(2.13)</b>
EUR	40,500,000	RBS FXO EUR/SEK Call Option 9% 21/11/2013	26	0.01	<b>Total value of investments</b>			<b>303,080</b>	<b>86.31</b>
USD	(531)	UBS IMM Eurodollar Put Option Expiring December 2014 Strike 97.75	(21)	(0.01)	<b>Net other assets (4.11%)</b>			<b>48,065</b>	<b>13.69</b>
USD	531	UBS IMM Eurodollar Put Option Expiring December 2014 Strike 98.25	12	—	<b>Net assets</b>			<b>351,145</b>	<b>100.00</b>
JPY	(54)	UBS Japan 10 Year Bond Future Expiring December 2013	(750)	(0.21)	<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
GBP	(70)	UBS Long Gilt Future Expiring December 2013	(105)	(0.03)	Fixed interest			270,914	89.39
EUR	(95)	UBS LT French Government Bond Future Expiring December 2013	(364)	(0.10)	Floating rate notes			39,659	13.08
USD	343	UBS US 10 Year Note Future Expiring September 2013	425	0.12	Derivatives			(7,493)	(2.47)
USD	(300)	UBS US 2 Year Treasury Note Future Expiring December 2013	(217)	(0.06)	<b>Total value of investments</b>			<b>303,080</b>	<b>100.00</b>

## Threadneedle Absolute Return Bond Fund

### Portfolio Statement

(continued)

#### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value
	£000
AAA	31,312
Aaa	12,973
AA+	1,051
AA	4,663
Aa2	3,066
AA-	35,153
A+	21,000
A1	7,141
A	58,225
A-	90,838
BBB+	15,314
BBB	17,333
Baa2u	651
Baa3	401
BB+	9,166
B1	2,286
Total bonds	310,573
Derivatives	(7,493)
<b>Total value of investments</b>	<b>303,080</b>

#### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value
		£000
Barclays	Cash	6,240
Citigroup	Cash	660
CSI	Cash	130
HSBC	Cash	670
RBS	Cash	680
UBS	Cash	230
<b>Total collateral</b>		<b>8,610</b>

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

April 2013 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle Target Return Fund

### Portfolio Statement

as at 31 October 2013

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 1.33% (1.23%)</b>					<b>INDONESIA 0.56% (0.98%)</b>				
		<b>A 1.33% (1.23%)</b>					<b>BB+ 0.56% (0.98%)</b>		
EUR	2,200,000	Raiffeisen Bank International 2.875% 06/03/2015	1,923	1.33	USD	1,300,000	Perusahaan Penerbit SBSN 4% 21/11/2018	810	0.56
		<b>Total Austria</b>	<b>1,923</b>	<b>1.33</b>			<b>Total Indonesia</b>	<b>810</b>	<b>0.56</b>
<b>BELGIUM 0.00% (2.37%)</b>					<b>ITALY 0.61% (0.59%)</b>				
		<b>Not rated 0.00% (2.37%)</b>					<b>BBB+ 0.00% (0.59%)</b>		
		<b>Total Belgium</b>	<b>—</b>	<b>—</b>	USD	1,420,000	*Intesa Sanpaolo 2.6621% 24/02/2014	889	0.61
<b>BRAZIL 0.11% (0.00%)</b>							<b>Total Italy</b>	<b>889</b>	<b>0.61</b>
		<b>BBB 0.11% (0.00%)</b>			<b>LATVIA 0.00% (0.58%)</b>				
USD	255,000	Banco Nacional de Desenvolvimento Econômico e Social 3.375% 26/09/2016	161	0.11			<b>BBB 0.00% (0.58%)</b>		
		<b>Total Brazil</b>	<b>161</b>	<b>0.11</b>			<b>Total Latvia</b>	<b>—</b>	<b>—</b>
<b>CHILE 0.22% (0.22%)</b>					<b>LUXEMBOURG 0.96% (1.76%)</b>				
		<b>AA- 0.22% (0.00%)</b>					<b>AAA 0.00% (1.76%)</b>		
USD	511,000	Codelco 3.75% 04/11/2020	321	0.22			<b>BBB 0.96% (0.00%)</b>		
		<b>A 0.00% (0.22%)</b>			EUR	1,500,000	Glencore Finance Europe 7.125% 23/04/2015	1,388	0.96
		<b>Total Chile</b>	<b>321</b>	<b>0.22</b>			<b>Total Luxembourg</b>	<b>1,388</b>	<b>0.96</b>
<b>CROATIA 0.31% (0.32%)</b>					<b>MEXICO 1.82% (2.36%)</b>				
		<b>BB+ 0.31% (0.32%)</b>					<b>BBB 1.82% (0.72%)</b>		
USD	730,000	Croatia 5.5% 04/04/2023	450	0.31	EUR	934,000	United Mexican States 2.75% 22/04/2023	764	0.53
		<b>Total Croatia</b>	<b>450</b>	<b>0.31</b>	USD	2,660,000	United Mexican States 6.05% 11/01/2040	1,876	1.29
<b>CZECH REPUBLIC 0.70% (0.00%)</b>							<b>Baa1e 0.00% (1.64%)</b>		
		<b>A- 0.70% (0.00%)</b>					<b>Total Mexico</b>	<b>2,640</b>	<b>1.82</b>
EUR	1,150,000	CEZ 6% 18/07/2014	1,014	0.70	<b>NETHERLANDS 13.06% (13.88%)</b>				
		<b>Total Czech Republic</b>	<b>1,014</b>	<b>0.70</b>			<b>AA- 1.04% (0.00%)</b>		
<b>DENMARK 0.63% (3.37%)</b>					EUR	1,700,000	Rabobank Nederland 2.68% 30/10/2015	1,501	1.04
		<b>A- 0.63% (3.37%)</b>					<b>A+ 2.84% (2.70%)</b>		
EUR	1,000,000	Danske Bank 3.875% 18/05/2016	911	0.63	EUR	4,740,000	Ing Bank 2.125% 10/07/2015	4,123	2.84
		<b>Total Denmark</b>	<b>911</b>	<b>0.63</b>			<b>A 2.87% (4.46%)</b>		
<b>FRANCE 4.83% (1.25%)</b>					EUR	4,700,000	Fortis Bank Nederland 4% 03/02/2015	4,158	2.87
		<b>Aa1 0.00% (0.83%)</b>					<b>A- 4.74% (2.95%)</b>		
		<b>Aa3 2.36% (0.00%)</b>			EUR	1,700,000	Achmea 7.375% 16/06/2014	1,504	1.04
EUR	4,000,000	Dexia Crédit Local 1% 11/07/2016	3,428	2.36	EUR	1,440,000	KBC IFIMA 3.875% 31/03/2015	1,277	0.88
		<b>A 2.47% (0.42%)</b>			EUR	4,500,000	KBC IFIMA 4.375% 26/10/2015	4,084	2.82
EUR	3,300,000	Banque Fédérative du Crédit Mutuel 3% 29/10/2015	2,926	2.02			<b>BBB+ 0.59% (3.77%)</b>		
EUR	750,000	Societe Generale 3.75% 21/08/2014	654	0.45	EUR	1,000,000	F. van Lanschot Bankiers 4.625% 22/04/2014	861	0.59
		<b>Total France</b>	<b>7,008</b>	<b>4.83</b>			<b>BBB- 0.98% (0.00%)</b>		
<b>GERMANY 1.28% (5.60%)</b>					EUR	1,500,000	Koninklijke KPN 6.5% 15/01/2016	1,423	0.98
		<b>AAA 1.28% (1.84%)</b>					<b>Total Netherlands</b>	<b>18,931</b>	<b>13.06</b>
AUD	3,300,000	Landwirtschaft Rentenbank 4.25% 24/01/2023	1,862	1.28	<b>NORWAY 4.55% (4.33%)</b>				
		<b>Aaau 0.00% (2.14%)</b>					<b>Aaa 0.59% (0.00%)</b>		
		<b>A- 0.00% (1.62%)</b>			AUD	1,500,000	Kommunalbanken 4.5% 17/04/2023	851	0.59
		<b>Total Germany</b>	<b>1,862</b>	<b>1.28</b>			<b>Aaae 0.00% (0.64%)</b>		
							<b>A2 2.15% (1.99%)</b>		
					EUR	3,525,000	SpareBank 1 SR Bank 3.625% 24/03/2015	3,116	2.15

## Threadneedle Target Return Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NORWAY 4.55% (4.33%) (continued)</b>					<b>SWITZERLAND 4.88% (2.83%)</b>				
		<b>BB+ 1.81% (1.70%)</b>					<b>A+ 0.00% (2.83%)</b>		
USD	1,825,000	Eksporthfinans 2% 15/09/2015	1,113	0.77			<b>A 4.88% (0.00%)</b>		
USD	2,425,000	Eksporthfinans 3% 17/11/2014	1,515	1.04	EUR	5,000,000	*Credit Suisse London 5.25% 18/07/2014	4,392	3.03
		<b>Total Norway</b>	<b>6,595</b>	<b>4.55</b>	EUR	3,000,000	UBS London 3.125% 18/01/2016	2,676	1.85
							<b>Total Switzerland</b>	<b>7,068</b>	<b>4.88</b>
<b>POLAND 1.56% (1.45%)</b>					<b>TURKEY 0.12% (0.00%)</b>				
		<b>A- 1.56% (1.45%)</b>					<b>Baa3 0.12% (0.00%)</b>		
EUR	2,500,000	Republic of Poland 3.625% 01/02/2016	2,261	1.56	USD	270,000	Coca-Cola İçecek Üretim 4.75% 01/10/2018	175	0.12
		<b>Total Poland</b>	<b>2,261</b>	<b>1.56</b>			<b>Total Turkey</b>	<b>175</b>	<b>0.12</b>
<b>REPUBLIC OF IRELAND 5.24% (10.89%)</b>					<b>UNITED KINGDOM 23.22% (16.42%)</b>				
		<b>AA+ 2.99% (4.09%)</b>					<b>AAA 1.84% (1.71%)</b>		
EUR	3,260,000	GE Capital European Funding 2.875% 28/10/2014	2,836	1.96	EUR	3,000,000	Northern Rock Asset Management 3.625% 20/04/2015	2,666	1.84
EUR	1,700,000	GE Capital European Funding 2.875% 17/09/2015	1,501	1.03			<b>AA+ 0.00% (1.60%)</b>		
		<b>BBB+ 2.25% (6.38%)</b>					<b>AA- 1.49% (0.40%)</b>		
EUR	3,500,000	Irish Treasury 4.5% 18/10/2018	3,260	2.25	EUR	2,460,000	HSBC Bank 4.55% 29/08/2014	2,160	1.49
		<b>BBB 0.00% (0.42%)</b>					<b>A+ 1.95% (5.76%)</b>		
		<b>Total Republic of Ireland</b>	<b>7,597</b>	<b>5.24</b>	EUR	3,150,000	Standard Chartered 3.625% 15/12/2015	2,830	1.95
<b>RUSSIAN FEDERATION 0.00% (3.07%)</b>							<b>A 15.45% (5.60%)</b>		
		<b>BBB+ 0.00% (1.14%)</b>			EUR	5,000,000	Abbey National Treasury Service 4.125% 03/03/2014	4,302	2.97
		<b>BBB 0.00% (1.93%)</b>			EUR	3,700,000	Barclays Bank 3.5% 18/03/2015	3,267	2.25
		<b>Total Russian Federation</b>	<b>—</b>	<b>—</b>	AUD	3,500,000	Barclays Bank Australia 6.75% 24/02/2014	2,097	1.45
<b>SLOVENIA 3.29% (1.60%)</b>					EUR	1,700,000	Lloyds Bank 3.75% 07/09/2015	1,523	1.05
		<b>A 0.00% (0.97%)</b>			EUR	5,000,000	Lloyds TSB Bank 4.5% 15/09/2014	4,400	3.03
		<b>A- 3.29% (0.63%)</b>			EUR	5,000,000	Nationwide Building Society 3.75% 20/01/2015	4,400	3.03
EUR	2,155,000	Republika Slovenija 4.375% 02/04/2014	1,839	1.27	EUR	2,670,000	Royal Bank of Scotland 4.875% 15/07/2015	2,421	1.67
USD	2,399,000	Republika Slovenija 5.5% 26/10/2022	1,432	0.98			<b>A- 0.00% (1.35%)</b>		
USD	2,485,000	Republika Slovenija 5.85% 10/05/2023	1,506	1.04			<b>A3 1.48% (0.00%)</b>		
		<b>Total Slovenia</b>	<b>4,777</b>	<b>3.29</b>	EUR	2,500,000	*Royal Bank of Scotland 1.54393% 30/09/2014	2,138	1.48
<b>SOUTH KOREA 1.54% (1.38%)</b>							<b>BBB 1.01% (0.00%)</b>		
		<b>A+ 1.54% (1.38%)</b>			EUR	1,600,000	Anglo American Capital 5.875% 17/04/2015	1,458	1.01
USD	275,000	Export-Import Bank of Korea 2.875% 17/09/2018	174	0.12			<b>Total United Kingdom</b>	<b>33,662</b>	<b>23.22</b>
USD	1,245,000	Export-Import Bank of Korea 5.125% 16/03/2015	818	0.56	<b>UNITED STATES OF AMERICA 17.62% (15.04%)</b>				
USD	1,877,000	Export-Import Bank of Korea 5.875% 14/01/2015	1,239	0.86			<b>AA- 1.64% (1.08%)</b>		
		<b>Total South Korea</b>	<b>2,231</b>	<b>1.54</b>	EUR	1,875,000	Swiss Re Treasury 7% 19/05/2014	1,650	1.14
<b>SPAIN 1.02% (0.00%)</b>					AUD	1,200,000	Toyota Motor Credit 5.54% 18/12/2014	727	0.50
		<b>A3 1.02% (0.00%)</b>					<b>A 0.00% (2.69%)</b>		
EUR	1,700,000	Banco Santander 3.25% 17/02/2015	1,486	1.02			<b>A- 12.83% (8.71%)</b>		
		<b>Total Spain</b>	<b>1,486</b>	<b>1.02</b>	EUR	5,000,000	Citigroup 4% 26/11/2015	4,520	3.12
<b>SWEDEN 0.00% (2.72%)</b>					EUR	5,250,000	Goldman Sachs Group 3.95% 28/02/2014	4,512	3.11
		<b>A- 0.00% (2.72%)</b>			EUR	1,600,000	Goldman Sachs Group 4% 02/02/2015	1,413	0.97
		<b>Total Sweden</b>	<b>—</b>	<b>—</b>	EUR	3,000,000	Merrill Lynch & Co 4.45% 31/01/2014	2,575	1.78
					EUR	2,000,000	Merrill Lynch & Co 4.875% 30/05/2014	1,742	1.20
					USD	1,600,000	Morgan Stanley 4.75% 22/03/2017	1,092	0.75
					USD	2,700,000	Morgan Stanley 6% 28/04/2015	1,803	1.24
					AUD	1,500,000	Morgan Stanley 7.625% 03/03/2016	951	0.66



## Threadneedle Target Return Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>UNITED STATES OF AMERICA 17.62% (15.04%) (continued)</b>									
	<b>BBB 2.49% (2.41%)</b>					Sell CAD 837,839			
USD	2,595,000	Pemex Project Funding Master Trust				Buy USD 801,732 RBC	1	—	
		5.75% 01/03/2018	1,807	1.25		Sell GBP 5,405,970			
GBP	1,780,000	Pemex Project Funding Master Trust				Buy EUR 6,376,115 UBS	18	0.01	
		7.5% 18/12/2013	1,793	1.24		Sell EUR 65			
	<b>B+ 0.00% (0.15%)</b>					Buy USD 89 J.P. Morgan	—	—	
						Sell USD 9,407,139			
	<b>B1 0.66% (0.00%)</b>					Buy INR 580,608,611 HSBC	(12)	(0.01)	
USD	1,570,000	Dominican Republic 5.875% 18/04/2024	957	0.66		Sell INR 583,961,078			
	<b>Total United States of America</b>		<b>25,542</b>	<b>17.62</b>		Buy USD 9,389,951 HSBC	(33)	(0.02)	
						Sell EUR 6,841,111			
						Buy CAD 9,848,702 RBC	49	0.03	
	<b>VENEZUELA 0.00% (1.65%)</b>					Sell EUR 6,810,545			
	<b>B+ 0.00% (1.65%)</b>					Buy USD 9,411,792 RBC	76	0.05	
	<b>Total Venezuela</b>		<b>—</b>	<b>—</b>		Sell USD 9,431,547			
						Buy CAD 9,858,381 Barclays	(8)	(0.01)	
						Sell JPY 920,904,673			
	<b>DERIVATIVES -2.15% (-0.20%)</b>					Buy USD 9,432,078 RBS	36	0.02	
	<b>Credit default swaps -1.76% (0.00%)</b>					Sell AUD 11,495,859			
EUR	(37,800,000)	Barclays EUR Markit iTraxx Cross-Over				Buy USD 11,093,619 UBS	113	0.08	
		20/12/2018 Spread 500	(2,188)	(1.51)		Sell USD 13			
USD	(26,700,000)	HSBC USD Japan-55 (20 Year Issue)				Buy EUR 9 J.P. Morgan	—	—	
		20/12/2016	(385)	(0.27)		Sell EUR 8,542,182			
USD	4,940,000	HSBC USD United Mexican States				Buy USD 11,784,145 RBS	82	0.06	
		20/09/2017 Spread 100	25	0.02		Sell USD 14,077,283			
	<b>Forward foreign exchange contracts 0.70% (0.53%)</b>					Buy CAD 14,499,940 RBC	(139)	(0.10)	
		Sell JPY 1,620,074,116				Sell NZD 16,571,762			
		Buy USD 16,488,868 RBS	(1)	—		Buy USD 13,950,060 RBS	151	0.10	
		Sell USD 1,767,726				Sell USD 14,011,130			
		Buy EUR 1,292,471 RBS	(3)	—		Buy RUB 449,407,006 HSBC	(32)	(0.02)	
		Sell SEK 119,831,655				Sell RUB 452,227,789			
		Buy EUR 13,663,682 RBS	68	0.05		Buy USD 14,088,093 Citigroup	26	0.02	
		Sell EUR 17,037,167				Sell EUR 10,259,061			
		Buy NOK 138,716,223 CSB	46	0.03		Buy NZD 17,130,826 RBC	111	0.08	
		Sell CAD 24,258,269				<b>Futures and options -0.70% (-0.39%)</b>			
		Buy USD 23,543,375 RBS	228	0.16	EUR	516	UBS 3 Month Euribor Future Expiring		
		Sell EUR 1,708,420				December 2014	201	0.14	
		Buy USD 2,360,348 Citigroup	19	0.01	EUR	(352)	UBS 3 Month Euribor Mid-Curve Put Option		
		Sell EUR 195,767				Expiring November 2013 Strike 99.125	—	—	
		Buy USD 270,294 J.P. Morgan	2	—	EUR	352	UBS 3 Month Euribor Mid-Curve Put Option		
		Sell CAD 29,048,829				Expiring November 2013 Strike 99.375	4	—	
		Buy USD 28,176,184 RBS	262	0.18	USD	232	UBS 3 Month Euro Future Expiring		
		Sell EUR 21,184				December 2014	16	0.01	
		Buy CHF 26,155 J.P. Morgan	—	—	USD	709	UBS 3 Month Euro Future Expiring		
		Sell USD 3,363				December 2015	349	0.24	
		Buy EUR 2,445 J.P. Morgan	—	—	USD	(708)	UBS 3 Month Euro Future Expiring		
		Sell USD 33,945,250				December 2016	(716)	(0.49)	
		Buy JPY 3,338,189,424 RBS	21	0.02	USD	(274)	UBS 3 Month Euro Future Expiring		
		Sell EUR 256,282				September 2014	(92)	(0.06)	
		Buy GBP 218,411 Citigroup	—	—	USD	274	UBS 3 Month Euro Future Expiring		
		Sell USD 42,612,372				September 2015	143	0.10	
		Buy EUR 31,156,000 RBS	(71)	(0.05)	GBP	233	UBS 3 Month Libor Mid-Curve Put		
		Sell NZD 559,063				Option Expiring November 2013 Strike 98.50	—	—	
		Buy EUR 335,776 RBS	(3)	—	GBP	(466)	UBS 3 Month Libor Mid-Curve Put		
		Sell EUR 3,419,718				Option Expiring November 2013 Strike 98.75	—	—	
		Buy USD 4,707,071 HSBC	27	0.02	GBP	233	UBS 3 Month Libor Mid-Curve Put		
		Sell GBP 378,652				Option Expiring November 2013 Strike 99.00	1	—	
		Buy EUR 444,550 Citigroup	—	—	GBP	324	UBS 3 Month Sterling Future Expiring		
		Sell USD 7,046,811				December 2014	16	0.01	
		Buy EUR 5,126,254 J.P. Morgan	(34)	(0.02)	USD	(934)	UBS 3 Year Eurodollar Mid curve Put		
		Sell JPY 692,624,014				Option Expiring December 2013 Strike 97.5	(44)	(0.03)	
		Buy USD 7,072,947 RBS	14	0.01	USD	467	UBS 3 Year Eurodollar Mid curve Put		
						Option Expiring December 2013 Strike 97.75	26	0.02	



## Threadneedle Target Return Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000
<b>DERIVATIVES -2.15% (-0.20%) (continued)</b>				
USD	467	UBS 3 Year Eurodollar Mid curve Put Option		
		Expiring December 2013 Strike 98.25	5	—
AUD	140	UBS Austrial 10 Year Bond Future		
		December 2013	108	0.07
EUR	(95)	UBS Euro Bobl Future Expiring		
		December 2013	(117)	(0.08)
EUR	(165)	UBS Euro-BUND Future Expiring		
		December 2013	(415)	(0.29)
EUR	18,000,000	RBS FXO EUR/SEK Call Option 9%		
		21/11/2013	11	0.01
USD	(254)	UBS IMM Eurodollar Put Option Expiring		
		December 2014 Strike 97.75	(10)	(0.01)
USD	254	UBS IMM Eurodollar Put Option Expiring		
		December 2014 Strike 98.25	6	—
JPY	(21)	UBS Japan 10 Year Bond Future Expiring		
		December 2013	(292)	(0.20)
GBP	(30)	UBS Long Gilt Future Expiring		
		December 2013	(45)	(0.03)
EUR	(41)	UBS LT French Govenment Bond Future		
		Expiring December 2013	(157)	(0.11)
USD	148	UBS US 10 Year Note Future Expiring		
		September 2013	194	0.14
USD	(131)	UBS US 2 Year Treasury Note Future		
		Expiring December 2013	(96)	(0.07)
USD	(228)	UBS US 5 Year Treasury Note Future		
		Expiring December 2013	(89)	(0.06)
USD	40	UBS US Long Bond Future Expiring		
		December 2013	(4)	—
USD	25	UBS US Ultra Bond Future Expiring		
		December 2013	(11)	(0.01)
<b>Interest rate swap -0.39% (-0.34%)</b>				
EUR	(5,730,000)	Barclays EUR Euribor-Reuters/0.01815		
		21/06/2023	54	0.04
JPY	(750,000,000)	Barclays JPY Libor-BBA/0.0176625		
		07/06/2033	(228)	(0.16)
SEK	49,100,000	Barclays SEK Stibor-Side/0.0248875		
		24/06/2023	(52)	(0.03)
CAD	31,100,000	Citigroup CADBA-Cdor/0.01528		
		19/09/2015	54	0.04
EUR	(6,410,000)	Citigroup EUR Euribor-Reuters/0.01845		
		12/02/2023	21	0.01
EUR	(2,700,000)	Citigroup EUR Euribor-Reuters/0.02459		
		15/01/2043	80	0.06
JPY	(748,000,000)	Citigroup JPY Libor-BBA/0.0174875		
		28/06/2033	(213)	(0.15)
SEK	55,500,000	Citigroup SEK Stibor-Side/0.0241		
		12/02/2023	(88)	(0.06)
USD	4,000,000	Citigroup USD Libor-BBA/0.031425		
		04/06/2043	(204)	(0.14)
CAD	13,083,000	HSBC CADBA-Cdor/0.02356 19/09/2018		
			118	0.08
GBP	(11,000,000)	RBS GBP Libor-BBA/0.0179125		
		03/09/2018	(115)	(0.08)
<b>Total derivatives</b>		<b>(3,115)</b>	<b>(2.15)</b>	
<b>Total value of investments</b>		<b>126,587</b>	<b>87.31</b>	
<b>Net other assets (4.31%)</b>		<b>18,391</b>	<b>12.69</b>	
<b>Net assets</b>		<b>144,978</b>	<b>100.00</b>	

#### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

AAA	4,528
Aaa	851
AA+	4,337
AA-	6,359
Aa3	3,428
A+	9,184
A	39,139
A2	3,116
A-	34,436
A3	3,624
BBB+	4,121
BBB	10,136
BBB-	1,423
Baa3	175
BB+	3,888
B1	957
Total bonds	129,702
Derivatives	(3,115)
<b>Total value of investments</b>	<b>126,587</b>

#### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
Barclays		2,650
Citigroup		300
HSBC		220
RBS		650
UBS		120
<b>Total collateral</b>		<b>3,940</b>

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

April 2013 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle Pan European Focus Fund (formerly Threadneedle Pan European Accelerando Fund)

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 0.00% (5.04%)</b>				<b>NETHERLANDS 17.75% (8.89%)</b>			
	Beverages 0.00% (5.04%)			68,733	Aerospace & defence 4.02% (5.60%) EADS	2,921	4.02
	<b>Total Belgium</b>	—	—		<b>Information technology hardware 3.14% (3.29%)</b> ASML Holdings	2,284	3.14
<b>CANADA 0.00% (0.88%)</b>				203,178	<b>Insurance 2.23% (0.00%)</b> ING Groep	1,618	2.23
	Mining 0.00% (0.88%)			141,969	<b>Media &amp; photography 2.44% (0.00%)</b> Reed Elsevier	1,773	2.44
	<b>Total Canada</b>	—	—	19,457	<b>Software &amp; computer services 1.88% (0.00%)</b> Gemalto	1,364	1.88
<b>DENMARK 0.00% (2.43%)</b>				109,634	<b>Telecommunications services 4.04% (0.00%)</b> Ziggo	2,937	4.04
	Pharmaceuticals & biotechnology 0.00% (2.43%)				<b>Total Netherlands</b>	<b>12,897</b>	<b>17.75</b>
	<b>Total Denmark</b>	—	—	<b>NORWAY 4.59% (0.00%)</b>			
<b>FRANCE 13.98% (8.28%)</b>				265,962	<b>Banks 4.08% (0.00%)</b> DnB NOR Bank	2,965	4.08
48,468	Aerospace & defence 2.54% (0.00%) Thales	1,843	2.54	9,588	<b>Media &amp; photography 0.51% (0.00%)</b> Schibsted	370	0.51
26,947	<b>Banks 1.32% (0.00%)</b> Societe Generale	957	1.32		<b>Total Norway</b>	<b>3,335</b>	<b>4.59</b>
	<b>Chemicals 0.00% (2.39%)</b>			<b>REPUBLIC OF IRELAND 1.82% (2.31%)</b>			
55,516	<b>Media &amp; photography 3.97% (0.00%)</b> Publicis Groupe	2,887	3.97	6,024,306	<b>Banks 1.82% (0.00%)</b> Bank of Ireland	1,322	1.82
9,984	<b>Personal care &amp; household products 1.46% (2.69%)</b> L'Oreal	1,065	1.46		<b>Transport 0.00% (2.31%)</b>		
	<b>Software &amp; computer services 3.19% (3.20%)</b>				<b>Total Republic of Ireland</b>	<b>1,322</b>	<b>1.82</b>
16,258	<b>Telecommunications services 1.50% (0.00%)</b> Iliad	2,320	3.19	<b>SPAIN 4.91% (7.28%)</b>			
69,095	<b>Total France</b>	10,160	13.98	332,455	<b>Banks 1.62% (0.00%)</b> Banco Popular Espanol	1,180	1.62
<b>GERMANY 9.71% (26.60%)</b>					<b>General retailers 0.00% (3.43%)</b>		
	<b>Automobiles &amp; parts 3.76% (2.45%)</b>			97,235	<b>Software &amp; computer services 3.10% (3.85%)</b> Amadeus IT Group	2,252	3.10
14,705	Bayerische Motoren Werke	1,042	1.43	39,310	<b>Transport 0.19% (0.00%)</b> International Consolidated Airlines Group B5282K0	138	0.19
14,715	Continental	1,690	2.33		<b>Total Spain</b>	<b>3,570</b>	<b>4.91</b>
	<b>Chemicals 0.00% (4.45%)</b>			<b>SWEDEN 5.74% (0.00%)</b>			
	<b>Health 0.00% (2.32%)</b>			165,947	<b>Banks 1.85% (0.00%)</b> Nordea Bank	1,342	1.85
36,677	<b>Media &amp; photography 1.51% (4.80%)</b> ProSiebenSat.1 Media	1,099	1.51	123,893	<b>Investment companies 3.89% (0.00%)</b> Investment Kinnevik 'B' Shares	2,829	3.89
	<b>Pharmaceuticals &amp; biotechnology 4.44% (9.20%)</b>				<b>Total Sweden</b>	<b>4,171</b>	<b>5.74</b>
41,181	Bayer	3,226	4.44				
	<b>Software &amp; computer services 0.00% (3.38%)</b>						
	<b>Total Germany</b>	<b>7,057</b>	<b>9.71</b>				
<b>ITALY 3.27% (0.00%)</b>							
	<b>Banks 3.27% (0.00%)</b>						
921,563	Intesa Sanpaolo	1,435	1.97				
165,163	Mediobanca	945	1.30				
	<b>Total Italy</b>	<b>2,380</b>	<b>3.27</b>				

## Threadneedle Pan European Focus Fund (formerly Threadneedle Pan European Accelerando Fund)

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 10.14% (19.66%)</b>			
	<b>Banks 1.89% (0.00%)</b>		
70,005	Credit Suisse Group	1,370	1.89
	<b>Chemicals 0.00% (3.61%)</b>		
	<b>Food producers &amp; processors 0.00% (4.32%)</b>		
	<b>Household goods &amp; textiles 1.48% (5.84%)</b>		
2,681	Swatch Group	1,073	1.48
	<b>Speciality &amp; other finance 4.88% (3.43%)</b>		
19,168	Cembra Money Bank	740	1.02
231,242	UBS	2,808	3.86
	<b>Support services 1.89% (2.46%)</b>		
30,078	Adecco	1,374	1.89
	<b>Total Switzerland</b>	<b>7,365</b>	<b>10.14</b>
<b>UNITED KINGDOM 28.18% (17.65%)</b>			
	<b>Automobiles &amp; parts 1.88% (1.64%)</b>		
372,763	GKN	1,366	1.88
	<b>Banks 1.64% (0.00%)</b>		
1,523,552	Lloyds Banking Group	1,190	1.64
	<b>Construction &amp; building materials 3.88% (3.43%)</b>		
160,416	Persimmon	2,026	2.79
42,795	Travis Perkins	789	1.09
	<b>Distributors 0.00% (4.41%)</b>		
	<b>Leisure entertainment &amp; hotels 0.93% (2.64%)</b>		
95,526	J.D. Wetherspoon	678	0.93
	<b>Life assurance 4.11% (3.01%)</b>		
1,015,230	Legal & General	2,202	3.03
116,842	St. James's Place	787	1.08
	<b>Real estate 1.51% (0.00%)</b>		
357,392	Foxtons Group	1,099	1.51
	<b>Support services 4.16% (0.00%)</b>		
145,590	Ashtead Group	961	1.32
639,294	Howden Joinery Group	2,062	2.84
	<b>Telecommunications services 8.56% (2.52%)</b>		
802,366	BT Group	3,045	4.19
1,417,600	Vodafone Group	3,174	4.37
	<b>Transport 1.51% (0.00%)</b>		
199,291	Royal Mail	1,096	1.51
	<b>Total United Kingdom</b>	<b>20,475</b>	<b>28.18</b>
<b>Total value of investments</b>		<b>72,732</b>	<b>100.09</b>
<b>Net other (liabilities)/assets (0.98%)</b>		<b>(68)</b>	<b>(0.09)</b>
<b>Net assets</b>		<b>72,664</b>	<b>100.00</b>

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

April 2013 comparatives in brackets.

## Threadneedle Pan European Equity Dividend Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 0.00% (1.68%)</b>				<b>GERMANY 19.12% (16.07%)</b>			
	Steel & other metals 0.00% (1.68%)				Chemicals 4.07% (4.15%)		
	<b>Total Austria</b>	—	—	25,186	BASF	1,623	4.07
<b>BELGIUM 3.29% (2.14%)</b>					<b>Construction &amp; building materials 3.01% (2.74%)</b>		
24,045	Chemicals 1.79% (2.14%) Umicore	716	1.79	17,389	Bilfinger	1,200	3.01
46,220	Transport 1.50% (0.00%) bpost	597	1.50	11,382	Adidas	815	2.04
	<b>Total Belgium</b>	<b>1,313</b>	<b>3.29</b>	7,838	Insurance 2.06% (2.22%) Allianz	821	2.06
<b>BERMUDA 1.27% (1.68%)</b>				33,970	Media & photography 2.55% (0.00%) ProSiebenSat.1 Media	1,018	2.55
98,713	Insurance 1.27% (1.68%) Catlin Group	506	1.27	63,687	Support services 3.35% (3.13%) Deutsche Post	1,336	3.35
	<b>Total Bermuda</b>	<b>506</b>	<b>1.27</b>		<b>Telecommunications services 2.04% (2.74%)</b>		
<b>CYPRUS 0.98% (1.84%)</b>				164,854	Telefonica Deutschland Holdings	817	2.04
73,530	Oil & gas 0.98% (1.84%) Prosafte	390	0.98		<b>Total Germany</b>	<b>7,630</b>	<b>19.12</b>
	<b>Total Cyprus</b>	<b>390</b>	<b>0.98</b>	<b>ITALY 5.13% (1.99%)</b>			
<b>DENMARK 2.33% (0.00%)</b>					Gas distribution 2.89% (1.99%) Snam Rete Gas	1,154	2.89
8,685	Pharmaceuticals & biotechnology 2.33% (0.00%) Novo Nordisk	930	2.33	359,878	Leisure entertainment & hotels 2.24% (0.00%) Gtech	893	2.24
	<b>Total Denmark</b>	<b>930</b>	<b>2.33</b>	47,003	<b>Total Italy</b>	<b>2,047</b>	<b>5.13</b>
<b>FINLAND 1.26% (1.72%)</b>				<b>LUXEMBOURG 1.44% (2.86%)</b>			
16,837	Insurance 1.26% (1.72%) Sampo	502	1.26		Telecommunications services 1.44% (2.86%) SES	573	1.44
	<b>Total Finland</b>	<b>502</b>	<b>1.26</b>	31,493	<b>Total Luxembourg</b>	<b>573</b>	<b>1.44</b>
<b>FRANCE 12.28% (11.75%)</b>				<b>NETHERLANDS 6.10% (5.66%)</b>			
31,328	Construction & building materials 3.12% (3.30%) Vinci	1,244	3.12		Media & photography 3.07% (2.86%) Reed Elsevier	1,224	3.07
72,379	Electronic & electrical equipment 2.84% (2.45%) Rexel	1,135	2.84	97,986	Telecommunications services 3.03% (2.80%) Ziggo	1,208	3.03
57,539	General retailers 3.09% (1.44%) Edenred	1,232	3.09	45,086	<b>Total Netherlands</b>	<b>2,432</b>	<b>6.10</b>
8,696	Household goods & textiles 1.69% (1.87%) Societe Bic	674	1.69	<b>NORWAY 2.05% (0.00%)</b>			
30,965	Telecommunications services 1.54% (2.69%) Eutelsat Communications	613	1.54		Oil & gas 2.05% (0.00%) TGS-NOPEC Geophysical	819	2.05
	<b>Total France</b>	<b>4,898</b>	<b>12.28</b>	48,101	<b>Total Norway</b>	<b>819</b>	<b>2.05</b>
				<b>PORTUGAL 0.00% (2.66%)</b>			
					Media & photography 0.00% (2.66%)	—	—
					<b>Total Portugal</b>	<b>—</b>	<b>—</b>

## Threadneedle Pan European Equity Dividend Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SPAIN 6.08% (6.12%)</b>				<b>UNITED KINGDOM 24.85% (26.67%)</b>			
	<b>Banks 0.00% (3.17%)</b>				<b>Food &amp; drug retailers 0.00% (1.73%)</b>		
	<b>Diversified industrials 2.99% (2.95%)</b>				<b>Food producers &amp; processors 3.57% (0.00%)</b>		
100,471	Ferrovial	1,194	2.99	56,411	Unilever	1,422	3.57
73,679	Oil & gas 3.09% (0.00%) Repsol YPF	1,232	3.09		<b>Insurance 5.20% (4.44%)</b>		
	<b>Total Spain</b>	<b>2,426</b>	<b>6.08</b>	200,928	Amlin	863	2.16
				946,750	RSA Insurance Group	1,213	3.04
<b>SWEDEN 7.92% (7.65%)</b>					<b>Media &amp; photography 3.11% (2.89%)</b>		
	<b>Banks 5.20% (2.97%)</b>			94,902	Pearson	1,242	3.11
99,660	Nordea Bank	806	2.02		<b>Oil &amp; gas 2.89% (0.00%)</b>		
44,500	Svenska Handelsbanken 'A' Shares	1,269	3.18	53,205	Royal Dutch Shell 'B' Shares	1,153	2.89
	<b>Household goods &amp; textiles 0.00% (1.72%)</b>				<b>Pharmaceuticals &amp; biotechnology 4.48% (6.93%)</b>		
	<b>Tobacco 2.72% (2.96%)</b>			108,712	GlaxoSmithKline	1,789	4.48
52,530	Swedish Match	1,084	2.72		<b>Tobacco 3.23% (6.86%)</b>		
	<b>Total Sweden</b>	<b>3,159</b>	<b>7.92</b>	55,305	Imperial Tobacco Group	1,290	3.23
<b>SWITZERLAND 6.37% (9.81%)</b>					<b>Water 2.37% (3.82%)</b>		
	<b>Food producers &amp; processors 4.18% (2.41%)</b>			75,373	Pennon Group	517	1.30
37,110	Nestle	1,670	4.18	59,926	United utilities Group	425	1.07
	<b>Pharmaceuticals &amp; biotechnology 0.00% (3.86%)</b>				<b>Total United Kingdom</b>	<b>9,914</b>	<b>24.85</b>
	<b>Speciality &amp; other finance 2.19% (1.84%)</b>			<b>Total value of investments</b>		<b>40,082</b>	<b>100.47</b>
71,873	UBS	873	2.19	<b>Net other liabilities (-0.30%)</b>		<b>(188)</b>	<b>(0.47)</b>
	<b>Transport 0.00% (1.70%)</b>			<b>Net assets</b>		<b>39,894</b>	<b>100.00</b>
	<b>Total Switzerland</b>	<b>2,543</b>	<b>6.37</b>	<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>			
				<i>April 2013 comparatives in brackets.</i>			

## Threadneedle American Extended Alpha Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.00% (0.58%)</b>				<b>UNITED STATES OF AMERICA 65.54% (63.56%)</b>			
	Diversified industrials 0.00% (0.58%)				Automobiles & parts 1.94% (0.59%)		
	<b>Total Australia</b>	–	–	336,807	General Motors	7,819	0.72
				274,640	Lear	13,158	1.22
<b>BERMUDA 0.00% (0.55%)</b>					<b>Banks 6.05% (5.00%)</b>		
	Oil & gas 0.00% (0.55%)			2,773,502	Bank of America	24,487	2.26
	<b>Total Bermuda</b>	–	–	523,690	CIT Group	15,821	1.46
				465,885	J.P. Morgan Chase	15,283	1.41
<b>CANADA 2.76% (2.55%)</b>				465,734	SunTrust Banks	9,914	0.92
	Chemicals 2.76% (2.24%)				<b>Beverages 0.85% (0.00%)</b>		
869,924	Methanex	29,892	2.76	227,411	Constellation Brands 'A' Shares	9,170	0.85
	Telecommunications services 0.00% (0.31%)				<b>Chemicals 2.31% (3.63%)</b>		
	<b>Total Canada</b>	29,892	2.76	367,598	Airgas	24,951	2.31
					<b>Construction &amp; building materials 0.00% (0.43%)</b>		
<b>CAYMAN ISLANDS 0.00% (0.07%)</b>					<b>Electricity &amp; gas 0.00% (0.71%)</b>		
	Pharmaceuticals & biotechnology 0.00% (0.07%)				<b>Electronic &amp; electrical equipment 1.35% (1.25%)</b>		
	<b>Total Cayman Islands</b>	–	–	158,856	Energizer Holdings	9,615	0.89
				248,941	Universal Display	4,931	0.46
<b>FRANCE 0.14% (0.00%)</b>					<b>Engineering &amp; machinery 1.39% (2.50%)</b>		
	Diversified industrials 0.14% (0.00%)			183,779	Thermo Fisher Scientific	11,175	1.03
69,385	Criteo	1,525	0.14	378,459	Titan International	3,450	0.32
	<b>Total France</b>	1,525	0.14	23,134	Xylem	483	0.04
					<b>Food &amp; drug retailers 0.00% (0.34%)</b>		
<b>ISRAEL 0.00% (1.09%)</b>					<b>Gas distribution 0.51% (0.00%)</b>		
	Software & computer services 0.00% (1.09%)			214,933	UGI	5,560	0.51
	<b>Total Israel</b>	–	–		<b>General retailers 0.69% (1.75%)</b>		
				225,734	Ebay	7,420	0.69
<b>NETHERLANDS 0.74% (0.51%)</b>					<b>Health 1.56% (1.68%)</b>		
	Chemicals 0.74% (0.51%)			260,185	Davita Healthcare Partners	9,080	0.84
171,634	LyondellBasell	8,055	0.74	267,625	HCA Holdings	7,783	0.72
	<b>Total Netherlands</b>	8,055	0.74		<b>Household goods &amp; textiles 2.08% (0.49%)</b>		
				156,412	Mohawk Industries	12,954	1.20
<b>PANAMA 0.72% (0.00%)</b>				264,416	Wolverine World Wide	9,487	0.88
	Aerospace & defence 0.72% (0.00%)				<b>Information technology hardware 8.91% (7.98%)</b>		
83,106	Copa Holdings Class A	7,798	0.72	158,496	Apple	51,865	4.79
	<b>Total Panama</b>	7,798	0.72	515,238	Fortinet	6,396	0.59
				325,087	Lam Research	11,013	1.02
<b>REPUBLIC OF IRELAND 1.15% (1.09%)</b>				1,578,595	Spansion	12,225	1.13
	Engineering & machinery 1.15% (1.09%)			517,713	Synaptics	14,897	1.38
297,209	Ingersoll-Rand	12,431	1.15		<b>Insurance 4.34% (5.65%)</b>		
	<b>Total Republic of Ireland</b>	12,431	1.15	336,753	American International Group	10,912	1.01
				345,251	Berkshire Hathaway Class B	25,053	2.31
<b>SWITZERLAND 2.46% (3.08%)</b>				633,129	Fidelity National	10,994	1.02
	General retailers 2.46% (2.08%)				<b>Leisure entertainment &amp; hotels 0.71% (1.27%)</b>		
1,170,836	Tyco International	26,603	2.46	151,890	Starbucks	7,655	0.71
	Oil & gas 0.00% (1.00%)						
	<b>Total Switzerland</b>	26,603	2.46				
<b>UNITED KINGDOM 0.86% (0.00%)</b>							
	Media & photography 0.86% (0.00%)						
191,481	Liberty Global	9,310	0.86				
	<b>Total United Kingdom</b>	9,310	0.86				

## Threadneedle American Extended Alpha Fund

### Portfolio Statement

(continued)

			% of				% of
Holding	Investment	Value £000	Net Asset Value	Holding	Investment	Value £000	Net Asset Value
UNITED STATES OF AMERICA 65.54% (63.56%) (continued)				DERIVATIVES -0.19% (-0.50%)			
	Media & photography 6.37% (7.07%)				Forward foreign exchange contracts -0.26% (0.03%)		
284,691	Charter Communications	23,955	2.21		Sell EUR 1,986,869		
198,228	Discovery Communications 'A' Shares	10,424	0.96		Buy USD 2,734,547 J.P. Morgan	15	—
176,896	Liberty Media	16,661	1.54		Sell USD 381,659,607		
851,977	Twenty-First Century Fox	18,024	1.66		Buy EUR 276,425,718 J.P. Morgan	(2,869)	(0.26)
	Mining 0.00% (0.44%)				Sell USD 48,087		
	Oil & gas 0.51% (0.53%)				Buy EUR 34,848 J.P. Morgan	—	—
135,373	Phillips 66	5,505	0.51		Sell USD 90,101		
	Pharmaceuticals & biotechnology 3.61% (2.87%)				Buy EUR 65,298 J.P. Morgan	(1)	—
178,234	Express Scripts Holding	6,925	0.64		Sell USD 147,506		
409,389	Johnson & Johnson	23,686	2.19	1,000	Buy EUR 107,221 J.P. Morgan	(1)	—
155,677	United Therapeutics	8,397	0.78		Portfolio swap 0.07% (-0.53%)		
	Real estate 0.53% (0.68%)				Merrill Lynch – Portfolio Swap	747	0.07
390,296	CBRE Group	5,717	0.53		Total derivatives	(2,109)	(0.19)
	Software & computer services 8.74% (8.69%)				Total value of investments	802,729	74.18
57,406	Amazon.com	12,919	1.19		Net other assets (27.42%)	279,480	25.82
642,355	EMC	9,613	0.89		Net assets	1,082,209	100.00
238,589	Facebook	7,295	0.67	ANALYSIS OF COLLATERAL RECEIVED			
38,225	Google	24,559	2.27	Counterparty	Type	Value £000	
594,446	Informatica	14,288	1.32	Merrill Lynch	Cash	4,159	
58,569	Linkedin	8,173	0.75	J.P. Morgan	Cash	4,586	
26,777	priceline.com	17,831	1.65	The calculation of the % Net Asset Value may not sum to 100% due to rounding.			
	Speciality & other finance 7.11% (5.44%)			April 2013 comparatives in brackets.			
910,499	Discover Financial Services	29,782	2.75				
40,802	MasterCard Class A	18,473	1.71				
187,966	Outerwall	7,634	0.70				
166,692	Visa 'A' Shares	21,142	1.95				
	Support services 3.34% (3.29%)						
185,659	ADT	4,973	0.46				
181,181	Alliance Data Systems	26,594	2.46				
292,305	PHH	4,498	0.42				
	Telecommunications services 1.69% (1.28%)						
516,043	Ruckus Wireless	4,910	0.45				
424,566	Verizon Communications	13,377	1.24				
	Transport 0.95% (0.00%)						
625,421	Delta Air Lines	10,318	0.95				
	Total United States of America	709,224	65.54				



## Threadneedle China Opportunities Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BERMUDA 8.75% (10.41%)</b>				<b>Pharmaceuticals &amp; biotechnology 0.86% (0.00%)</b>			
148,000	<b>Construction &amp; building materials 0.86% (1.10%)</b> Cheung Kong Infrastructure Holdings	641	0.86	34,716	WuXi PharmaTech (Cayman)	639	0.86
	<b>Distributors 0.00% (0.88%)</b>			656,000	<b>Real estate 4.28% (5.99%)</b> China Resources Land	1,184	1.59
879,000	<b>Forestry &amp; paper 0.61% (0.00%)</b> Nine Dragons Paper Holdings	451	0.61	2,524,000	Country Garden Holdings	1,074	1.45
	<b>General retailers 0.00% (1.05%)</b>			588,000	Shimao Property Holdings	919	1.24
1,243,000	<b>Household goods &amp; textiles 2.93% (3.57%)</b> Haier Electronics Group	1,652	2.23	11,142	<b>Software &amp; computer services 16.09% (10.12%)</b> Baidu (ADS)	1,146	1.54
1,715,318	Skyworth Digital Holdings	519	0.70	59,382	Qihoo 360 Technology	3,102	4.18
	<b>Oil &amp; gas 0.00% (1.57%)</b>			154,400	Tencent Holdings	5,245	7.06
1,587,000	<b>Pharmaceuticals &amp; biotechnology 0.99% (0.00%)</b> Sihaun Pharmaceutical Holdings	736	0.99	58,521	Vipshop Holdings	2,456	3.31
	<b>Real estate 0.00% (0.39%)</b>			<b>Total Cayman Islands</b>			<b>33,579 45.21</b>
18,200	<b>Telecommunications services 0.22% (0.24%)</b> Vtech Holdings	162	0.22	<b>CHINA 28.69% (26.05%)</b>			
674,855	<b>Transport 1.57% (1.61%)</b> Cosco Pacific	611	0.82	596,799	<b>Automobiles &amp; parts 3.63% (4.03%)</b> Avichina Industry & Technology	175	0.24
174,000	Orient Overseas International	560	0.75	822,000	Dongfeng Motor Group	722	0.97
4,222,000	<b>Water 1.57% (0.00%)</b> Beijing Enterprises Water Group	1,165	1.57	490,650	Great Wall Motor	1,794	2.42
	<b>Total Bermuda</b>	<b>6,497</b>	<b>8.75</b>	4,021,000	<b>Banks 5.24% (5.38%)</b> China Construction Bank	1,947	2.62
<b>CAYMAN ISLANDS 45.21% (45.13%)</b>				4,455,000	Industrial & Commercial Bank of China	1,942	2.62
1,114,000	<b>Construction &amp; building materials 1.57% (3.11%)</b> China State Construction International Holdings	1,168	1.57	1,291,000	<b>Construction &amp; building materials 1.41% (3.69%)</b> China Communications Construction 'H' Shares	656	0.88
5,521,000	<b>Diversified industrials 1.42% (1.24%)</b> GCL-Poly Energy Holdings	1,052	1.42	575,500	China Railways Construction	392	0.53
136,500	<b>Electronic &amp; electrical equipment 1.24% (2.67%)</b> AAC Technologies Holdings	374	0.50	1,826,000	<b>Electricity 1.60% (0.00%)</b> Huaneng Power International	1,185	1.60
912,000	Sunny Optical Technology Group	552	0.74	843,000	<b>Electronic &amp; electrical equipment 2.51% (0.96%)</b> Zhuzhou CSR Times Electric Company	1,865	2.51
500,000	<b>Food producers &amp; processors 2.82% (0.00%)</b> China Mengniu Dairy	1,365	1.84	663,100	<b>General retailers 1.41% (2.58%)</b> J.P. Morgan International Derivatives (Anhui Conch Cement 'A' shares P Note)	1,046	1.41
2,503,000	Yashili International Holdings	729	0.98	912,000	<b>Insurance 6.09% (2.25%)</b> China Life Insurance	1,511	2.03
77,558	<b>General retailers 3.34% (5.46%)</b> New Oriental Education & Technology	1,291	1.74	381,400	J.P. Morgan International Derivatives (Ping An 'A' shares P Note)	1,436	1.93
1,748,000	Sa Sa International Holdings	1,188	1.60	322,500	Ping An Insurance Group	1,582	2.13
291,000	<b>Household goods &amp; textiles 3.43% (5.47%)</b> Biostime International Holdings	1,391	1.87	124,300	<b>Mining 0.28% (0.81%)</b> J.P. Morgan International Derivatives (Shenhua 'A' shares P Note)	208	0.28
314,000	Shenzhen International Group Holdings	671	0.90	402,000	<b>Oil &amp; gas 1.93% (0.65%)</b> China Oilfield Services	700	0.94
1,904,000	TCL Multimedia Technology Holdings	488	0.66	1,450,000	China Petroleum & Chemical	737	0.99
2,354,000	<b>Leisure entertainment &amp; hotels 4.02% (4.80%)</b> Nagacorp	1,348	1.81	904,000	<b>Real estate 1.28% (0.00%)</b> China Vanke	954	1.28
370,800	Sands China	1,645	2.21	878,000	<b>Speciality &amp; other finance 2.31% (2.60%)</b> Citic Securities 'H' Shares	1,147	1.54
1,054,000	<b>Oil &amp; gas 4.42% (4.89%)</b> Anton Oilfield Services	415	0.56	604,000	Haitong Securities	571	0.77
1,378,000	CIMC Enric Holdings	1,210	1.63	2,252,000	<b>Transport 1.00% (3.10%)</b> Guangshen Railway Company	741	1.00
450,000	ENN Energy Holdings	1,654	2.23	<b>Total China</b>			<b>21,311 28.69</b>
	<b>Personal care &amp; household products 1.72% (1.38%)</b>						
1,000,000	Prince Frog International Holdings	375	0.51				
1,017,000	Vinda International Holdings	898	1.21				

## Threadneedle China Opportunities Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>HONG KONG 10.42% (11.23%)</b>			
	<b>Diversified industrials 1.44% (1.83%)</b>		
203,700	Wharf Holdings	1,069	1.44
	<b>Engineering &amp; machinery 1.46% (2.03%)</b>		
2,030,000	Guangdong Investment	1,087	1.46
	<b>General retailers 0.00% (0.43%)</b>		
	<b>Information technology hardware 0.00% (2.16%)</b>		
	<b>Insurance 1.02% (0.73%)</b>		
238,400	AIA Group	754	1.02
	<b>Oil &amp; gas 1.83% (0.00%)</b>		
1,064,000	CNOOC	1,359	1.83
	<b>Real estate 1.07% (0.99%)</b>		
116,000	China Overseas Grand Oceans	86	0.12
366,000	China Overseas Land	705	0.95
	<b>Speciality &amp; other finance 2.56% (3.06%)</b>		
3,076,000	China Everbright International	1,905	2.56
	<b>Transport 1.04% (0.00%)</b>		
352,000	China Merchant Holdings	776	1.04
	<b>Total Hong Kong</b>	<b>7,741</b>	<b>10.42</b>
<b>ITALY 2.02% (2.34%)</b>			
	<b>General retailers 2.02% (2.34%)</b>		
247,000	Prada	1,502	2.02
	<b>Total Italy</b>	<b>1,502</b>	<b>2.02</b>
<b>LUXEMBOURG 0.00% (1.76%)</b>			
	<b>Investment companies 0.00% (1.76%)</b>		
	<b>Total Luxembourg</b>	<b>–</b>	<b>–</b>
<b>UNITED STATES OF AMERICA 3.22% (2.02%)</b>			
	<b>Engineering &amp; machinery 2.23% (2.02%)</b>		
158,530	Hollysys Automation Technologies	1,658	2.23
	<b>General retailers 0.99% (0.00%)</b>		
17,230	Yum! Brands	732	0.99
	<b>Total United States of America</b>	<b>2,390</b>	<b>3.22</b>
<b>Total value of investments</b>		<b>73,020</b>	<b>98.31</b>
<b>Net other assets (1.06%)</b>		<b>1,258</b>	<b>1.69</b>
<b>Net assets</b>		<b>74,278</b>	<b>100.00</b>

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

April 2013 comparatives in brackets.

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.06% (0.69%)</b>				<b>Electronic &amp; electrical equipment 1.03% (0.90%)</b>			
	<b>Diversified industrials 1.06% (0.69%)</b>			907,000	Zhuzhou CSR Times Electric Company	2,006	1.03
178,916	Ansell	2,067	1.06	<b>Oil &amp; gas 0.90% (0.60%)</b>			
	<b>Total Australia</b>	<b>2,067</b>	<b>1.06</b>	1,010,000	China Oilfield Services	1,759	0.90
<b>BERMUDA 0.00% (1.17%)</b>					<b>Total China</b>	<b>6,285</b>	<b>3.23</b>
	<b>Banks 0.00% (1.17%)</b>			<b>CZECH REPUBLIC 0.67% (0.75%)</b>			
	<b>Total Bermuda</b>	<b>—</b>	<b>—</b>	8,459	<b>Banks 0.67% (0.75%)</b>	1,297	0.67
<b>BRAZIL 8.11% (12.49%)</b>					<b>Total Czech Republic</b>	<b>1,297</b>	<b>0.67</b>
	<b>Banks 1.85% (1.78%)</b>			<b>HONG KONG 8.45% (8.27%)</b>			
104,439	Banco Bradesco	967	0.50		<b>Engineering &amp; machinery 0.68% (0.70%)</b>		
268,253	Itaú Unibanco Banco Multiplo	2,634	1.35	2,450,000	Guangdong Investment	1,312	0.68
	<b>Beverages 1.68% (1.58%)</b>			2,445,000	<b>General retailers 1.28% (1.13%)</b>	2,490	1.28
136,918	Companhia de Bebidas das Americas	3,270	1.68		<b>Information technology hardware 0.73% (0.00%)</b>		
	<b>Construction &amp; building materials 0.00% (0.72%)</b>			2,144,000	Lenovo Group	1,428	0.73
	<b>Food &amp; drug retailers 0.00% (0.48%)</b>				<b>Insurance 1.35% (1.25%)</b>		
	<b>Food producers &amp; processors 1.24% (0.82%)</b>			828,600	AIA Group	2,622	1.35
84,000	M Dias Branco	2,422	1.24		<b>Oil &amp; gas 1.63% (1.37%)</b>		
693,216	Alpargatas	3,025	1.55	2,481,000	CNOOC	3,169	1.63
303,417	Petroleo Brasileiro	3,477	1.79		<b>Real estate 0.00% (0.81%)</b>		
	<b>Software &amp; computer services 0.00% (0.53%)</b>				<b>Speciality &amp; other finance 0.96% (0.79%)</b>		
	<b>Speciality &amp; other finance 0.00% (0.80%)</b>			3,069,000	China Everbright International	1,901	0.96
	<b>Steel &amp; other metals 0.00% (0.51%)</b>				<b>Telecommunications services 1.82% (2.22%)</b>		
	<b>Support services 0.00% (1.26%)</b>			541,500	China Mobile	3,545	1.82
	<b>Total Brazil</b>	<b>15,795</b>	<b>8.11</b>		<b>Total Hong Kong</b>	<b>16,467</b>	<b>8.45</b>
<b>CAYMAN ISLANDS 6.60% (4.75%)</b>				<b>INDIA 4.47% (7.47%)</b>			
	<b>Electronic &amp; electrical equipment 0.11% (1.01%)</b>				<b>Automobiles &amp; parts 0.00% (0.77%)</b>		
77,500	AAC Technologies Holdings	212	0.11		<b>Banks 0.00% (1.60%)</b>		
	<b>Food producers &amp; processors 0.94% (0.00%)</b>			155,645	<b>Health 0.73% (0.61%)</b>	1,426	0.73
674,000	China Mengniu Dairy	1,840	0.94		<b>Software &amp; computer services 1.56% (1.59%)</b>		
	<b>General retailers 0.53% (0.38%)</b>			95,089	HCL Technologies	1,051	0.54
1,528,000	Sa Sa International Holdings	1,039	0.53	15,266	Infosys	511	0.27
	<b>Oil &amp; gas 0.00% (0.96%)</b>			43,830	Infosys Technologies	1,465	0.75
	<b>Personal care &amp; household products 1.18% (0.81%)</b>				<b>Speciality &amp; other finance 1.06% (1.75%)</b>		
300,500	Hengan International Group	2,289	1.18	237,682	Housing Development Finance	2,065	1.06
	<b>Software &amp; computer services 3.84% (1.59%)</b>				<b>Tobacco 1.12% (1.15%)</b>		
10,648	Baidu (ADS)	1,095	0.56	644,500	ITC	2,184	1.12
45,833	Sina	2,355	1.21		<b>Total India</b>	<b>8,702</b>	<b>4.47</b>
118,700	Tencent Holdings	4,033	2.07	<b>INDONESIA 0.00% (2.40%)</b>			
	<b>Total Cayman Islands</b>	<b>12,863</b>	<b>6.60</b>		<b>Construction &amp; building materials 0.00% (1.11%)</b>		
<b>CHINA 3.23% (3.75%)</b>					<b>Media &amp; photography 0.00% (0.37%)</b>		
	<b>Automobiles &amp; parts 1.30% (1.21%)</b>				<b>Transport 0.00% (0.92%)</b>		
938,000	Dongfeng Motor Group	824	0.43		<b>Total Indonesia</b>	<b>—</b>	<b>—</b>
464,000	Great Wall Motor	1,696	0.87				
	<b>Banks 0.00% (1.04%)</b>						

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ISRAEL 0.00% (0.99%)</b>				<b>PANAMA 0.83% (0.63%)</b>			
	Chemicals 0.00% (0.99%)				Aerospace & defence 0.83% (0.63%)		
	<b>Total Israel</b>	—	—	17,162	Copa Holdings Class A	1,610	0.83
					<b>Total Panama</b>	<b>1,610</b>	<b>0.83</b>
<b>LUXEMBOURG 0.87% (1.42%)</b>				<b>PHILIPPINES 5.85% (4.92%)</b>			
	Oil & gas 0.00% (0.54%)				<b>Banks 0.80% (1.53%)</b>		
	<b>Personal care &amp; household products 0.87% (0.88%)</b>			1,219,964	Metroplitan Bank & Trust	1,562	0.80
997,200	Samsonite International	1,692	0.87		<b>Diversified industrials 0.54% (1.07%)</b>		
	<b>Total Luxembourg</b>	<b>1,692</b>	<b>0.87</b>	120,916	Ayala	1,047	0.54
<b>MALAYSIA 3.11% (1.64%)</b>					<b>Food producers &amp; processors 1.58% (0.76%)</b>		
	<b>Banks 1.04% (0.63%)</b>			2,982,300	Alliance Global Group	1,130	0.58
1,049,600	Malayan Banking	2,023	1.04	1,063,250	Universal Robina	1,947	1.00
	<b>Electricity 0.92% (0.00%)</b>				<b>General retailers 0.38% (0.78%)</b>		
968,600	Tenaga Nasional	1,795	0.92	885,427	Robinsons Retail Holdings	739	0.38
	<b>Telecommunications services 1.15% (1.01%)</b>			139,470	<b>Investment companies 0.88% (0.00%)</b>		
2,267,200	Digi.com	2,235	1.15		GT Capital Holdings	1,716	0.88
	<b>Total Malaysia</b>	<b>6,053</b>	<b>3.11</b>	45,965	<b>Telecommunications services 0.97% (0.78%)</b>		
<b>MEXICO 10.21% (7.09%)</b>					Philippine Long Distance	1,893	0.97
	<b>Banks 2.98% (1.23%)</b>				<b>Water 0.70% (0.00%)</b>		
1,608,600	Compartamos	1,886	0.97	19,525,700	Metro Pacific Investments	1,371	0.70
981,600	Grupo Financiero Banorte	3,917	2.01		<b>Total Philippines</b>	<b>11,405</b>	<b>5.85</b>
	<b>Beverages 1.27% (2.10%)</b>			<b>RUSSIAN FEDERATION 8.04% (6.73%)</b>			
42,129	Fomento Economico Mexicano	2,474	1.27		<b>Banks 1.08% (0.90%)</b>		
	<b>Construction &amp; building materials 1.38% (0.97%)</b>			265,206	Sberbank	2,108	1.08
103,494	Cemex SPONS ADR	683	0.35		<b>Chemicals 0.00% (0.47%)</b>		
3,068,976	Cemex	2,010	1.03	12,769	<b>Food producers &amp; processors 2.34% (1.44%)</b>		
	<b>Diversified industrials 1.48% (0.00%)</b>			59,633	Magnit	2,153	1.11
1,705,300	Alfa	2,876	1.48		Magnit SPON GDR	2,395	1.23
	<b>Food producers &amp; processors 0.61% (0.00%)</b>			2,275,946	<b>Mining 0.84% (1.12%)</b>		
855,663	Grupo Lala	1,189	0.61		Alrosa	1,634	0.84
	<b>General retailers 0.00% (0.50%)</b>			32,176	<b>Oil &amp; gas 2.70% (1.48%)</b>		
	<b>Mining 0.74% (1.10%)</b>			5,279,569	NovaTek	2,829	1.45
734,100	Grupo Mexico	1,453	0.74		Surgutneftegas OJSC	2,436	1.25
	<b>Pharmaceuticals &amp; biotechnology 0.00% (0.44%)</b>			256,263	<b>Steel &amp; other metals 1.08% (0.84%)</b>		
	<b>Reits 0.88% (0.75%)</b>				TMK	2,098	1.08
1,401,640	TF Administradora Industrial	1,708	0.88		<b>Telecommunications services 0.00% (0.48%)</b>		
	<b>Support services 0.87% (0.00%)</b>				<b>Total Russian Federation</b>	<b>15,653</b>	<b>8.04</b>
1,067,300	OHL Mexico	1,701	0.87				
	<b>Total Mexico</b>	<b>19,897</b>	<b>10.21</b>				
<b>NETHERLANDS 0.00% (0.75%)</b>							
	<b>Food producers &amp; processors 0.00% (0.75%)</b>						
	<b>Total Netherlands</b>	—	—				

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>SOUTH AFRICA 4.40% (4.21%)</b>							
	<b>Electronic &amp; electrical equipment 1.33% (1.60%)</b>			8,948,876	<b>Speciality &amp; other finance 1.94% (0.67%)</b> CTBC Financial Holdings	3,777	1.94
44,291	Naspers	2,602	1.33		<b>Telecommunications services 0.78% (0.58%)</b>		
	<b>Food producers &amp; processors 0.00% (0.69%)</b>			1,060,000	Far EasTone Telecommunications	1,517	0.78
	<b>Insurance 0.63% (0.00%)</b>				<b>Total Taiwan</b>	<b>21,601</b>	<b>11.09</b>
229,876	Discovery	1,220	0.63				
	<b>Mining 0.81% (1.92%)</b>			<b>THAILAND 4.29% (3.12%)</b>			
202,614	Impala Platinum Holdings	1,587	0.81		<b>Banks 1.51% (2.07%)</b>		
	<b>Pharmaceuticals &amp; biotechnology 1.63% (0.00%)</b>			558,916	Bangkok Bank	2,295	1.18
182,155	Aspen Pharmacare Holdings	3,168	1.63	198,078	SIAM Commercial Bank	651	0.33
	<b>Total South Africa</b>	<b>8,577</b>	<b>4.40</b>	1,557,900	<b>Food producers &amp; processors 0.90% (0.00%)</b> Thai Union Frozen Products	1,755	0.90
					<b>Oil &amp; gas 0.67% (0.00%)</b>		
<b>SOUTH KOREA 16.09% (11.00%)</b>				843,400	PTT Global Chemical	1,313	0.67
	<b>Automobiles &amp; parts 2.22% (1.43%)</b>				<b>Telecommunications services 1.21% (1.05%)</b>		
18,500	Halla Visteon Climate Control	428	0.22	672,200	Total Access Communication	1,515	0.78
26,235	Hyundai Motor	3,899	2.00	367,800	Total Access Communication NVDR	829	0.43
	<b>Banks 1.33% (0.44%)</b>				<b>Total Thailand</b>	<b>8,358</b>	<b>4.29</b>
108,090	Hana Financial Holdings	2,594	1.33				
	<b>Distributors 0.72% (0.35%)</b>			<b>TURKEY 3.24% (5.32%)</b>			
82,380	GS Retail	1,416	0.72		<b>Banks 0.00% (2.63%)</b>		
	<b>Electricity 0.73% (0.00%)</b>			138,399	<b>Beverages 1.25% (0.00%)</b> Coca-Cola İçecek	2,429	1.25
172,945	Korea Electric Power	1,418	0.73		<b>Diversified industrials 0.58% (1.06%)</b> Hacı Ömer Sabancı Holding	1,143	0.58
	<b>Food producers &amp; processors 0.00% (1.05%)</b>			378,538	<b>Engineering &amp; machinery 0.79% (0.54%)</b> Enka İnşaat	1,535	0.79
	<b>General retailers 0.75% (0.64%)</b>			818,923	<b>Food &amp; drug retailers 0.00% (1.09%)</b>		
14,865	Hyundai Department Store	1,471	0.75		<b>Household goods &amp; textiles 0.62% (0.00%)</b>		
	<b>Health 0.89% (0.74%)</b>			1,297,439	Türkiye Sise ve Cam Fabrikalar	1,207	0.62
5,365	LG Household & Health Care	1,733	0.89		<b>Total Turkey</b>	<b>6,314</b>	<b>3.24</b>
	<b>Information technology hardware 6.81% (5.65%)</b>						
11,878	Samsung Electronics	10,223	5.25		<b>UNITED KINGDOM 0.78% (1.15%)</b>		
161,810	SK Hynix	3,037	1.56		<b>Health 0.78% (0.00%)</b>		
	<b>Software &amp; computer services 1.37% (0.31%)</b>			171,671	Al Noor Hospitals Group	1,512	0.78
7,613	Naver	2,666	1.37		<b>Mining 0.00% (1.15%)</b>		
	<b>Speciality &amp; other finance 0.00% (0.39%)</b>				<b>Total United Kingdom</b>	<b>1,512</b>	<b>0.78</b>
	<b>Telecommunications services 1.27% (0.00%)</b>						
164,270	SK Telecom	2,468	1.27		<b>UNITED STATES OF AMERICA 1.16% (0.77%)</b>		
	<b>Total South Korea</b>	<b>31,353</b>	<b>16.09</b>		<b>Software &amp; computer services 1.16% (0.77%)</b>		
				98,807	Mail.ru Group	2,265	1.16
<b>TAIWAN 11.09% (6.90%)</b>					<b>Total United States of America</b>	<b>2,265</b>	<b>1.16</b>
	<b>Electronic &amp; electrical equipment 0.72% (0.96%)</b>						
435,000	Delta Electronics	1,402	0.72		<b>Total value of investments</b>	<b>199,766</b>	<b>102.55</b>
	<b>General retailers 1.14% (0.57%)</b>				<b>Net other (liabilities)/assets (1.62%)</b>	<b>(4,974)</b>	<b>(2.55)</b>
491,000	President Chain Store	2,229	1.14		<b>Net assets</b>	<b>194,792</b>	<b>100.00</b>
	<b>Information technology hardware 6.51% (4.12%)</b>						
359,000	Mediatek	3,061	1.57				
418,289	Taiwan Semiconductor	967	0.50				
746,442	Taiwan Semiconductor ADS	8,648	4.44				

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

April 2013 comparatives in brackets.

## Threadneedle Emerging Market Local Fund

### Portfolio Statement

as at 31 October 2013

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>BRAZIL 11.78% (7.87%)</b>					<b>LUXEMBOURG 1.43% (0.38%)</b>				
	<b>A- 11.78% (0.00%)</b>					<b>AAA 0.98% (0.00%)</b>			
BRL	21,819	Letra Tesouro Nacional 0% 01/01/2017	4,386	5.27	IDR	18,500,000,000	††European Investment Bank 5.2% 01/03/2022	819	0.98
BRL	6,143	Nota do Tesouro Nacional 0% 01/01/2015	1,729	2.08			<b>Baa1 0.00% (0.38%)</b>		
BRL	2,000	Nota do Tesouro Nacional 0% 01/01/2019	534	0.64			<b>Baa3 0.45% (0.00%)</b>		
BRL	3,045	Nota do Tesouro Nacional 0% 01/01/2021	805	0.97	RUB	19,000,000	Russian Agricultural Bank (RSHB) 8.625% 17/02/2017	372	0.45
BRL	9,066	Nota do Tesouro Nacional 0% 01/01/2023	2,347	2.82			<b>Total Luxembourg</b>	<b>1,191</b>	<b>1.43</b>
	<b>BBB 0.00% (1.84%)</b>								
	<b>Baa2 0.00% (6.03%)</b>								
	<b>Total Brazil</b>		<b>9,801</b>	<b>11.78</b>					
<b>CHILE 0.62% (0.57%)</b>					<b>MALAYSIA 4.88% (3.61%)</b>				
	<b>AA- 0.62% (0.57%)</b>					<b>A3 4.88% (3.61%)</b>			
CLP	418,500,000	Republic of Chile 5.5% 05/08/2020	520	0.62	MYR	4,251,000	Malaysian Government 3.48% 15/03/2023	831	1.00
	<b>Total Chile</b>		<b>520</b>	<b>0.62</b>	MYR	8,820,000	Malaysian Government 3.844% 15/04/2033	1,695	2.04
					MYR	4,294,000	Malaysian Government 3.892% 15/03/2027	835	1.00
					MYR	3,411,000	Malaysian Government 4.16% 15/07/2021	698	0.84
							<b>Total Malaysia</b>	<b>4,059</b>	<b>4.88</b>
<b>COLOMBIA 2.95% (3.92%)</b>					<b>MEXICO 11.39% (12.41%)</b>				
	<b>BBB 1.36% (1.95%)</b>					<b>A- 9.61% (12.41%)</b>			
COP	1,226,000,000	Republic of Colombia 7.75% 14/04/2021	464	0.56	MXN	31,447,300	Mexican Bonos Desarrollo Fixed Rate 6% 18/06/2015	1,569	1.89
COP	1,494,000,000	Republic of Colombia 9.85% 28/06/2027	661	0.80	MXN	15,556,100	Mexican Bonos Desarrollo Fixed Rate 6.25% 16/06/2016	787	0.95
	<b>Baa3 1.59% (1.97%)</b>				MXN	6,354,300	Mexican Bonos Desarrollo Fixed Rate 6.5% 09/06/2022	319	0.38
COP	3,844,000,000	Empresas P'blicas de Medellín 8.375% 01/02/2021	1,326	1.59	MXN	14,449,500	Mexican Bonos Desarrollo Fixed Rate 7.25% 15/12/2016	754	0.91
	<b>Total Colombia</b>		<b>2,451</b>	<b>2.95</b>	MXN	26,377,100	Mexican Bonos Desarrollo Fixed Rate 7.5% 03/06/2027	1,401	1.68
<b>DOMINICAN REPUBLIC 1.53% (0.00%)</b>					MXN	21,871,700	Mexican Bonos Desarrollo Fixed Rate 8% 11/06/2020	1,210	1.45
	<b>B1 1.53% (0.00%)</b>				MXN	35,167,300	Mexican Bonos Desarrollo Fixed Rate 8.5% 13/12/2018	1,954	2.35
DOP	50,000,000	Dominican Republic 11% 05/01/2018	698	0.84			<b>BBB+ 0.92% (0.00%)</b>		
DOP	33,700,000	Dominican Republic 18.5% 04/02/2028	577	0.69	MXN	18,580,000	Grupo Televisa 7.25% 14/05/2043	768	0.92
	<b>Total Dominican Republic</b>		<b>1,275</b>	<b>1.53</b>	MXN	16,880,000	Red de Carreteras de Occidente 9% 10/06/2028	715	0.86
							<b>Total Mexico</b>	<b>9,477</b>	<b>11.39</b>
<b>HUNGARY 5.71% (4.79%)</b>					<b>NIGERIA 3.78% (2.30%)</b>				
	<b>BB 5.71% (4.79%)</b>					<b>Ba3 3.78% (0.00%)</b>			
HUF	129,700,000	Republic of Hungary 6.5% 24/06/2019	403	0.48	NGN	128,253,000	Republic of Nigeria 16% 29/06/2019	575	0.69
HUF	568,620,000	Republic of Hungary 6.75% 24/11/2017	1,778	2.14	NGN	545,160,000	Republic of Nigeria 16.39% 27/01/2022	2,572	3.09
HUF	529,410,000	Republic of Hungary 7% 24/06/2022	1,684	2.02			<b>Not rated 0.00% (2.30%)</b>		
HUF	292,290,000	Republic of Hungary 8% 12/02/2015	889	1.07			<b>Total Nigeria</b>	<b>3,147</b>	<b>3.78</b>
	<b>Total Hungary</b>		<b>4,754</b>	<b>5.71</b>					
<b>INDONESIA 6.54% (5.64%)</b>					<b>PERU 2.37% (2.11%)</b>				
	<b>Baa3 6.54% (5.64%)</b>					<b>A- 2.37% (0.00%)</b>			
IDR	36,205,000,000	Republic of Indonesia 5.625% 15/05/2023	1,750	2.10	PEN	3,042,000	Republic of Peru 7.84% 12/08/2020	797	0.96
IDR	24,189,000,000	Republic of Indonesia 8.25% 15/06/2032	1,356	1.63	PEN	4,200,000	Republic of Peru 8.2% 12/08/2026	1,172	1.41
IDR	13,894,000,000	Republic of Indonesia 8.25% 15/07/2021	802	0.97			<b>BBB+ 0.00% (1.73%)</b>		
IDR	24,636,000,000	Republic of Indonesia 9.5% 15/07/2031	1,534	1.84			<b>Baa3 0.00% (0.38%)</b>		
	<b>Total Indonesia</b>		<b>5,442</b>	<b>6.54</b>			<b>Total Peru</b>	<b>1,969</b>	<b>2.37</b>
<b>ISRAEL 0.00% (1.07%)</b>									
	<b>Not rated 0.00% (1.07%)</b>								
	<b>Total Israel</b>		<b>—</b>	<b>—</b>					

## Threadneedle Emerging Market Local Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>PHILIPPINES 0.66% (2.13%)</b>					<b>SOUTH AFRICA 8.74% (6.96%)</b>				
		<b>BB+ 0.00% (2.13%)</b>					<b>A- 8.74% (0.00%)</b>		
		<b>BBB- 0.66% (0.00%)</b>			ZAR	23,766,388	Republic of South Africa 6.25% 31/03/2036	1,121	1.35
PHP	37,000,000	Republic of Philippines 3.9% 26/11/2022	551	0.66	ZAR	30,111,175	Republic of South Africa 7.25% 15/01/2020	1,900	2.28
		<b>Total Philippines</b>	<b>551</b>	<b>0.66</b>	ZAR	29,508,577	Republic of South Africa 8% 21/12/2018	1,945	2.34
<b>POLAND 8.67% (8.00%)</b>					ZAR	30,627,216	Republic of South Africa 10.5% 21/12/2026	2,310	2.77
		<b>A 8.67% (8.00%)</b>					<b>Baa1 0.00% (6.96%)</b>		
PLN	11,987,000	Republic of Poland 3.75% 25/04/2018	2,474	2.97			<b>Total South Africa</b>	<b>7,276</b>	<b>8.74</b>
PLN	3,797,000	Republic of Poland 5.25% 25/10/2017	827	1.00	<b>THAILAND 3.23% (5.92%)</b>				
PLN	4,756,000	Republic of Poland 5.25% 25/10/2020	1,051	1.26			<b>A- 3.23% (5.92%)</b>		
PLN	2,682,000	Republic of Poland 5.5% 25/04/2015	567	0.68	THB	39,400,000	*Thailand Government Bond 1.26376% 14/07/2021	776	0.93
PLN	10,059,000	Republic of Poland 5.75% 25/10/2021	2,291	2.76	THB	42,831,000	Thailand Government Bond 3.625% 16/06/2023	836	1.01
		<b>Total Poland</b>	<b>7,210</b>	<b>8.67</b>	THB	50,000,000	Thailand Government Bond 5.125% 13/03/2018	1,072	1.29
<b>REPUBLIC OF IRELAND 2.17% (1.83%)</b>							<b>Total Thailand</b>	<b>2,684</b>	<b>3.23</b>
		<b>BBB 0.46% (0.40%)</b>			<b>TURKEY 5.87% (10.81%)</b>				
RUB	19,500,000	RZD Capital 8.3% 02/04/2019	382	0.46			<b>Baa3 5.87% (0.00%)</b>		
		<b>BBB- 0.61% (0.51%)</b>			TRY	5,584,074	*Republic of Turkey 3.49738% 21/07/2021	2,125	2.55
RUB	26,400,000	GPB Eurobond Finance 7.875% 25/07/2016	509	0.61	TRY	2,739,775	Republic of Turkey 6.3% 14/02/2018	805	0.97
		<b>BB+ 1.10% (0.92%)</b>			TRY	2,877,187	Republic of Turkey 7.1% 08/03/2023	816	0.98
RUB	47,000,000	Alfa Bank 8.625% 26/04/2016	915	1.10	TRY	3,658,984	Republic of Turkey 8.5% 14/09/2022	1,135	1.37
		<b>Total Republic of Ireland</b>	<b>1,806</b>	<b>2.17</b>			<b>Not rated 0.00% (10.81%)</b>		
<b>ROMANIA 2.12% (1.81%)</b>							<b>Total Turkey</b>	<b>4,881</b>	<b>5.87</b>
		<b>A- 0.00% (1.81%)</b>			<b>UNITED KINGDOM 1.49% (0.00%)</b>				
		<b>Baa3 2.12% (0.00%)</b>					<b>Not rated 1.49% (0.00%)</b>		
RON	790,000	Romania Government Bond 5.85% 26/04/2023	160	0.19	RSD	172,720,000	Standard Bank 10% 19/10/2016	1,238	1.49
RON	7,910,000	Romania Government Bond 5.9% 26/07/2017	1,603	1.93			<b>Total United Kingdom</b>	<b>1,238</b>	<b>1.49</b>
		<b>Total Romania</b>	<b>1,763</b>	<b>2.12</b>	<b>URUGUAY 0.51% (1.47%)</b>				
<b>RUSSIAN FEDERATION 7.31% (7.56%)</b>							<b>BBB - 0.51% (1.47%)</b>		
		<b>BBB+ 7.31% (7.56%)</b>			UYU	7,842,201	*Oriental Republic of Uruguay 8.56452% 14/09/2018	428	0.51
RUB	38,290,000	Russia Government Bond 7.35% 20/01/2016	760	0.91			<b>Total Uruguay</b>	<b>428</b>	<b>0.51</b>
RUB	36,000,000	Russia Government Bond 7.5% 27/02/2019	725	0.87	<b>DERIVATIVES 0.58% (0.04%)</b>				
RUB	94,678,000	Russia Government Bond 7.6% 14/04/2021	1,911	2.30			<b>Forward foreign exchange contracts 0.58% (0.04%)</b>		
RUB	35,000,000	Russia Government Bond 7.6% 20/07/2022	706	0.85			Sell MXN 21,603,032		
RUB	95,945,000	Russia Government Bond 8.15% 03/02/2027	1,982	2.38			Buy USD 1,668,717 UBS	1	—
		<b>Total Russian Federation</b>	<b>6,084</b>	<b>7.31</b>			Sell ZAR 16,759,476		
<b>SLOVENIA 1.79% (0.92%)</b>							Buy USD 1,703,342 Citigroup	16	0.02
		<b>A- 1.79% (0.92%)</b>					Sell USD 1,677,256		
EUR	1,800,000	Republika Slovenija 4% 22/03/2018	1,490	1.79			Buy RON 5,741,856 HSBC	55	0.07
		<b>Total Slovenia</b>	<b>1,490</b>	<b>1.79</b>			Sell USD 1,745,073		
							Buy MYR 5,831,163 HSBC	64	0.08
							Sell USD 1,790,206		
							Buy MYR 5,911,261 Citigroup	51	0.06
							Sell USD 1,954,249		
							Buy MXN 25,688,223 UBS	17	0.02



## Threadneedle Emerging Market Local Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.58% (0.04%) (continued)</b>				Sell USD 662,483			
	Sell TRY 3,994,310			Buy CLP 327,266,513 HSBC	(13)	(0.02)	
	Buy USD 2,004,619 Citigroup	1	–	Sell USD 697,190			
	Sell MYR 6,698,712			Buy COP 1,364,713,829 HSBC	17	0.02	
	Buy USD 2,086,826 Citigroup	(22)	(0.03)	Sell GBP 500,000			
	Sell USD 2,086,294			Buy USD 796,970 UBS	(3)	–	
	Buy PLN 6,750,068 Citigroup	72	0.09	Sell USD 803,773			
	Sell USD 223,236			Buy GBP 500,000 Lloyds	(1)	–	
	Buy GBP 140,000 HSBC	1	–	Sell USD 989,055			
	Sell EUR 1,740,000			Buy BRL 2,151,195 HSBC	(9)	(0.01)	
	Buy USD 2,325,721 J.P. Morgan	(30)	(0.04)	Sell CLP 491,001,972			
	Sell THB 76,712,693			Buy USD 976,632 HSBC	9	0.01	
	Buy USD 2,398,021 HSBC	(40)	(0.05)	Sell USD 971,447			
	Sell USD 2,333,486			Buy MXN 12,750,943 UBS	8	0.01	
	Buy ZAR 24,021,042 HSBC	45	0.05	Sell USD 1,033,569			
	Sell USD 2,334,829			Buy PLN 3,210,426 Citigroup	9	0.01	
	Buy THB 75,765,203 HSBC	61	0.07	Sell USD 1,226,295			
	Sell RON 8,206,107			Buy ZAR 12,059,924 Goldman Sachs	(12)	(0.01)	
	Buy USD 2,438,658 BNP Parabis	(53)	(0.06)	Sell USD 1,230,482			
	Sell USD 2,406,325			Buy TRY 2,499,507 UBS	14	0.02	
	Buy PLN 7,721,884 BNP Parabis	70	0.08	Sell USD 1,290,476			
	Sell USD 2,560,611			Buy CLP 649,238,499 HSBC	(11)	(0.01)	
	Buy MYR 8,081,288 Citigroup	–	–	Sell RUB 42,118,073			
	Sell USD 2,599,290			Buy USD 1,287,818 HSBC	(14)	(0.02)	
	Buy ZAR 25,960,410 HSBC	–	–	Sell HUF 286,300,000			
	Sell USD 2,645,261			Buy USD 1,294,146 J.P. Morgan	(18)	(0.02)	
	Buy MXN 34,132,577 UBS	(7)	(0.01)	Sell PLN 4,019,769			
	Sell USD 2,641,420			Buy USD 1,295,110 BNP	(10)	(0.01)	
	Buy RUB 84,946,215 Barclays	–	–	Sell MXN 17,208,486			
	Sell BRL 5,908,642			Buy USD 1,303,229 HSBC	(15)	(0.02)	
	Buy USD 2,673,594 Citigroup	(2)	–	Sell MYR 4,178,636			
	Sell MXN 34,864,481			Buy USD 1,304,397 Citigroup	(12)	(0.01)	
	Buy USD 2,682,275 UBS	(5)	(0.01)	Sell BRL 2,924,007			
	Sell TRY 5,469,599			Buy USD 1,304,487 HSBC	(12)	(0.01)	
	Buy USD 2,740,721 UBS	(1)	–	Sell RUB 42,108,547			
	Sell ZAR 29,824,984			Buy USD 1,307,820 HSBC	(1)	–	
	Buy USD 2,954,016 Goldman Sachs	(20)	(0.02)	Sell HUF 292,146,933			
	Sell MXN 42,196,219			Buy USD 1,308,959 Citigroup	(26)	(0.03)	
	Buy USD 3,287,303 UBS	20	0.02	Sell USD 1,297,995			
	Sell PLN 11,349,322			Buy PLN 4,019,769 Citigroup	8	0.01	
	Buy USD 3,624,260 Citigroup	(48)	(0.06)	Sell USD 1,325,358			
	Sell USD 3,840,301			Buy THB 41,165,618 HSBC	(2)	–	
	Buy MYR 12,563,546 Citigroup	87	0.10	Sell USD 1,303,787			
	Sell USD 405,652			Buy MYR 4,178,636 RBS	12	0.01	
	Buy GBP 250,000 Citigroup	(3)	–	Sell USD 1,289,555			
	Sell GBP 260,000			Buy HUF 286,300,000 Barclays	21	0.03	
	Buy USD 415,518 Citigroup	(1)	–	Sell HUF 284,937,203			
	Sell USD 414,918			Buy USD 1,335,349 Citigroup	11	0.01	
	Buy HUF 90,771,870 Barclays	3	–	Sell PLN 4,072,748			
	Sell USD 4,148,516			Buy USD 1,336,823 UBS	5	0.01	
	Buy TRY 8,529,830 UBS	80	0.10	Sell USD 1,320,146			
	Sell USD 4,206,218			Buy HUF 292,500,000 Barclays	21	0.03	
	Buy THB 134,914,438 HSBC	78	0.09	Sell ZAR 14,533,662			
	Sell GBP 275,000			Buy USD 1,456,752 Citigroup	1	–	
	Buy USD 445,596 BNP Parabis	3	–	<b>Total derivatives</b>	<b>475</b>	<b>0.58</b>	
	Sell USD 4,521,603			<b>Total value of investments</b>	<b>79,972</b>	<b>96.12</b>	
	Buy TRY 9,035,908 J.P.Morgan	5	0.01	<b>Net other assets (7.88%)</b>	<b>3,224</b>	<b>3.88</b>	
	Sell USD 47,914			<b>Net assets</b>	<b>83,196</b>	<b>100.00</b>	
	Buy GBP 30,000 J.P.Morgan	–	–				

## Threadneedle Emerging Market Local Fund

### Portfolio Statement

(continued)

	Value £000
<b>ANALYSIS OF INVESTMENTS BY CREDIT RATINGS</b>	
AAA	819
AA–	520
A	7,210
A–	31,214
A3	4,059
BBB+	6,852
BBB	2,222
BBB–	1,488
Baa3	13,784
BB+	915
BB	4,754
Ba3	3,147
B1	1,275
Not rated	1,238
Total bonds	79,497
Derivatives	475
<b>Total value of investments</b>	<b>79,972</b>

### ANALYSIS OF COLLATERAL RECEIVED

Counterparty	Type	Value £000
Citibank	Cash	50
HSBC	Cash	220
UBS	Cash	116

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

April 2013 comparatives in brackets.

\*Variable rate bonds.

††At 31 October 2013 there were investments totalling £819,320 (0.98% 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 Global Extended Alpha Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.57% (1.47%)</b>				<b>INDIA 0.00% (0.47%)</b>			
	Diversified industrials 0.57% (1.47%)				Speciality & other finance 0.00% (0.47%)		
9,900	Ansell	114	0.57				
	<b>Total Australia</b>	<b>114</b>	<b>0.57</b>		<b>Total India</b>	<b>—</b>	<b>—</b>
<b>BELGIUM 1.71% (1.79%)</b>				<b>JAPAN 12.98% (14.94%)</b>			
	Beverages 1.71% (1.79%)				Automobiles & parts 1.58% (3.15%)		
5,313	Anheuser-Busch InBev	342	1.71	50,000	Mazda Motor	140	0.70
	<b>Total Belgium</b>	<b>342</b>	<b>1.71</b>	4,331	Toyota Motor	175	0.88
<b>BERMUDA 0.00% (0.87%)</b>					Banks 1.34% (1.52%)		
	Real estate 0.00% (0.87%)			88,000	Sumitomo Mitsui Trust Holdings	269	1.34
	<b>Total Bermuda</b>	<b>—</b>	<b>—</b>		Construction & building materials 1.58% (0.66%)		
<b>CANADA 5.10% (3.72%)</b>				44,000	Sekisui Chemical	317	1.58
	Chemicals 1.81% (2.09%)				Electronic & electrical equipment 0.91% (2.01%)		
10,551	Methanex	363	1.81	5,100	Daikin Industries	182	0.91
	Media & photography 0.00% (0.39%)				General retailers 2.12% (1.00%)		
	Mining 0.88% (1.24%)			14,800	Aeon	125	0.63
15,179	First Quantum Minerals	175	0.88	4,800	Ryohin Keikaku	298	1.49
	Oil & gas 2.41% (0.00%)				Health 0.67% (0.00%)		
21,300	Suncor Energy	482	2.41	22,000	Shimadzu	134	0.67
	<b>Total Canada</b>	<b>1,020</b>	<b>5.10</b>		Household goods & textiles 0.00% (0.70%)		
<b>CYPRUS 0.31% (0.84%)</b>					Media & photography 1.05% (0.73%)		
	Oil & gas 0.31% (0.84%)			17,000	Fuji Media Holdings	210	1.05
11,593	Prosafte	62	0.31		Pharmaceuticals & biotechnology 1.17% (0.00%)		
	<b>Total Cyprus</b>	<b>62</b>	<b>0.31</b>	5,000	Ono Pharmaceutical	234	1.17
<b>FRANCE 0.00% (1.62%)</b>					Software & computer services 1.23% (2.02%)		
	Automobiles & parts 0.00% (1.62%)			16,400	Konami	246	1.23
	<b>Total France</b>	<b>—</b>	<b>—</b>		Speciality & other finance 1.33% (2.01%)		
<b>GERMANY 2.73% (5.81%)</b>				58,300	Nomura Holdings	267	1.33
	Aerospace & defence 0.84% (1.19%)				Tobacco 0.00% (1.14%)		
2,673	MTU Aero Engines Holding	167	0.84		<b>Total Japan</b>	<b>2,597</b>	<b>12.98</b>
	Chemicals 1.33% (1.25%)			<b>NETHERLANDS 0.69% (1.23%)</b>			
2,501	Brenntag	266	1.33		Chemicals 0.69% (1.23%)		
	Electronic & electrical equipment 0.00% (1.50%)			2,963	LyondellBasell	139	0.69
	Health 0.56% (0.85%)				<b>Total Netherlands</b>	<b>139</b>	<b>0.69</b>
2,718	Fresenius Medical Care	113	0.56	<b>PHILIPPINES 1.23% (0.00%)</b>			
	Media & photography 0.00% (1.02%)				General retailers 1.23% (0.00%)		
	<b>Total Germany</b>	<b>546</b>	<b>2.73</b>	295,178	Robinsons Retail Holdings	246	1.23
<b>HONG KONG 0.98% (0.58%)</b>					<b>Total Philippines</b>	<b>246</b>	<b>1.23</b>
	Leisure entertainment & hotels 0.00% (0.58%)			<b>REPUBLIC OF IRELAND 1.47% (2.22%)</b>			
	Real estate 0.98% (0.00%)				Health 1.47% (2.22%)		
24,000	Sun Hung Kai Properties	196	0.98	7,378	Covidien	295	1.47
	<b>Total Hong Kong</b>	<b>196</b>	<b>0.98</b>		<b>Total Republic of Ireland</b>	<b>295</b>	<b>1.47</b>

## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 9.58% (8.69%)</b>				<b>UNITED STATES OF AMERICA 44.72% (39.76%)</b>			
	<b>Electronic &amp; electrical equipment 1.07% (0.96%)</b>				<b>Banks 1.13% (0.91%)</b>		
6,695	TE Connectivity	213	1.07	6,895	J.P. Morgan Chase	226	1.13
	<b>Food producers &amp; processors 1.78% (2.14%)</b>				<b>Chemicals 1.21% (2.17%)</b>		
7,934	Nestle	357	1.78	3,578	Airgas	243	1.21
	<b>General retailers 2.12% (1.84%)</b>				<b>Distributors 1.20% (1.15%)</b>		
18,666	Tyco International	424	2.12	4,550	Wesco International	241	1.20
	<b>Household goods &amp; textiles 1.06% (0.89%)</b>				<b>Diversified industrials 0.62% (0.68%)</b>		
529	Swatch Group	212	1.06	2,200	Philip Morris International	123	0.62
	<b>Pharmaceuticals &amp; biotechnology 1.97% (2.86%)</b>				<b>Engineering &amp; machinery 0.00% (0.44%)</b>		
8,127	Novartis	395	1.97		<b>General retailers 3.98% (4.77%)</b>		
	<b>Speciality &amp; other finance 1.58% (0.00%)</b>			16,215	Ebay	533	2.66
26,000	UBS	316	1.58	1,999	McDonald's	120	0.60
	<b>Total Switzerland</b>	<b>1,917</b>	<b>9.58</b>	3,800	TJX Companies	143	0.72
					<b>Health 1.38% (1.01%)</b>		
				1,652	Sirona Dental Systems	74	0.37
				3,674	Zimmer Holdings	202	1.01
<b>UNITED KINGDOM 11.36% (11.97%)</b>					<b>Information technology hardware 1.96% (3.97%)</b>		
	<b>Banks 0.76% (1.13%)</b>			6,902	Lam Research	234	1.17
22,213	HSBC Holdings	152	0.76	3,674	Qualcomm	158	0.79
	<b>Construction &amp; building materials 0.00% (1.03%)</b>				<b>Insurance 1.51% (1.65%)</b>		
	<b>Food producers &amp; processors 1.35% (1.27%)</b>			9,363	American International Group	303	1.51
10,715	Unilever	270	1.35		<b>Leisure entertainment &amp; hotels 0.00% (0.48%)</b>		
	<b>Insurance 1.48% (3.19%)</b>				<b>Media &amp; photography 5.02% (4.00%)</b>		
5,918	Aon	296	1.48	2,300	Charter Communications	194	0.97
	<b>Leisure entertainment &amp; hotels 1.30% (0.00%)</b>			14,557	Comcast Class A	427	2.13
7,600	Whitbread	261	1.30	2,900	Discovery Communications 'C' Shares	141	0.71
	<b>Media &amp; photography 1.17% (0.00%)</b>			5,703	Walt Disney	243	1.21
4,803	Liberty Global	234	1.17		<b>Oil &amp; gas 4.94% (1.84%)</b>		
	<b>Mining 0.76% (1.04%)</b>			3,330	Apache	185	0.93
4,749	Rio Tinto	152	0.76	3,318	Enterprise Products Partners	131	0.66
	<b>Oil &amp; gas 1.70% (1.99%)</b>			8,118	National-Oilwell Varco	414	2.07
19,681	BG Group	250	1.25	4,300	Occidental Petroleum	257	1.28
9,388	Tullow Oil	89	0.45		<b>Personal care &amp; household products 1.00% (0.00%)</b>		
	<b>Pharmaceuticals &amp; biotechnology 0.00% (1.24%)</b>			4,500	Estee Lauder Companies Class C	200	1.00
	<b>Real estate 1.57% (0.00%)</b>				<b>Pharmaceuticals &amp; biotechnology 4.49% (4.34%)</b>		
102,261	Foxtons Group	314	1.57	2,510	Amgen	183	0.92
	<b>Telecommunications services 0.12% (0.16%)</b>			6,038	Bristol-Myers Squibb	200	1.00
10,862	Vodafone Group	24	0.12	3,385	Mead Johnson Nutrition	173	0.87
	<b>Tobacco 1.15% (0.92%)</b>			17,680	Pfizer	341	1.70
9,900	Imperial Tobacco Group	231	1.15		<b>Software &amp; computer services 6.50% (6.81%)</b>		
	<b>Total United Kingdom</b>	<b>2,273</b>	<b>11.36</b>	6,900	Autodesk	172	0.86
				14,219	EMC	213	1.06
				6,574	Facebook	201	1.00
				553	Google	355	1.77
				543	priceline.com	362	1.81

## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 44.72% (39.76%) (continued)</b>			
	<b>Speciality &amp; other finance</b>		
	<b>6.93% (1.94%)</b>		
3,900	American Express	202	1.01
14,300	Carlyle Group	279	1.39
9,970	Discover Financial Services	326	1.63
340	MasterCard Class A	154	0.77
23,839	Och-Ziff Capital Management Gr	187	0.94
5,939	United Rentals	238	1.19
	<b>Support services 1.52% (1.24%)</b>		
7,525	Equifax	304	1.52
	<b>Transport 1.33% (2.36%)</b>		
1,864	Union Pacific	175	0.87
1,500	United Parcel Service	92	0.46
	<b>Total United States of America</b>	<b>8,949</b>	<b>44.72</b>
<b>DERIVATIVES 0.30% (0.79%)</b>			
	<b>Portfolio swaps 0.30% (0.79%)</b>		
	Nomura – Portfolio Swap	61	0.30
	<b>Total derivatives</b>	<b>61</b>	<b>0.30</b>
<b>Total value of investments</b>		<b>18,757</b>	<b>93.73</b>
<b>Net other assets (3.23%)</b>		<b>1,255</b>	<b>6.27</b>
<b>Net assets</b>		<b>20,012</b>	<b>100.00</b>

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

April 2013 comparatives in brackets

## Threadneedle Global Equity Income Fund

### Portfolio Statement

as at 31 October 2013

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 7.91% (8.68%)</b>				<b>FINLAND 1.38% (1.40%)</b>			
	<b>Banks 0.98% (1.09%)</b>				<b>Insurance 1.38% (1.40%)</b>		
914,577	Suncorp-Metway	7,250	0.98	342,955	Sampo	10,233	1.38
	<b>Beverages 1.05% (1.19%)</b>				<b>Total Finland</b>	<b>10,233</b>	<b>1.38</b>
1,023,158	Coca-Cola Amatil	7,825	1.05				
	<b>Diversified industrials 1.26% (1.08%)</b>			<b>FRANCE 3.21% (2.83%)</b>			
367,411	Wesfarmers	9,356	1.26		<b>Automobiles &amp; parts 0.00% (1.41%)</b>		
	<b>Engineering &amp; machinery 1.12% (1.09%)</b>				<b>Banks 1.52% (0.00%)</b>		
3,351,903	Sydney Airport	8,287	1.12	244,527	BNP Paribas	11,264	1.52
	<b>Mining 0.00% (1.01%)</b>				<b>Oil &amp; gas 1.69% (1.42%)</b>		
	<b>Real estate 1.03% (1.10%)</b>			329,154	Total	12,552	1.69
2,565,145	Goodman Group	7,665	1.03		<b>Total France</b>	<b>23,816</b>	<b>3.21</b>
	<b>Support services 1.61% (1.14%)</b>						
1,859,328	Amcor	11,938	1.61	<b>GERMANY 5.70% (4.03%)</b>			
	<b>Telecommunications services 0.86% (0.98%)</b>				<b>Automobiles &amp; parts 1.43% (0.00%)</b>		
2,084,238	Telstra	6,401	0.86	149,378	Bayerische Motoren Werke	10,581	1.43
	<b>Total Australia</b>	<b>58,722</b>	<b>7.91</b>		<b>Chemicals 1.23% (1.56%)</b>		
				141,739	BASF	9,134	1.23
					<b>Electronic &amp; electrical equipment 1.49% (1.15%)</b>		
				139,108	Siemens	11,027	1.49
					<b>Household goods &amp; textiles 1.55% (1.32%)</b>		
				141,426	Hugo Boss	11,523	1.55
					<b>Total Germany</b>	<b>42,265</b>	<b>5.70</b>
<b>BERMUDA 1.39% (1.44%)</b>							
	<b>Oil &amp; gas 1.39% (1.44%)</b>			<b>HONG KONG 2.61% (2.38%)</b>			
352,739	Seadrill	10,300	1.39		<b>Banks 1.18% (1.36%)</b>		
	<b>Total Bermuda</b>	<b>10,300</b>	<b>1.39</b>	4,313,000	BOC Hong Kong Holdings	8,742	1.18
					<b>Leisure entertainment &amp; hotels 1.43% (1.02%)</b>		
				5,273,000	SJM Holdings	10,602	1.43
					<b>Total Hong Kong</b>	<b>19,344</b>	<b>2.61</b>
<b>BRAZIL 1.67% (0.65%)</b>							
	<b>Beverages 1.05% (0.55%)</b>			<b>INDONESIA 1.17% (1.60%)</b>			
326,174	Companhia de Bebidas das Americas	7,759	1.05		<b>Gas distribution 1.17% (1.60%)</b>		
	<b>Support services 0.62% (0.10%)</b>			31,205,500	Perusahaan Gas Negara	8,696	1.17
473,300	Valid Solucoes	4,640	0.62		<b>Total Indonesia</b>	<b>8,696</b>	<b>1.17</b>
	<b>Total Brazil</b>	<b>12,399</b>	<b>1.67</b>				
				<b>ITALY 1.25% (1.20%)</b>			
<b>CANADA 3.13% (2.65%)</b>					<b>Gas distribution 1.25% (1.20%)</b>		
	<b>Media &amp; photography 1.09% (1.37%)</b>			2,885,232	Snam Rete Gas	9,254	1.25
742,100	Aimia	8,078	1.09		<b>Total Italy</b>	<b>9,254</b>	<b>1.25</b>
	<b>Oil &amp; gas 2.04% (1.28%)</b>						
359,853	Baytex Energy	9,298	1.25				
245,404	Crescent Point Energy	5,881	0.79				
	<b>Total Canada</b>	<b>23,257</b>	<b>3.13</b>				
<b>CAYMAN ISLANDS 2.16% (1.17%)</b>							
	<b>Leisure entertainment &amp; hotels 1.25% (1.17%)</b>						
16,254,000	Nagacorp	9,308	1.25				
	<b>Real estate 0.91% (0.00%)</b>						
15,825,000	Country Garden Holdings	6,733	0.91				
	<b>Total Cayman Islands</b>	<b>16,041</b>	<b>2.16</b>				
<b>CYPRUS 0.69% (1.44%)</b>							
	<b>Oil &amp; gas 0.69% (1.44%)</b>						
969,384	Prosafte	5,150	0.69				
	<b>Total Cyprus</b>	<b>5,150</b>	<b>0.69</b>				

## Threadneedle Global Equity Income Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>JAPAN 5.11% (3.68%)</b>					<b>SWITZERLAND 4.33% (4.00%)</b>				
		<b>Banks 1.00% (1.38%)</b>					<b>Food producers &amp; processors</b>		
	4,105,000	Aozora Bank	7,424	1.00		77,084	Nestle	3,469	0.47
		<b>Electronic &amp; electrical equipment</b>					<b>Pharmaceuticals &amp; biotechnology</b>		
	481,800	Canon	9,417	1.27		164,068	Novartis	7,977	1.08
		<b>Real estate 2.24% (1.34%)</b>				65,634	Roche Holding	11,367	1.53
	1,643	Activia Properties	8,831	1.19			<b>Speciality &amp; other finance</b>		
	1,360	Industrial & Infrastructure Fund				766,353	UBS	9,306	1.25
		<b>Speciality &amp; other finance</b>					<b>Total Switzerland</b>	<b>32,119</b>	<b>4.33</b>
		<b>0.60% (0.96%)</b>							
	1,241	Nomura Real estate Residential	4,418	0.60					
		<b>Total Japan</b>	<b>37,892</b>	<b>5.11</b>					
<b>MALAYSIA 0.85% (1.06%)</b>					<b>TAIWAN 4.26% (4.33%)</b>				
		<b>Telecommunications services</b>					<b>Electronic &amp; electrical equipment</b>		
		<b>0.85% (1.06%)</b>				2,721,000	Delta Electronics	8,772	1.18
	6,427,500	Digi.com	6,335	0.85		3,219,334	Radiant Opto-Electronics	7,511	1.01
		<b>Total Malaysia</b>	<b>6,335</b>	<b>0.85</b>			<b>Information technology hardware</b>		
						9,416,000	Siliconware Precision Industries	7,129	0.96
<b>NETHERLANDS 3.68% (2.78%)</b>							<b>Investment companies 0.58% (0.00%)</b>		
		<b>Chemicals 1.46% (1.47%)</b>				10,784,000	Asian Pay Television Trust	4,262	0.58
	230,317	LyondellBasell	10,809	1.46			<b>Telecommunications services</b>		
		<b>Food producers &amp; processors</b>				2,722,000	Far Eastone Telecommunications	3,897	0.53
	295,042	Unilever	7,301	0.98			<b>Total Taiwan</b>	<b>31,571</b>	<b>4.26</b>
		<b>Telecommunications services</b>							
		<b>1.24% (1.31%)</b>							
	342,442	Ziggo	9,174	1.24			<b>THAILAND 1.45% (1.24%)</b>		
		<b>Total Netherlands</b>	<b>27,284</b>	<b>3.68</b>			<b>Oil &amp; gas 0.67% (0.00%)</b>		
<b>NORWAY 1.27% (0.00%)</b>						3,185,200	PTT Global Chemical	4,961	0.67
		<b>Telecommunications services</b>					<b>Telecommunications services</b>		
		<b>1.27% (0.00%)</b>				2,159,200	Total Access Communication	4,866	0.66
	627,599	Telenor	9,413	1.27		401,400	Total Access Communication NVDR	904	0.12
		<b>Total Norway</b>	<b>9,413</b>	<b>1.27</b>			<b>Total Thailand</b>	<b>10,731</b>	<b>1.45</b>
<b>SINGAPORE 3.55% (4.85%)</b>							<b>UNITED KINGDOM 16.59% (15.99%)</b>		
		<b>Engineering &amp; machinery</b>					<b>Aerospace &amp; defence</b>		
		<b>1.45% (1.33%)</b>				1,956,928	BAE Systems	8,882	1.20
	1,965,000	Keppel	10,734	1.45			<b>Banks 1.53% (1.73%)</b>		
		<b>Investment companies 0.69% (1.08%)</b>				1,650,627	HSBC Holdings	11,312	1.53
	11,205,000	Hutchison Port Holdings Trust	5,100	0.69			<b>Food &amp; drug retailers 1.28% (1.40%)</b>		
		<b>Real estate 0.73% (1.21%)</b>				2,578,504	Tesco	9,486	1.28
	8,928,240	Keppel REIT	5,416	0.73			<b>Gas distribution 1.20% (1.61%)</b>		
		<b>Telecommunications services</b>				1,134,120	National Grid	8,897	1.20
		<b>0.68% (1.23%)</b>					<b>Insurance 1.48% (0.58%)</b>		
	2,276,000	Starhub	5,088	0.68		8,591,900	RSA Insurance Group	11,006	1.48
		<b>Total Singapore</b>	<b>26,338</b>	<b>3.55</b>			<b>Media &amp; photography 1.26% (1.13%)</b>		
						1,687,744	Informa	9,367	1.26



## Threadneedle Global Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 16.59% (15.99%) (continued)</b>				<b>Software &amp; computer services 0.00% (1.11%)</b>			
367,659	Mining 1.58% (1.16%) Rio Tinto	11,756	1.58				
	<b>Pharmaceuticals &amp; biotechnology 2.37% (2.95%)</b>			883,365	Speciality & other finance 4.60% (4.53%) Blackstone Group	14,464	1.95
221,425	AstraZeneca	7,254	0.98	208,425	CME Group	9,740	1.31
624,585	GlaxoSmithKline	10,281	1.39	1,262,394	Och-Ziff Capital Management Gr	9,910	1.34
	<b>Speciality &amp; other finance 2.12% (1.37%)</b>			293,625	Support services 1.18% (1.24%) TAL International Group	8,770	1.18
1,720,585	Intermediate Capital Group	8,309	1.12		<b>Telecommunications services 1.36% (1.28%)</b>		
4,855,113	Moneysupermarket.com	7,433	1.00	446,419	AT&T	10,090	1.36
	<b>Telecommunications services 1.28% (1.26%)</b>				<b>Tobacco 0.00% (1.41%)</b>		
4,248,730	Vodafone Group	9,513	1.28		<b>Total United States of America</b>	<b>175,921</b>	<b>23.71</b>
	<b>Tobacco 1.29% (1.43%)</b>						
410,176	Imperial Tobacco Group	9,569	1.29				
	<b>Total United Kingdom</b>	<b>123,065</b>	<b>16.59</b>	<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>UNITED STATES OF AMERICA 23.71% (30.16%)</b>					<b>Forward foreign exchange contracts 0.00% (0.00%)</b>		
366,846	Chemicals 1.21% (1.00%) Dow Chemical	8,978	1.21		Sell USD 8,485		
	<b>Diversified industrials 1.63% (1.15%)</b>				Buy SGD 10,488 J.P. Morgan	—	—
217,590	Philip Morris International	12,121	1.63		Sell USD 290,629		
	<b>Electricity 0.00% (1.28%)</b>				Buy SGD 359,269 J.P. Morgan	—	—
	<b>Electronic &amp; electrical equipment 0.60% (0.00%)</b>				<b>Total derivatives</b>	<b>—</b>	<b>—</b>
311,650	Pattern Energy Group	4,465	0.60		<b>Total value of investments</b>	<b>720,146</b>	<b>97.07</b>
	<b>Food producers &amp; processors 1.14% (1.78%)</b>				<b>Net other assets (2.44%)</b>	<b>21,741</b>	<b>2.93</b>
245,339	Kraft Foods Group	8,481	1.14		<b>Net assets</b>	<b>741,887</b>	<b>100.00</b>
	<b>Gas distribution 0.56% (1.24%)</b>			<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>			
188,127	Kinder Morgan	4,169	0.56	<i>April 2013 comparatives in brackets.</i>			
	<b>Household goods &amp; textiles 1.35% (0.89%)</b>						
315,508	Lorillard	10,035	1.35				
	<b>Investment companies 1.04% (1.23%)</b>						
384,939	Apollo Global Management	7,702	1.04				
	<b>Leisure entertainment &amp; hotels 2.66% (1.20%)</b>						
215,702	Las Vegas Sands	9,591	1.29				
431,447	Six Flags Entertainment	10,174	1.37				
	<b>Oil &amp; gas 2.38% (5.07%)</b>						
75,974	BP Prudhoe Bay Royalty Trust	3,778	0.51				
244,764	Enterprise Products Partners	9,688	1.31				
143,311	HollyFrontier	4,180	0.56				
	<b>Pharmaceuticals &amp; biotechnology 2.35% (3.71%)</b>						
287,220	Abbvie	8,739	1.18				
306,144	Merck & Co	8,636	1.17				
	<b>Real estate 1.65% (2.04%)</b>						
994,820	New Residential Investment	4,150	0.56				
1,225,830	Newcastle Investment Corp	4,410	0.60				
334,279	Redwood Trust	3,650	0.49				

## 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 Mid 250 Fund</b>							
<b>for the year ended 30 April 2011</b>				<b>2008</b>			
Class 1 – Net accumulation shares	35,311	129.91p	27,180,841	Class 1 – Net accumulation shares	0.9548	105.42	61.01
Class 2 – Net accumulation shares	50,139	135.74p	36,937,951	Class 2 – Net accumulation shares	1.5567	108.31	62.84
<b>for the year ended 30 April 2012</b>				<b>2009</b>			
Class 1 – Net accumulation shares	38,552	130.11p	29,630,912	Class 1 – Net accumulation shares	1.1391	102.15	65.48
Class 2 – Net accumulation shares	54,448	136.73p	39,820,496	Class 2 – Net accumulation shares	1.6557	105.80	67.58
<b>for the year ended 30 April 2013</b>				<b>2010</b>			
Class 1 – Net accumulation shares	45,204	162.07p	27,891,329	Class 1 – Net accumulation shares	1.1272	125.51	94.55
Class 2 – Net accumulation shares	73,502	171.30p	42,907,768	Class 2 – Net accumulation shares	1.7325	130.89	98.11
Class Z – Net accumulation shares	5,395	117.85p	4,577,876	<b>2011</b>			
<b>for the period ended 31 October 2013</b>				Class 1 – Net accumulation shares	0.8100	134.34	105.73
Class 1 – Net accumulation shares	53,328	184.19p	28,952,464	Class 2 – Net accumulation shares	1.5269	140.52	110.67
Class 2 – Net accumulation shares	78,464	195.25p	40,186,949	<b>2012</b>			
Class Z – Net accumulation shares	13,275	134.43p	9,875,210	Class 1 – Net accumulation shares	1.8563	146.54	115.56
				Class 2 – Net accumulation shares	2.6844	154.58	121.23
				<sup>1</sup> Class Z – Net accumulation shares	–	106.28	99.85
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net accumulation shares	2.4475	185.70	148.67
				<sup>†</sup> Class 2 – Net accumulation shares	3.4392	196.84	156.85
				<sup>†</sup> Class Z – Net accumulation shares	2.3060	135.53	107.84
				<i><sup>†</sup>To 31 October 2013</i>			
				<i><sup>1</sup>Class Z – Net accumulation shares commenced on 7 September 2012</i>			
<b>UK Extended Alpha Fund</b>							
<b>for the year ended 30 April 2011</b>				<b>2008</b>			
Class 1 – Net accumulation shares	3,653	246.45p	1,482,382	Class 1 – Net accumulation shares	3.9985	247.52	147.36
Class 2 – Net accumulation shares	15,854	256.74p	6,175,316	Class 2 – Net accumulation shares	5.4312	251.52	151.57
Class X – Net accumulation shares	4	110.11p	3,000	<sup>1</sup> Class X – Net accumulation shares	0.9841	105.37	63.66
<b>for the year ended 30 April 2012</b>				<b>2009</b>			
Class 1 – Net accumulation shares	3,823	254.56p	1,501,583	Class 1 – Net accumulation shares	4.7402	219.24	146.81
Class 2 – Net accumulation shares	15,746	266.83p	5,901,093	Class 2 – Net accumulation shares	5.9383	226.44	151.21
Class X – Net accumulation shares	3	113.86p	3,000	Class X – Net accumulation shares	4.5937	96.29	64.13
<b>for the year ended 30 April 2013</b>				<b>2010</b>			
Class 1 – Net accumulation shares	4,103	298.41p	1,374,810	Class 1 – Net accumulation shares	3.4027	239.66	194.69
Class 2 – Net accumulation shares	19,628	314.50p	6,241,047	Class 2 – Net accumulation shares	4.6995	249.28	201.95
Class X – Net accumulation shares	397	135.14p	293,704	Class X – Net accumulation shares	2.6615	106.49	85.87
<b>for the period ended 31 October 2013</b>				<b>2011</b>			
Class 1 – Net accumulation shares	4,646	330.01p	1,407,920	Class 1 – Net accumulation shares	2.1920	251.67	200.97
Class 2 – Net accumulation shares	20,935	348.61p	6,005,124	Class 2 – Net accumulation shares	3.5805	262.38	209.85
Class X – Net accumulation shares	444	151.12p	293,704	Class X – Net accumulation shares	2.0687	113.09	90.12
				<b>2012</b>			
				Class 1 – Net accumulation shares	5.1460	269.59	232.01
				Class 2 – Net accumulation shares	6.7661	283.69	243.39
				Class X – Net accumulation shares	3.7034	121.57	103.84
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net accumulation shares	5.4076	331.47	271.61
				<sup>†</sup> Class 2 – Net accumulation shares	7.2526	350.15	285.84
				<sup>†</sup> Class X – Net accumulation shares	3.9727	151.98	122.89
				<i><sup>†</sup>To 31 October 2013</i>			
				<i><sup>1</sup>Class X – Net accumulation shares commenced 14 January 2008</i>			
<b>UK Equity Alpha Income Fund</b>							
<b>for the year ended 30 April 2011</b>				<b>2008</b>			
Class 1 – Net income shares	43,156	48.78p	88,476,184	Class 1 – Net income shares	2.7332	55.71	35.37
Class 2 – Net income shares	191,063	50.03p	381,907,693	Class 2 – Net income shares	2.8438	56.18	35.83
<b>for the year ended 30 April 2012</b>				<b>2009</b>			
Class 1 – Net income shares	66,321	47.10p	140,809,329	Class 1 – Net income shares	2.2872	44.17	34.02
Class 2 – Net income shares	190,750	48.56p	392,847,110	Class 2 – Net income shares	2.3200	44.96	34.52
<b>for the year ended 30 April 2013</b>				<b>2010</b>			
Class 1 – Net income shares	126,519	55.97p	226,067,255	Class 1 – Net income shares	2.3747	47.11	39.01
Class 2 – Net income shares	288,984	57.99p	498,347,290	Class 2 – Net income shares	2.4875	48.24	39.85
Class Z – Net income shares	2,587	114.09p	2,267,500	<b>2011</b>			
<b>for the period ended 31 October 2013</b>				Class 1 – Net income shares	2.0731	49.91	41.57
Class 1 – Net income shares	190,376	63.93p	297,786,603	Class 2 – Net income shares	2.1625	51.20	42.71
Class 2 – Net income shares	355,109	66.41p	534,712,363	<b>2012</b>			
Class Z – Net income shares	32,224	130.82p	24,632,238	Class 1 – Net income shares	2.3975	51.60	44.23
				Class 2 – Net income shares	2.5094	53.38	45.62
				<sup>1</sup> Class Z – Net income shares	0.5498	104.92	97.78
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net income shares	2.5083	65.52	51.86
				<sup>†</sup> Class 2 – Net income shares	2.6439	68.09	53.65
				<sup>†</sup> Class Z – Net income shares	5.1164	134.07	105.46
				<i><sup>†</sup>To 31 October 2013</i>			
				<i><sup>1</sup>Class Z – Net income shares commenced 7 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>UK Absolute Alpha Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	6,067	107.27p	5,656,132	<b>2010</b>	–	105.08	99.51
Class 2 – Net accumulation shares	8,327	107.82p	7,722,598	*Class 1 – Net accumulation shares	–	105.25	99.52
Class 2 – EUR Hedged net accumulation shares	1,078	108.30p	995,686	*Class 2 – Net accumulation shares	–	102.36	95.77
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	16,572	109.65p	15,113,075	<b>2011</b>	–	109.03	102.92
Class 2 – Net accumulation shares	46,858	110.42p	42,435,330	Class 1 – Net accumulation shares	0.1599	109.61	103.59
Class 2 – EUR Hedged net accumulation shares	1,016	102.09p	995,686	Class 2 – Net accumulation shares	0.1800	110.97	99.21
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	23,066	116.07p	19,872,817	<b>2012</b>	–	112.23	106.74
Class 2 – Net accumulation shares	45,601	117.46p	38,821,417	Class 1 – Net accumulation shares	0.1994	113.21	107.56
Class 2 – EUR Hedged net accumulation shares	11,457	111.84p	10,244,373	Class 2 – Net accumulation shares	0.1734	108.28	97.70
Class Z – Net accumulation shares	6,513	104.35p	6,241,519	Class 2 – EUR Hedged net accumulation shares	–	100.99	98.47
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	23,304	121.75p	19,140,218	<b>2013</b>	–	121.93	112.41
Class 2 – Net accumulation shares	52,918	123.29p	42,922,138	†Class 1 – Net accumulation shares	–	123.50	113.62
Class 2 – EUR Hedged net accumulation shares	28,690	118.06p	24,301,624	†Class 2 – Net accumulation shares	0.0818	119.72	104.39
Class Z – Net accumulation shares	21,112	109.56p	19,270,486	†Class 2 – EUR Hedged net accumulation shares	0.2398	109.72	101.35
<i>*Fund launched 10 September 2010</i>							
<i>†To 31 October 2013</i>							
<i>‡Class 2 – EUR Hedged net accumulation shares commenced 15 October 2010</i>							
<i>§Class Z – Net accumulation shares commenced 7 September 2012</i>							
<b>Absolute Return Bond Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	203,439	62.22p	326,954,904	<b>2008</b>	0.7002	61.60	54.78
§Class 1 – Gross accumulation shares	53,465	63.70p	83,937,976	Class 1 – Net accumulation shares	0.3369	62.90	55.57
Class 2 – Net accumulation shares	133,927	64.12p	208,883,324	Class 1 – Gross accumulation shares	0.6170	62.68	55.45
§Class 2 – Gross accumulation shares	165,489	66.12p	250,285,673	Class 2 – Net accumulation shares	2.7458	64.28	56.40
§Class X – Gross accumulation shares	3	99.07p	3,001	Class 2 – Gross accumulation shares	0.4388	63.78	60.93
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	220,075	62.37p	352,880,549	<b>2009</b>	1.5541	65.27	62.23
§Class 1 – Gross accumulation shares	57,184	63.84p	89,571,614	Class 1 – Net accumulation shares	0.4187	65.21	62.01
Class 2 – Net accumulation shares	66,815	64.64p	103,369,850	Class 1 – Gross accumulation shares	0.3940	67.09	63.60
§Class 2 – Gross accumulation shares	135,431	66.72p	202,973,675	Class 2 – Net accumulation shares	0.2443	63.59	62.58
§Class X – Gross accumulation shares	3	100.65p	3,001	Class 1 – Gross accumulation shares	0.4216	65.09	64.06
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	160,129	62.80p	255,000,895	Class 2 – Net accumulation shares	0.5126	65.16	64.23
§Class 1 – Gross accumulation shares	72,435	64.34p	112,579,804	Class 2 – Gross accumulation shares	0.5361	67.10	66.17
Class 2 – Net accumulation shares	42,875	65.45p	65,509,138	<b>2010</b>	0.0026	64.11	60.81
§Class 2 – Gross accumulation shares	94,530	67.70p	139,628,503	Class 1 – Net accumulation shares	0.0032	65.63	62.25
§Class X – Gross accumulation shares	3	102.84p	3,001	Class 1 – Gross accumulation shares	0.4311	66.29	62.75
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	143,362	62.86p	228,051,257	Class 2 – Net accumulation shares	0.4218	68.39	64.73
§Class 1 – Gross accumulation shares	69,456	64.45p	107,769,502	Class 2 – Gross accumulation shares	0.3058	102.88	97.14
Class 2 – Net accumulation shares	43,843	65.70p	66,733,435	<b>2011</b>	–	64.19	62.31
§Class 2 – Gross accumulation shares	94,481	68.05p	138,848,501	Class 1 – Net accumulation shares	–	65.75	63.78
§Class X – Gross accumulation shares	3	103.72p	3,001	Class 1 – Gross accumulation shares	0.3035	66.73	64.50
<i>§Only available to eligible investors</i>							
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	160,129	62.80p	255,000,895	Class 2 – Net accumulation shares	0.3464	68.97	66.56
§Class 1 – Gross accumulation shares	72,435	64.34p	112,579,804	Class 2 – Gross accumulation shares	1.1822	104.41	100.26
Class 2 – Net accumulation shares	42,875	65.45p	65,509,138	<b>2013</b>	0.2190	64.65	62.07
§Class 2 – Gross accumulation shares	94,530	67.70p	139,628,503	†Class 1 – Net accumulation shares	0.1804	66.24	63.61
§Class X – Gross accumulation shares	3	102.84p	3,001	†Class 1 – Gross accumulation shares	0.6242	67.42	64.66
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	143,362	62.86p	228,051,257	†Class 2 – Net accumulation shares	1.0171	69.75	66.89
§Class 1 – Gross accumulation shares	69,456	64.45p	107,769,502	†Class 2 – Gross accumulation shares	1.7854	106.03	101.54
Class 2 – Net accumulation shares	43,843	65.70p	66,733,435	<i>†To 31 October 2013</i>	–	–	–
§Class 2 – Gross accumulation shares	94,481	68.05p	138,848,501	<i>‡Class X – Gross accumulation shares commenced 17 February 2011</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>Target Return Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	6,369	103.66p	6,144,144	<b>2008</b>			
\$Class 1 – Gross accumulation shares	103,969	105.42p	98,619,035	Class 1 – Net accumulation shares	1.4007	112.82	77.38
\$Class 1 – USD Hedged gross accumulation shares	4,632	59.08p	7,841,059	Class 1 – Gross accumulation shares	0.3675	114.42	78.04
\$Class 2 – Gross income shares	724	104.76p	691,006	Class 2 – Gross accumulation shares	0.6694	116.60	79.00
\$Class 2 – Gross accumulation shares	148,303	109.15p	135,870,364	<b>2009</b>			
\$Class X – Gross accumulation shares	35,310	104.90p	33,661,870	Class 1 – Net accumulation shares	1.1474	111.83	99.41
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	4,078	95.62p	4,264,673	Class 1 – Gross accumulation shares	1.9362	113.67	100.97
\$Class 1 – Gross accumulation shares	96,271	97.25p	98,990,119	<sup>1</sup> Class 1 – USD Hedged gross accumulation shares	0.0654	72.68	59.02
\$Class 1 – CHF Hedged gross accumulation shares	13	98.97p	13,418	Class 2 – Gross accumulation shares	1.7373	116.48	103.24
\$Class 1 – USD Hedged gross accumulation shares	950	60.82p	1,561,701	<b>2010</b>			
\$Class 2 – Gross income shares	155	96.84p	159,892	Class 1 – Net accumulation shares	0.9435	108.57	95.70
\$Class 2 – Gross accumulation shares	127,075	101.37p	125,358,665	Class 1 – Gross accumulation shares	0.4981	110.40	97.32
\$Class X – Gross accumulation shares	24,874	98.03p	25,373,432	Class 1 – USD Hedged gross accumulation shares	0.2833	70.69	61.33
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	2,054	99.04p	2,073,866	<sup>2</sup> Class 2 – Gross income shares	–	106.25	99.35
\$Class 1 – Gross accumulation shares	32,210	100.72p	31,979,440	Class 2 – Gross accumulation shares	1.0933	113.44	100.20
\$Class 1 – CHF Hedged gross accumulation shares	25	100.30p	24,927	<b>2011</b>			
\$Class 1 – USD Hedged gross accumulation shares	426	63.85p	667,334	Class 1 – Net accumulation shares	0.1015	104.61	98.00
\$Class 2 – Gross income shares	124	100.05p	123,675	Class 1 – Gross accumulation shares	0.1285	106.42	99.66
\$Class 2 – Gross accumulation shares	104,399	105.73p	98,739,468	Class 1 – USD Hedged gross accumulation shares	0.0782	65.33	58.53
\$Class X – Gross accumulation shares	17,695	102.95p	17,188,828	Class 2 – Gross income shares	0.4861	105.84	99.07
Class Z – Net accumulation shares	3	103.24p	3,050	Class 2 – Gross accumulation shares	2.0033	110.19	102.98
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	1,926	99.90p	1,927,788	<sup>3</sup> Class X – Gross accumulation shares	0.8909	105.91	99.71
\$Class 1 – Gross accumulation shares	28,216	101.69p	27,747,249	<b>2012</b>			
\$Class 1 – CHF Hedged gross accumulation shares	18	100.31p	17,927	Class 1 – Net accumulation shares	–	99.89	92.60
\$Class 1 – USD Hedged gross accumulation shares	167	61.81p	269,347	Class 1 – Gross accumulation shares	–	101.60	94.15
\$Class 2 – Gross income shares	116	100.88p	115,383	<sup>4</sup> Class 1 – CHF Hedged gross accumulation shares	–	100.22	95.75
\$Class 2 – Gross accumulation shares	96,540	107.11p	90,131,136	Class 1 – USD Hedged gross accumulation shares	–	65.39	60.82
\$Class X – Gross accumulation shares	17,985	104.63p	17,188,981	Class 2 – Gross income shares	0.3661	101.32	93.95
Class Z – Net accumulation shares	9	104.46p	8,426	Class 2 – Gross accumulation shares	0.2385	105.78	98.34
\$Class Z – Gross accumulation shares	1	101.34p	1,000	Class X – Gross accumulation shares	1.0676	102.23	95.28
<i>\$Only available to eligible investors</i>							
				<sup>5</sup> Class Z – Net accumulation shares	0.0062	101.68	99.33
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net accumulation shares	0.1619	104.26	96.28
				<sup>†</sup> Class 1 – Gross accumulation shares	0.1443	106.01	97.90
				<sup>†</sup> Class 1 – CHF Hedged gross accumulation shares	0.4156	104.80	98.78
				<sup>†</sup> Class 1 – USD Hedged gross accumulation shares	0.1092	68.16	61.18
				<sup>†</sup> Class 2 – Gross income shares	1.3454	106.06	97.85
				<sup>†</sup> Class 2 – Gross accumulation shares	1.4342	111.14	102.55
				<sup>†</sup> Class X – Gross accumulation shares	1.9948	108.32	99.64
				<sup>†</sup> Class Z – Net accumulation shares	0.9639	108.67	100.29
				<sup>††</sup> Class Z – Gross accumulation shares	–	102.14	99.72
				<i><sup>†</sup>To 31 October 2013</i>			
				<i><sup>1</sup>Class 1 – USD Hedged gross accumulation shares commenced 11 March 2009</i>			
				<i><sup>2</sup>Class 2 – Gross income shares commenced 20 September 2010</i>			
				<i><sup>3</sup>Class X – Gross accumulation shares commenced 7 February 2011</i>			
				<i><sup>4</sup>Class 1 – CHF Hedged gross accumulation shares commenced 25 April 2012</i>			
				<i><sup>5</sup>Class Z – Net accumulation shares commenced 3 October 2012</i>			
				<i><sup>6</sup>Class Z – Gross accumulation shares commenced 18 September 2013</i>			
<b>Pan European Focus Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	27,545	157.76p	17,460,498	<b>2008</b>			
Class 2 – Net accumulation shares	34,965	163.28p	21,414,393	Class 1 – Net accumulation shares	0.3355	138.04	82.18
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	17,728	141.15p	12,560,097	Class 2 – Net accumulation shares	1.1168	140.96	84.39
Class 2 – Net accumulation shares	29,015	146.68p	19,781,328	<b>2009</b>			
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	17,372	168.01p	10,339,440	Class 1 – Net accumulation shares	1.6839	126.41	82.08
Class 2 – Net accumulation shares	49,566	175.24p	28,284,909	Class 2 – Net accumulation shares	2.4080	130.05	84.44
Class Z – Net accumulation shares	5	117.85p	4,786	<b>2010</b>			
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	18,223	188.10p	9,688,317	Class 1 – Net accumulation shares	0.5219	149.58	112.22
Class 2 – Net accumulation shares	53,429	196.66p	27,167,735	Class 2 – Net accumulation shares	1.2154	154.47	115.67
Class Z – Net accumulation shares	1,012	132.27p	764,891	<b>2011</b>			
				Class 1 – Net accumulation shares	0.1005	161.38	121.08
				Class 2 – Net accumulation shares	0.9180	167.04	125.64
				<b>2012</b>			
				Class 1 – Net accumulation shares	0.6265	151.80	127.10
				Class 2 – Net accumulation shares	1.5020	158.08	131.97
				<sup>†</sup> Class Z – Net accumulation shares	–	106.22	98.33
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net accumulation shares	1.2777	189.30	152.01
				<sup>†</sup> Class 2 – Net accumulation shares	2.2073	197.92	158.33
				<sup>†</sup> Class Z – Net accumulation shares	1.3418	133.11	106.48
				<i><sup>†</sup>To 31 October 2013</i>			
				<i><sup>1</sup>Class Z – Net accumulation shares commenced 12 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>Pan European Equity Dividend Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net income shares	11,374	70.40p	16,156,206	2008	3.0647	78.25	48.20
Class 1 – Net accumulation shares	356	86.21p	413,036	Class 1 – Net accumulation shares	3.1564	81.89	52.03
Class 2 – Net income shares	307	72.30p	424,641	Class 2 – Net income shares	3.1446	78.98	48.87
Class 2 – Net accumulation shares	4	89.61p	4,253	Class 2 – Net accumulation shares	3.3464	82.84	52.91
<b>for the year ended 30 April 2012</b>							
Class 1 – Net income shares	11,114	62.33p	17,830,138	2009	2.4294	64.21	43.70
Class 1 – Net accumulation shares	1,617	80.32p	2,013,387	Class 1 – Net accumulation shares	2.6856	73.54	48.11
Class 2 – Net income shares	326	64.34p	506,717	Class 2 – Net income shares	2.5143	65.41	44.38
Class 2 – Net accumulation shares	56	84.00p	65,751	Class 2 – Net accumulation shares	2.8587	75.35	49.03
<b>for the year ended 30 April 2013</b>							
Class 1 – Net income shares	16,259	75.55p	21,521,480	2010	2.8927	67.62	55.65
Class 1 – Net accumulation shares	4,324	101.33p	4,267,312	Class 1 – Net accumulation shares	3.3666	81.36	65.54
Class 2 – Net income shares	1,308	78.38p	1,668,515	Class 2 – Net income shares	3.0140	69.33	56.92
Class 2 – Net accumulation shares	2,549	106.59p	2,391,248	Class 2 – Net accumulation shares	3.5878	84.38	69.06
Class Z – Net income shares	36	115.18p	31,187	2011	2.8636	71.67	57.07
<b>for the period ended 31 October 2013</b>							
Class 1 – Net income shares	23,499	81.56p	28,812,192	Class 1 – Net accumulation shares	3.4444	87.31	70.04
Class 1 – Net accumulation shares	10,210	111.22p	9,179,851	Class 2 – Net income shares	2.9925	73.63	58.78
Class 2 – Net income shares	1,967	84.84p	2,318,440	Class 2 – Net accumulation shares	3.6777	90.86	72.96
Class 2 – Net accumulation shares	3,859	117.32p	3,288,883	2012	2.7557	69.29	57.80
Class Z – Net income shares	359	124.82p	287,610	Class 1 – Net accumulation shares	3.5008	90.95	74.45
				Class 2 – Net income shares	2.8957	71.77	59.69
				Class 2 – Net accumulation shares	3.6552	95.48	77.90
				Class Z – Net income shares	0.0869	105.36	97.45
				2013	3.0339	83.84	69.36
				†Class 1 – Net income shares	4.0209	112.45	91.02
				†Class 1 – Net accumulation shares	3.2071	87.24	71.85
				†Class 2 – Net income shares	4.2922	118.61	95.56
				†Class 2 – Net accumulation shares	4.5928	128.29	105.46
				†To 31 October 2013			
				†Class Z – Net income shares commenced 12 October 2012			
<b>American Extended Alpha Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	39,350	136.60p	28,807,500	2008	–	104.36	79.50
Class 1 – EUR Hedged net accumulation shares	386	152.20p	253,913	Class 2 – Net accumulation shares	–	104.98	80.04
Class 2 – Net accumulation shares	79,138	140.09p	56,492,471	2009	–	118.17	81.41
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	179,944	152.74p	117,811,299	Class 1 – Net accumulation shares	–	130.31	90.81
Class 1 – EUR Hedged net accumulation shares	21,799	151.77p	14,363,140	†Class 1 – EUR Hedged net accumulation shares	–	119.82	82.02
Class 2 – Net accumulation shares	88,455	157.26p	56,247,458	Class 2 – Net accumulation shares	–	133.08	107.41
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	593,069	177.57p	333,990,978	2010	–	135.42	103.62
Class 1 – EUR Hedged net accumulation shares	62,898	174.77p	35,989,078	Class 2 – Net accumulation shares	0.2515	136.09	109.55
Class 2 – Net accumulation shares	218,586	184.12p	118,719,465	2011	–	145.38	115.24
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	554,257	195.63p	283,315,092	Class 1 – EUR Hedged net accumulation shares	–	156.31	122.41
Class 1 – EUR Hedged net accumulation shares	232,790	200.60p	116,044,979	Class 2 – Net accumulation shares	0.5436	148.95	118.68
Class 2 – Net accumulation shares	295,161	203.69p	144,905,551	2012	–	162.29	140.22
Class Z – Net accumulation shares	1	104.15p	1,000	Class 1 – Net accumulation shares	–	159.22	135.10
				Class 1 – EUR Hedged net accumulation shares	0.3948	167.53	144.08
				Class 2 – Net accumulation shares	–	198.24	159.63
				†Class 1 – Net accumulation shares	–	203.76	159.21
				†Class 1 – EUR Hedged net accumulation shares	–	205.99	165.09
				†Class 2 – Net accumulation shares	–	104.84	98.14
				‡†Class Z – Net accumulation shares			
				†To 31 October 2013			
				†Class 1 – EUR Hedged net accumulation shares commenced 2 April 2009			
				‡Class Z – Net accumulation shares commenced 24 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>China Opportunities Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	26,495	191.51p	13,834,686	<b>2008</b>	–	181.94	67.63
Class 2 – Net accumulation shares	60,066	195.83p	30,671,992	Class 1 – Net accumulation shares	–	182.56	68.15
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	21,967	159.09p	13,807,832	<b>2009</b>	0.7271	161.70	90.94
Class 2 – Net accumulation shares	41,233	163.60p	25,204,124	Class 2 – Net accumulation shares	0.9256	163.94	91.74
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	20,639	176.76p	11,676,258	<b>2010</b>	0.0351	197.25	142.48
Class 2 – Net accumulation shares	49,784	182.82p	27,231,434	Class 1 – Net accumulation shares	0.6495	201.12	144.52
Class Z – Net accumulation shares	228	116.19p	196,220	<b>2011</b>	–	199.85	129.54
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	16,013	196.25p	8,159,479	Class 2 – Net accumulation shares	0.5500	203.96	132.77
Class 2 – Net accumulation shares	57,543	203.56p	28,269,033	<b>2012</b>	–	167.14	139.99
Class Z – Net accumulation shares	722	129.48p	557,322	Class 2 – Net accumulation shares	1.0835	172.53	144.15
				Class Z – Net accumulation shares	–	109.58	99.21
				<b>2013</b>	–	132.65	104.86
				†Class 1 – Net accumulation shares	1.2740	201.11	159.35
				†Class 2 – Net accumulation shares	1.5914	208.55	164.95
				†Class Z – Net accumulation shares	–	132.65	104.86
				<i>†To 31 October 2013</i>			
				<i>†Class Z – Net accumulation shares commenced 5 October 2012</i>			
<b>Global Emerging Markets Equity Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net accumulation shares	36,088	90.97p	39,671,219	<b>2008</b>	–	78.08	36.90
Class 2 – Net accumulation shares	95,020	93.90p	101,191,297	Class 1 – Net accumulation shares	–	79.25	37.55
Class X – Net accumulation shares	2	77.82p	3,000	Class 2 – Net accumulation shares	0.1975	63.71	30.31
<b>for the year ended 30 April 2012</b>							
Class 1 – Net accumulation shares	29,565	80.12p	36,901,215	Class X – Net accumulation shares	212.3685	63.71	30.31
Class 2 – Net accumulation shares	113,340	83.18p	136,255,354	<b>2009</b>	0.2621	76.03	41.71
Class X – Net accumulation shares	2	69.66p	3,000	Class 1 – Net accumulation shares	0.3717	77.89	42.53
<b>for the year ended 30 April 2013</b>							
Class 1 – Net accumulation shares	39,719	90.06p	44,102,122	Class 2 – Net accumulation shares	1.1835	63.68	34.46
Class 2 – Net accumulation shares	122,444	94.04p	130,198,010	<b>2010</b>	0.1207	94.29	70.36
Class X – Net accumulation shares	1,884	79.57p	2,367,680	Class 1 – Net accumulation shares	0.4797	97.15	72.13
Class Z – Net accumulation shares	39	110.61p	35,860	Class 2 – Net accumulation shares	1.0488	80.25	59.03
<b>for the period ended 31 October 2013</b>							
Class 1 – Net accumulation shares	41,597	88.71p	46,890,561	<b>2011</b>	0.1728	95.68	68.61
Class 2 – Net accumulation shares	107,584	92.88p	115,831,146	Class 1 – Net accumulation shares	0.6801	98.59	71.00
Class X – Net accumulation shares	45,147	79.01p	57,142,009	Class 2 – Net accumulation shares	1.3004	81.45	59.11
Class Z – Net accumulation shares	464	109.37p	424,296	Class X – Net accumulation shares	–	103.94	97.94
				<b>2012</b>	0.3015	84.84	73.04
				Class 1 – Net accumulation shares	0.6520	88.42	75.86
				Class 2 – Net accumulation shares	1.3413	74.56	63.57
				Class X – Net accumulation shares	–	103.94	97.94
				†Class Z – Net accumulation shares	–	103.94	97.94
				<b>2013</b>	–	103.94	97.94
				†Class 1 – Net accumulation shares	0.1761	95.32	80.18
				†Class 2 – Net accumulation shares	0.7381	99.57	83.80
				†Class X – Net accumulation shares	0.4345	84.30	71.01
				†Class Z – Net accumulation shares	0.1329	117.13	98.59
				<i>†To 31 October 2013</i>			
				<i>†Class Z – Net accumulation shares commenced 5 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>Emerging Market Local Fund</b>							
<b>for the year ended 30 April 2011</b>				<b>2008</b>			
Class 1 – Net income shares	3,215	124.35p	2,585,108	*Class 1 – Net income shares	3.2841	121.41	96.46
\$Class 1 – Gross accumulation shares	12,761	138.92p	9,186,410	<sup>1</sup> Class 1 – Gross accumulation shares	0.4456	117.74	91.13
\$Class 2 – Gross accumulation shares	45,676	153.21p	29,812,968	*Class 2 – Gross accumulation shares	3.8286	127.35	97.11
\$Class X – Gross accumulation shares	5	179.20p	3,000	<sup>2</sup> Class X – Gross accumulation shares	41,624.2474	146.37	97.14
<b>for the year ended 30 April 2012</b>				<b>2009</b>			
Class 1 – Net income shares	3,587	117.57p	3,051,299	Class 1 – Net income shares	6.1015	126.71	109.22
\$Class 1 – Gross accumulation shares	5,618	140.04p	4,011,564	Class 1 – Gross accumulation shares	6.4165	125.82	106.14
\$Class 2 – Gross accumulation shares	57,942	155.44p	37,276,393	Class 2 – Gross accumulation shares	7.8230	136.98	114.94
\$Class X – Gross accumulation shares	6	183.06p	3,000	Class X – Gross accumulation shares	7.3653	158.40	132.26
<b>for the year ended 30 April 2013</b>				<b>2010</b>			
Class 1 – Net income shares	6,113	125.61p	4,866,717	Class 1 – Net income shares	5.0044	137.07	118.66
\$Class 1 – Gross accumulation shares	26,642	157.91p	16,872,047	Class 1 – Gross accumulation shares	7.6998	144.54	122.56
\$Class 2 – Gross accumulation shares	73,513	176.72p	41,599,256	Class 2 – Gross accumulation shares	8.3268	158.74	133.78
\$Class X – Gross accumulation shares	430	209.66p	204,994	Class X – Gross accumulation shares	10.2442	184.98	155.01
Class Z – Net income shares	50	107.72p	46,817	<b>2011</b>			
\$Class Z – Gross accumulation shares	6	110.76p	5,590	Class 1 – Net income shares	6.5298	131.25	115.35
<b>for the period ended 31 October 2013</b>				Class 1 – Gross accumulation shares	8.9360	145.93	132.18
Class 1 – Net income shares	3,164	106.96p	2,958,381	Class 2 – Gross accumulation shares	10.0468	161.19	146.03
\$Class 1 – Gross accumulation shares	25,578	137.95p	18,541,586	Class X – Gross accumulation shares	11.6636	188.82	171.09
\$Class 2 – Gross accumulation shares	54,004	155.02p	34,835,636	<b>2012</b>			
\$Class X – Gross accumulation shares	296	184.61p	160,459	Class 1 – Net income shares	5.7145	125.63	114.11
Class Z – Net income shares	148	92.11p	160,931	Class 1 – Gross accumulation shares	8.3588	148.76	135.69
\$Class Z – Gross accumulation shares	6	97.20p	5,590	Class 2 – Gross accumulation shares	9.3880	166.02	150.22
<i>\$Only available to eligible investors</i>				Class X – Gross accumulation shares	11.5386	196.47	176.95
				<sup>3</sup> Class Z – Net income shares	0.2504	103.57	99.95
				<sup>4</sup> Class Z – Gross accumulation shares	0.3135	104.03	100.00
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net income shares	4.7886	130.56	103.95
				<sup>†</sup> Class 1 – Gross accumulation shares	7.4068	160.65	131.20
				<sup>†</sup> Class 2 – Gross accumulation shares	8.4096	179.59	147.26
				<sup>†</sup> Class X – Gross accumulation shares	9.9777	212.87	175.16
				<sup>†</sup> Class Z – Net income shares	4.0884	111.76	89.41
				<sup>†</sup> Class Z – Gross accumulation shares	5.1821	112.55	92.32
				<i>*Fund launched 14 January 2008</i>			
				<i><sup>†</sup>To 31 October 2013</i>			
				<i><sup>1</sup>Class 1 – Gross accumulation shares commenced 18 August 2008</i>			
				<i><sup>2</sup>Class X – Gross accumulation shares commenced 28 January 2008</i>			
				<i><sup>3</sup>Class Z – Net income shares commenced 5 October 2012</i>			
				<i><sup>4</sup>Class Z – Gross accumulation shares commenced 5 October 2012</i>			
<b>Global Extended Alpha Fund</b>							
<b>for the year ended 30 April 2011</b>				<b>2008</b>			
Class 1 – Net accumulation shares	1,609	128.21p	1,254,989	*Class 1 – Net accumulation shares	–	100.65	70.91
Class 2 – Net accumulation shares	7,837	130.85p	5,989,075	*Class 2 – Net accumulation shares	–	100.77	71.06
<b>for the year ended 30 April 2012</b>				<b>2009</b>			
Class 1 – Net accumulation shares	3,549	128.24p	2,767,396	Class 1 – Net accumulation shares	0.0639	103.45	70.73
Class 2 – Net accumulation shares	7,693	132.10p	5,823,429	Class 2 – Net accumulation shares	0.6209	104.71	71.12
<b>for the year ended 30 April 2013</b>				<b>2010</b>			
Class 1 – Net accumulation shares	4,181	153.55p	2,723,165	Class 1 – Net accumulation shares	–	123.59	98.38
Class 2 – Net accumulation shares	9,321	159.30p	5,851,266	Class 2 – Net accumulation shares	–	126.12	99.65
<b>for the period ended 31 October 2013</b>				<b>2011</b>			
Class 1 – Net accumulation shares	9,704	164.52p	5,898,041	Class 1 – Net accumulation shares	–	134.03	107.67
Class 2 – Net accumulation shares	10,308	171.69p	6,003,889	Class 2 – Net accumulation shares	–	136.57	110.41
				<b>2012</b>			
				Class 1 – Net accumulation shares	–	134.45	116.56
				Class 2 – Net accumulation shares	0.6288	138.34	120.14
				<b>2013</b>			
				<sup>†</sup> Class 1 – Net accumulation shares	–	165.06	132.80
				<sup>†</sup> Class 2 – Net accumulation shares	1.0767	172.25	137.36
				<i>*Fund launched 9 July 2008</i>			
				<i><sup>†</sup>To 31 October 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>Global Equity Income Fund</b>							
<b>for the year ended 30 April 2011</b>							
Class 1 – Net income shares	40,650	102.41p	39,692,646	<b>2008</b>	3.9531	101.44	66.31
Class 1 – Net accumulation shares	5,323	122.09p	4,359,851	Class 1 – Net accumulation shares	4.0302	102.36	68.36
Class 2 – Net income shares	4,430	104.05p	4,257,294	Class 2 – Net income shares	4.0239	101.72	66.68
Class 2 – Net accumulation shares	7,836	124.48p	1,474,630	Class 2 – Net accumulation shares	4.1036	102.67	68.77
<b>for the year ended 30 April 2012</b>							
Class 1 – Net income shares	54,187	94.07p	57,600,374	<b>2009</b>	3.6700	88.88	62.76
Class 1 – Net accumulation shares	29,363	119.08p	24,658,869	Class 1 – Net accumulation shares	3.9302	98.56	66.43
Class 2 – Net income shares	6,621	96.07p	6,891,908	Class 2 – Net income shares	3.7407	89.86	63.20
Class 2 – Net accumulation shares	1,136	122.06p	930,410	Class 2 – Net accumulation shares	4.0130	99.78	66.95
<b>for the year ended 30 April 2013</b>							
Class 1 – Net income shares	130,288	113.07p	115,232,687	<b>2010</b>	4.7268	103.08	83.23
Class 1 – Net accumulation shares	75,639	149.88p	50,467,150	Class 1 – Net accumulation shares	5.3975	120.22	92.50
Class 2 – Net income shares	87,106	116.04p	75,063,540	Class 2 – Net income shares	5.0436	104.55	84.34
Class 2 – Net accumulation shares	30,981	154.53p	20,048,053	Class 2 – Net accumulation shares	5.7232	122.34	93.70
Class Z – Net income shares	12,662	118.27p	10,706,331	<b>2011</b>	5.4368	104.79	86.21
<b>for the period ended 31 October 2013</b>							
Class 1 – Net income shares	162,381	113.93p	142,531,560	Class 1 – Net accumulation shares	6.4145	123.95	104.01
Class 1 – Net accumulation shares	112,903	154.56p	73,049,468	Class 2 – Net income shares	5.5985	106.50	87.85
Class 1 – SGD Hedged net income shares	179	104.62p	171,538	Class 2 – Net accumulation shares	6.6220	126.51	106.28
Class 1 – SGD Hedged net accumulation shares	5	104.73p	5,008	<b>2012</b>	4.6038	99.87	88.43
Class 2 – Net income shares	139,580	117.23p	119,069,647	Class 1 – Net accumulation shares	5.7903	126.51	111.90
Class 2 – Net accumulation shares	125,929	159.82p	78,794,699	Class 2 – Net income shares	4.7940	101.93	90.33
Class Z – Net income shares	200,474	119.62p	167,585,900	Class 2 – Net accumulation shares	6.0133	130.19	114.75
Class Z – Net accumulation shares	436	103.95p	419,129	Class Z – Net income shares	0.2349	101.97	96.74
				<b>2013</b>	5.2034	118.34	98.69
				†Class 1 – Net income shares	6.8581	156.88	127.82
				†Class 1 – Net accumulation shares	0.1393	105.54	100.00
				‡†Class 1 – SGD hedged net income shares	0.1382	105.54	100.00
				‡†Class 1 – SGD hedged net accumulation shares	5.4232	121.50	101.13
				†Class 2 – Net income shares	7.1802	161.81	131.55
				†Class 2 – Net accumulation shares	5.4376	123.84	102.98
				†Class Z – Net income shares	0.9899	104.58	98.92
				††To 31 October 2013			
				††Class Z – Net income shares commenced 3 October 2012			
				‡†Class 1 – SGD hedged net income shares commenced 10 October 2013			
				‡†Class 1 – SGD hedged net accumulation shares commenced 10 October 2013			
				‡†Class Z – Net accumulation shares commenced 18 September 2013			

## Performance Summary for the six months ended 31 October 2013 – UK Universe

Fund	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>UK Mid 250 Fund</b>	(IMA) UK All Companies	FTSE 250 x Investment Trusts*	+13.66	+13.99	+10.68	+14.70	+13.90
<b>UK Extended Alpha Fund</b>	(IMA) UK All Companies	FTSE All-Share*	+10.59	+10.85	+10.68	+12.15	+7.66
<b>UK Equity Alpha Income Fund</b>	(IMA) UK Equity Income*	FTSE All-Share	+16.68	+17.03	+9.43	+17.73	+7.66
<b>UK Absolute Alpha Fund</b>	(IMA) Absolute Return	UK LIBOR 3 Month	+4.89	+4.95	+1.24	+6.96	+0.26
<b>Absolute Return Bond Fund</b>	(IMA) Absolute Return	UK LIBOR 3 Month	+0.03	+0.30	+1.24	+0.55	+0.26
<b>Target Return Fund†**</b>	(IMA) Unclassified	EURIBOR 3 Month Deposit Rate (in GBP)	+0.00	+0.34	–	+0.45	+0.01
<b>Pan European Focus Fund</b>	(IMA) Europe Including UK	MSCI Europe*	+11.96	+12.24	+10.44	+13.11	+9.70
<b>Pan European Equity Dividend Fund</b>	(IMA) Europe Including UK*	MSCI Europe	+9.76	+10.07	+10.44	+10.30	+9.70
<b>American Extended Alpha Fund</b>	(IMA) North America*	S&P 500	+10.17	+10.63	+8.41	+11.25	+7.67
<b>China Opportunities Fund</b>	(IMA) China – Greater China	MSCI China*	+11.01	+11.33	+3.66	+11.99	+3.01
<b>Global Emerging Markets Equity Fund</b>	(IMA) Global Emerging Markets	MSCI EM (Emerging Markets)*	-1.86	-1.58	-2.80	-1.64	-1.75
<b>Emerging Market Local Fund†</b>	(IMA) Specialist	JPM GBI-EM Global Diversified Composite*	-13.01	-12.19**	–	-12.56	-10.93
<b>Global Extended Alpha Fund</b>	(IMA) Global Growth	MSCI AC World*	+7.12	+7.76	+6.28	+8.80	+5.54
<b>Global Equity Income Fund</b>	(IMA) Global Equity Income	MSCI AC World*	+3.12	+3.41	+4.92	+3.86	+5.54

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.

†These funds do not currently display a sector median return because the Fund Sector (as defined by the Investment Management Association) is not felt to be representative.

\*Denotes official benchmark of the fund.

\*\*Performance information for this fund is shown on a gross income basis

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in GBP.

## Performance Summary for the six months ended 31 October 2013 – Offshore Universe

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 Mid 250 Fund</b>	GIFS Offshore – UK Mid Cap Equity	FTSE 250 x Investment Trusts*	+13.85	+14.24	+11.51	+14.70	+13.90	GBP
<b>UK Extended Alpha Fund</b>	GIFS Offshore – UK Large Cap Blend	FTSE All-Share*	+10.81	+11.13	+7.99	+12.15	+7.66	GBP
<b>UK Equity Alpha Income Fund</b>	GIFS Offshore – UK Large Cap Value	FTSE All-Share	+16.93	+17.29	+7.73	+17.73	+7.66	GBP
<b>UK Absolute Alpha Fund</b>	GIFS Offshore – Alternative Long/Short UK	UK LIBOR 3 Month	+4.89	+4.95	+7.42	+6.96	+0.26	GBP
<b>Absolute Return Bond Fund</b>	GIFS Offshore – Alternative Long/Short Debt	UK LIBOR 3 Month	+0.09	+0.43	-1.00	+0.55	+0.26	GBP
<b>Target Return Fund</b>	GIFS Offshore – Alternative Debt Arbitrage	EURIBOR 3 Month Deposit Rate	+0.10	+0.45	+0.38	+0.56	+0.11	EUR
<b>Pan European Focus Fund</b>	GIFS Offshore – Europe Large Cap Growth	MSCI Europe*	+11.17	+11.50	+6.60	+13.23	+9.82	EUR
<b>Pan European Equity Dividend Fund</b>	GIFS Offshore – Europe Large Cap Value	MSCI Europe	+9.16	+9.48	+11.55	+10.41	+9.82	EUR
<b>American Extended Alpha Fund</b>	GIFS Offshore – US Large Cap Growth	S&P 500	+14.06	+14.53	+13.52	+14.84	+11.15	USD
<b>China Opportunities Fund</b>	GIFS Offshore – China Equity	MSCI China*	+15.01	+15.37	+5.06	+15.60	+6.33	USD
<b>Global Emerging Markets Equity Fund</b>	GIFS Offshore – Global Emerging Markets Equity	MSCI EM (Emerging Markets)*	+1.62	+1.97	+0.18	+1.53	+1.42	USD
<b>Emerging Market Local Fund</b>	GIFS Offshore – Global Emerging Markets Bond Local	JPM GBI-EM Global Diversified Composite*	-9.73	-9.35	-8.56	-9.74	-8.06	USD
<b>Global Extended Alpha Fund</b>	GIFS Offshore – Global Large Cap Blend	MSCI AC World*	+10.90	+11.64	+8.64	+12.31	+8.94	USD
<b>Global Equity Income Fund</b>	GIFS Offshore – Global Large Cap Value	MSCI AC World*	+7.07	+7.37	+10.08	+7.21	+8.94	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.

Performance data is shown on a gross of tax basis.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with unadjusted income and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in Fund Currency.

\*Denotes official benchmark of the fund.

## Ongoing Charges Figure Summary

for the accounting period 1 May 2013 to 31 October 2013

Fund	Share Class	October 2013*	April 2013
UK Mid 250 Fund	Class 1 – Net accumulation shares	1.64%	1.64%
	Class 2 – Net accumulation shares	1.07%	1.07%
	Class Z – Net accumulation shares	0.89%	0.89%
UK Extended Alpha Fund	Class 1 – Net accumulation shares	1.46%	1.46%
	Class 2 – Net accumulation shares	0.90%	0.90%
	Class X – Net accumulation shares	0.15%	0.15%
UK Equity Alpha Income Fund	Class 1 – Net income shares	1.63%	1.62%
	Class 2 – Net income shares	1.05%	1.05%
	Class Z – Net income shares	0.88%	0.87%
UK Absolute Alpha Fund	Class 1 – Net accumulation shares	1.64%	1.65%
	Class 2 – Net accumulation shares	1.07%	1.08%
	Class 2 – EUR Hedged net accumulation shares	1.07%	1.08%
	Class Z – Net accumulation shares	0.89%	0.90%
Absolute Return Bond Fund	Class 1 – Net accumulation shares	1.38%	1.38%
	Class 1 – Gross accumulation shares	1.38%	1.38%
	Class 2 – Net accumulation shares	0.71%	0.71%
	Class 2 – Gross accumulation shares	0.71%	0.71%
	Class X – Gross accumulation shares	0.06%	0.06%
Target Return Fund	Class 1 – Net accumulation shares	1.40%	1.39%
	Class 1 – Gross accumulation shares	1.40%	1.39%
	Class 1 – CHF Hedged gross accumulation shares	1.40%	1.39%
	Class 1 – USD Hedged gross accumulation shares	1.40%	1.39%
	Class 2 – Gross income shares	0.72%	0.72%
	Class 2 – Gross accumulation shares	0.72%	0.72%
	Class X – Gross accumulation shares	0.07%	0.07%
	Class Z – Net accumulation shares	0.80%	0.79%
	<sup>1</sup> Class Z – Gross accumulation shares	0.80%	N/A
Pan European Focus Fund	Class 1 – Net accumulation shares	1.70%	1.69%
	Class 2 – Net accumulation shares	1.13%	1.12%
	Class Z – Net accumulation shares	0.95%	0.94%
Pan European Equity Dividend Fund	Class 1 – Net income shares	1.73%	1.76%
	Class 1 – Net accumulation shares	1.73%	1.76%
	Class 2 – Net income shares	1.15%	1.19%
	Class 2 – Net accumulation shares	1.15%	1.19%
	Class Z – Net income shares	0.98%	1.01%
American Extended Alpha Fund	Class 1 – Net accumulation shares	1.63%	1.63%
	Class 1 – EUR Hedged net accumulation shares	1.63%	1.63%
	Class 2 – Net accumulation shares	0.81%	0.81%
	<sup>2</sup> Class Z – Net accumulation shares	0.88%	N/A
China Opportunities Fund	Class 1 – Net accumulation shares	1.74%	1.75%
	Class 2 – Net accumulation shares	1.17%	1.18%
	Class Z – Net accumulation shares	0.99%	1.00%
Global Emerging Markets Equity Fund	Class 1 – Net accumulation shares	1.71%	1.73%
	Class 2 – Net accumulation shares	1.14%	1.16%
	Class X – Net accumulation shares	0.14%	0.16%
	Class Z – Net accumulation shares	0.96%	0.98%
Emerging Market Local Fund	Class 1 – Net income shares	1.73%	1.74%
	Class 1 – Gross accumulation shares	1.73%	1.74%
	Class 2 – Gross accumulation shares	0.91%	0.92%
	Class X – Gross accumulation shares	0.16%	0.17%
	Class Z – Net income shares	0.83%	0.84%
	Class Z – Gross accumulation shares	0.83%	0.84%

## Ongoing Charges Figure Summary

(continued)

Fund	Share Class	October 2013*	April 2013
Global Extended Alpha Fund	Class 1 – Net accumulation shares	1.79%	1.87%
	Class 2 – Net accumulation shares	0.97%	1.05%
Global Equity Income Fund	Class 1 – Net income shares	1.63%	1.65%
	<sup>3</sup> Class 1 – SGD Hedged net income shares	1.63%	N/A
	Class 1 – Net accumulation shares	1.63%	1.65%
	<sup>4</sup> Class 1 – SGD Hedged net accumulation shares	1.63%	N/A
	Class 2 – Net income shares	1.06%	1.08%
	Class 2 – Net accumulation shares	1.06%	1.08%
	Class Z – Net income shares	0.88%	0.90%
	<sup>5</sup> Class Z – Net accumulation shares	0.88%	N/A

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 costs 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).

\*Annualised.

<sup>1</sup>Class Z – Gross accumulation shares commenced 18 September 2013

<sup>2</sup>Class Z – Net accumulation shares commenced 24 September 2013

<sup>3</sup>Class 1 – SGD Hedged net income shares commenced 10 October 2013

<sup>4</sup>Class 1 – SGD Hedged net accumulation shares commenced 10 October 2013

<sup>5</sup>Class Z – Net accumulation shares commenced 18 September 2013

## Risk and Reward Profiles

for the accounting period 1 May 2013 to 31 October 2013

Fund	Share Class	SRRI*
UK Mid 250 Fund	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
UK Extended Alpha Fund	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
UK Equity Alpha Income Fund	Class 1 – Net income shares	6
	Class 2 – Net income shares	6
	Class Z – Net income shares	6
UK Absolute Alpha Fund	Class 1 – Net accumulation shares	5
	Class 2 – Net accumulation shares	5
	Class 2 – EUR Hedged net accumulation shares	5
	Class Z – Net accumulation shares	5
Absolute Return Bond Fund	Class 1 – Net accumulation shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Net accumulation shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross accumulation shares	3
Target Return Fund	Class 1 – Net accumulation shares	5
	Class 1 – Gross accumulation shares	5
	Class 1 – CHF Hedged gross accumulation shares	3
	Class 1 – USD Hedged gross accumulation shares	3
	Class 2 – Gross income shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross accumulation shares	5
	Class Z – Net accumulation shares	5
	<sup>1</sup> Class Z – Gross accumulation shares	5
Pan European Focus Fund	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net accumulation shares	6
Pan European Equity Dividend Fund	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	Class 2 – Net income shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net income shares	6
American Extended Alpha Fund	Class 1 – Net accumulation shares	6
	Class 1 – EUR Hedged net accumulation shares	6
	Class 2 – Net accumulation shares	6
	<sup>2</sup> Class Z – Net accumulation shares	6
China Opportunities Fund	Class 1 – Net accumulation shares	7
	Class 2 – Net accumulation shares	7
	Class Z – Net accumulation shares	7
Global Emerging Markets Equity Fund	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6
	Class X – Net accumulation shares	6
	Class Z – Net accumulation shares	6
Emerging Market Local Fund	Class 1 – Net 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 accumulation shares	5
Global Extended Alpha Fund	Class 1 – Net accumulation shares	6
	Class 2 – Net accumulation shares	6

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Global Equity Income Fund	Class 1 – Net income shares	6
	Class 1 – Net accumulation shares	6
	<sup>3</sup> Class 1 – SGD Hedged net income shares	6
	<sup>4</sup> Class 1 – SGD Hedged net accumulation shares	6
	Class 2 – Net income shares	6
	Class 2 – Net accumulation shares	6
	Class Z – Net income shares	6
	<sup>5</sup> Class Z – Net accumulation shares	6

<sup>1</sup>Class Z – Gross accumulation shares commenced 18 September 2013

<sup>2</sup>Class Z – Net accumulation shares commenced 24 September 2013

<sup>3</sup>Class 1 – SGD Hedged net income shares commenced 10 October 2013

<sup>4</sup>Class 1 – SGD Hedged net accumulation shares commenced 10 October 2013

<sup>5</sup>Class Z – Net accumulation shares commenced 18 September 2013

\*As at 31 October 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 1 May 2013 to 31 October 2013

Fund	Number Issued	Number Redeemed	Conversion
UK Mid 250 Fund	7,898,794	(4,611,291)	350,147
UK Extended Alpha Fund	237,517	(440,330)	–
UK Equity Alpha Income Fund	150,530,392	(6,030,173)	(14,051,060)
UK Absolute Alpha Fund	40,905,135	(10,531,596)	80,801
Absolute Return Bond Fund	61,556,351	(92,739,114)	(132,882)
Target Return Fund	36,017,779	(49,410,895)	(235)
Pan European Focus Fund	4,696,389	(5,719,778)	15,197
Pan European Equity Dividend Fund	18,067,641	(4,057,839)	(2,568)
American Extended Alpha Fund	245,404,901	(189,833,885)	(3,915)
China Opportunities Fund	11,180,003	(13,329,519)	31,438
Global Emerging Markets Equity Fund	73,977,432	(30,381,876)	(11,216)
Emerging Market Local Fund	6,817,394	(13,766,396)	16,164
Global Extended Alpha Fund	4,417,533	(1,089,880)	(154)
Global Equity Income Fund	320,405,258	(10,335,393)	39,323



## Total Purchases and Sales

for the accounting period 1 May 2013 to 31 October 2013

Fund	October 2013 £000	April 2013 £000
<b>UK Mid 250 Fund</b>		
Total purchases for the period	22,245	52,301
Total sales for the period	13,800	44,758
<b>UK Extended Alpha Fund</b>		
Total purchases for the period	6,366	10,136
Total sales for the period	5,469	10,269
<b>UK Equity Alpha Income Fund</b>		
Total purchases for the period	191,422	168,560
Total sales for the period	94,034	73,844
<b>UK Absolute Alpha Fund</b>		
Total purchases for the period	23,503	28,480
Total sales for the period	9,989	26,892
<b>Absolute Return Bond Fund</b>		
Total purchases for the period	162,454	711,094
Total sales for the period	197,734	763,566
<b>Target Return Fund</b>		
Total purchases for the period	90,571	338,771
Total sales for the period	108,785	414,266
<b>Pan European Focus Fund</b>		
Total purchases for the period	62,069	104,651
Total sales for the period	63,719	95,056
<b>Pan European Equity Dividend Fund</b>		
Total purchases for the period	24,552	22,174
Total sales for the period	11,781	14,183
<b>American Extended Alpha Fund</b>		
Total purchases for the period	692,028	1,221,253
Total sales for the period	625,253	907,006
<b>China Opportunities Fund</b>		
Total purchases for the period	30,201	42,489
Total sales for the period	32,821	40,394
<b>Global Emerging Markets Equity Fund</b>		
Total purchases for the period	129,043	171,905
Total sales for the period	89,246	164,497
<b>Emerging Market Local Fund</b>		
Total purchases for the period	100,578	96,826
Total sales for the period	105,688	63,320
<b>Global Extended Alpha Fund</b>		
Total purchases for the period	10,057	13,158
Total sales for the period	5,728	13,074
<b>Global Equity Income Fund</b>		
Total purchases for the period	428,658	292,903
Total sales for the period	50,014	99,026

## Further Information

Threadneedle Specialist 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 structured as an umbrella company in which 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.

As notified previously, please note that the Threadneedle Pan European Accelerando Fund was changed to Threadneedle Pan European Focus Fund. The change became effective from 27 July 2013. Performance fees were no longer payable for the fund from that date.

### Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, Client Services, P.O. 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 has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID from [threadneedle.com](http://threadneedle.com).

### Changes to the Prospectus

The prospectus of the Company was updated in June 2013 to reflect the following changes:

- change to the name of the Pan European Accelerando Fund, effective on 27 July 2013. The name of the fund is now Pan European Focus Fund. A performance fee is no longer payable for the fund;
- change in Transfer Agent to International Financial Data Services (UK) Limited and to contact details for the Company;
- 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;
- insertion of enhanced conflicts of interest wording; and
- insertion of wording regarding the Ongoing Charges Figure.

### Changes to the Instrument of Incorporation

The instrument of incorporation of the Company was amended on 4 June 2013 to reflect the change of name of the Pan European Accelerando Fund to Pan European Focus Fund.

### The 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 on 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)

### Classes of shares

The Company is structured as an umbrella company and currently consists of 14 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.

Class 1	Minimum initial investment: GBP 2,000 EUR 2,500 – EUR 3,000 USD 2,500 – USD 3,000 SEK 25,000 CHF 4,000 SGD 4,000	Retail investor
Class 2	Minimum initial investment: GBP 50,000 – 500,000 EUR 100,000 – EUR 750,000 USD 750,000 – USD 800,000 SEK 6 – 7 million CHF 1,200,000	Non retail investor
Class X	Minimum initial investment: GBP 3 million EUR 5 million USD 5 million AUD 5 million	Eligible shareholders only
Class Z	Minimum initial investment: GBP 1 million EUR 1.5 million USD 1.5 million	Non retail investor*

\*The minimum investment may be considerably lower through a nominee or platform that has an arrangement in place with the ACD or an associate of the ACD. May be available to retail investors.

Where a range of minimum initial investments is indicated, this means there are different minimum initial investments for different sub-funds. The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. For further information and for information regarding the minimum subsequent investment and minimum holding of shares please refer to the Prospectus. Certain classes of share may be unavailable to investors in certain countries.

### Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try and 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 (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;

## Further Information

*(continued)*

- “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 are not 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 on certain transfers of shares in the funds. The current rate of SDRT is 0.5%.

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

How it affects shareholders and potential shareholders:

The 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 (as set out in the Prospectus).

### Income Equalisation

For those funds that operate equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD’s best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the 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, P.O. 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 30 April and the interim reporting period shall end on 31 October.

## 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  
Junghofstr. 14  
60311 Frankfurt am Main  
Germany

### Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

### Paying and Information Agents in Italy

State Street Bank S.p.A.,  
Via Ferrante Aporti, 10  
20125 Milano  
Italy

Allfunds Bank S.A.  
Via Santa Margherita, 7  
20121 Milano  
Italy

Societe Generale Securities Services S.p.A.  
via Benigno Crespi 19/A – MAC2  
20159 Milano  
Italy

BNP Paribas Securities Services  
Via Ansperto 5  
20123 Milano  
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

## 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 that 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	Investment	Currency	Investor Currency	Volatility	Effect of Portfolio Concentration	Issuer	Liquidity	Political and Financial	Inflation	Interest Rate	Valuation	Short Selling	Leverage	Derivatives	No Capital Guarantee	Counterparty
UK Mid 250 Fund	X	X	X	X												
UK Extended Alpha Fund	X		X	X							X	X	X	X		
UK Equity Alpha Income Fund	X		X	X												
UK Absolute Alpha Fund			X	X							X	X	X	X	X	X
Absolute Return Bond Fund		X	X			X	X		X	X	X	X	X	X	X	X
Target Return Fund		X	X			X	X		X	X	X	X	X	X	X	X
Pan European Focus Fund	X	X	X	X	X											
Pan European Equity Dividend Fund	X	X	X	X												
American Extended Alpha Fund	X		X	X							X	X	X	X		
China Opportunities Fund	X	X	X	X			X	X								
Global Emerging Markets Equity Fund	X	X	X	X			X	X								
Emerging Market Local Fund	X	X	X	X		X	X	X	X	X						
Global Extended Alpha Fund	X	X	X	X							X	X	X	X		
Global Equity Income Fund	X	X	X	X												

**Description of the Key Risks:**

**Investment Risk:** The value of investments can fall as well as rise and investors might not get back the sum originally invested.

**Currency Risk:** Where investments are made in assets that are denominated in multiple currencies, 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.

**Effect of Portfolio Concentration Risk:** The fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

**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 or perceived to be unable to pay.

**Liquidity Risk:** The fund may hold assets that are not always readily saleable without suffering a discount to fair value. The fund 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 and cash funds offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the real value of capital and income over time.

**Interest Rate Risk:** Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

**Valuation Risk:** The fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

**Short Selling Risk:** Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

**Leverage Risk:** Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

**Derivatives 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.

**Counterparty Risk:** The fund may enter into financial transactions with selected counterparties. Any financial difficulties arising at these counterparties could significantly affect the availability and the value of fund assets.

Further risks applicable to the funds can be found in the prospectus.



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