

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC
APRIL 2021

THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC

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

Company Information

Company

Threadneedle Specialist Investment Funds ICVC (the Company)
Registered Number IC000232

Registered Office

Cannon Place, 78 Cannon Street, London EC4N 6AG

Director

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

Board of Directors of the ACD

K Cates (non-executive)
J Griffiths
A Roughead (non-executive)
P Stone (Resigned from the Board on 15 June 2020)
R Vincent
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC for the 12 months to 30 April 2021.

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

Thank you for your continued support.



L Weatherup
Director

DIRECTORS' STATEMENTS

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



L Weatherup
6 August 2021



R Vincent

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

Threadneedle Specialist Investment Funds ICVC

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

(b) Basis of valuation of investments

The investments of the funds are valued at fair market prices at 12 noon (UK time), being the valuation point on the last working day of the accounting period, with the exception of UK Sustainable Equity Fund and UK Mid 250 Fund which have been valued at close of business due to the movement since 12 noon breaching the 0.5% threshold set by the Board. Investments are stated at their fair value which generally is the bid valuation of each security.

These bid values are sourced from independent pricing sources; to the extent that an independent pricing source is not available then quotes are obtained from a broker. Where the ACD deems that these valuations are unrepresentative of a fair valuation of the security, a fair valuation adjustment is applied based upon the ACD's opinion of fair value.

The last valuation point in the year has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the funds between the last valuation point and close of business on the balance sheet date, except for the aforementioned funds.

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

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

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

(c) Exchange rates

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

(d) Derivatives

The Funds invest in various types of derivatives.

Derivative revenue and expense are netted off for the purposes of disclosure. The net balance is disclosed within either the revenue or interest payable and similar charges note depending on whether the balance is in a net revenue or expense position respectively.

Any capital gains/losses are included within net capital gains/(losses) and any revenue or expense is included within revenue or interest payable and similar charges respectively in the statement of total return.

Cash held at future brokers as margin is reflected separately within cash and bank balances.

Unless specifically noted, the Funds are not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. The American Extended Alpha Fund, Global Extended Alpha Fund, UK Extended Alpha Fund and Emerging Market Local Fund may use derivatives (including Forwards) for investment purposes. This allows the Fund to profit from the fall in the price of an asset (shorting), as well as extending market exposure beyond the value of its assets (leverage).

The Funds invest in the following type of derivatives:

Forwards

Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. All gains and losses are taken to capital.

Futures

A future is a financial contract obligating the buyer to purchase or sell an asset, at a predetermined future date and price. The holder of a futures contract is obligated to fulfil the contract. Futures are held within the funds for Efficient Portfolio Management (EPM) purposes.

The revenue return element in respect of futures is calculated by reference to the quoted yield of the index upon which the future is based compared to LIBOR. The revenue so calculated may represent revenue or expenses in a fund's financial statements, in accordance with whether the fund has held a net long or short position, when considering the accounting period as a whole. The revenue or expense position is reversed where LIBOR exceeds the quoted yield of the relevant index.

Any mark to market movement is accounted for as capital.

Interest rate swaps

Interest rate swaps are currently used to exchange interest rate streams to/from fixed rates from/to floating rates. Following the accounting for the underlying interest streams any gain/(loss) suffered from a mismatch in the fixed and floating

interest rates should therefore be treated as revenue. In addition, any accrued or realised interest will also be treated as revenue.

The price of these instruments also have a capital value since they are susceptible to changes in perceptions of credit risk, risk free interest rates and credit spreads. While these positions are open or traded on a secondary market, the mark to market return is taken to capital.

Credit default swaps

Credit default swaps are used to manage credit risk and protect the capital value of the fund. This can be achieved using two different methods, either by protecting a specific holding which is also held in the fund or by covering a basket of bonds or index which is not necessarily held but will provide a general hedge against a large credit event.

The motive of a credit default swap is to protect the capital value of the fund however the risk of a credit event is reflected in a discount applied to the price of a bond. Therefore ongoing premiums are charged to revenue/expenses on an accruals basis, depending on whether protection is bought or sold.

The premiums and accrued interest paid by the credit default swap is accounted for as revenue and forms part of distributable income and any mark to market movement is accounted for as capital.

Equity/Portfolio swaps

Equity/Portfolio swaps are used to manage market price risk and protect the capital value of the fund. This can be achieved using a short position of a basket of securities, including capital appreciation or depreciation, which is received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest.

The synthetic dividends and interest paid by the equity/portfolio swap is accounted for as revenue, and the interest charged by the equity/portfolio swap is accounted for as interest payable and similar charges. Both form part of distributable income of the fund. The mark to market movement is accounted for as capital.

(e) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

- Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.
- Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.
- Special dividends are treated as either revenue or capital depending on the facts of each particular case.
- Stock dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.
- Interest on debt securities and bank and short-term deposits is recognised on an earned basis.
- In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.
- Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.
- Underwriting commission is recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.
- Underwriting commission is treated as revenue except for the proportion that is deducted from the cost of shares, which is capital.
- Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.
- Dividends from U.S. Real Estate Investment Trusts (REITs) include a capital element. Upon receipt, a provision equivalent to 30% of the dividend is made in capital. On an annual basis, once the actual information has been published in the market, the provision will be amended to reflect actual split between capital and revenue.

(f) Treatment of expenses (including management expenses)

All expenses other than those relating to the purchase and sale of investments, are included in expenses, in the Statement of Total Return. The ACD may from time to time subsidise costs incurred by any of the Funds including but not limited to the Auditor's fee, to keep the costs of the Fund in line with the published estimated Ongoing Charges Figure or for any other reason. Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

Prior to 1 January 2020 the ACD was entitled to receive a performance fee in the event of the NAV per share of the Fund outperforming the relevant benchmark index, in respect of the following funds:

American Extended Alpha Fund
Global Extended Alpha Fund
UK Extended Alpha Fund

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

Notes to the financial statements

(continued)

Any fees arising as a result of outperformance are transferred to capital. The performance fee is only chargeable at the end of any Performance Period i.e. 31 December, and will be paid within one month of that date. If no performance fee has been charged since the launch of the Share Class, no performance fee will be payable until such time as there is an Excess Return and there is a performance fee accrual at the end of the Performance Period. Further details including the relevant benchmark index, can be found within the "Expenses" note of the individual funds. With effect from 1 January 2020, the application of performance fees has been discontinued on the Funds mentioned above.

(g) Fee rebate

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

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

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

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

(i) Equalisation policy

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

(j) Allocation of return on hedged share classes

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Reference Currency or Reference Currencies and the Hedged Currency (for further definitions refer to page 192). Where undertaken, the allocation of return in relation to hedging transactions is applied in respect of that hedged share class only.

(k) Deferred tax

Deferred tax liabilities are provided in full in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes and deferred tax assets are recognised to the extent that they are considered recoverable.

Gains and losses on sale of investments purchased and sold in India after 1 April 2017 are liable to capital gains tax in India. Deferred tax on these securities is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised and the deferred tax is charged or credited in the Statement of Total Return. At each year end date, a provision for Indian capital gains tax is calculated based upon the Fund's realised and unrealised gains and losses. There are two rates of tax: short-term and long-term. The short-term rate of tax is applicable to investments held for less than 12 months and the long-term rate of tax is applicable to investments held for more than 12 months.

Further analysis of the deferred tax assets can be found within the financial statements of the individual funds.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2 DISTRIBUTION POLICIES

(a) In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any share class, a distribution will be made from that share class. Should expenses and taxation exceed revenue for any share class, there will be no distribution for that share class and a transfer from capital will be made to cover the shortfall. Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

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

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

Emerging Market Local Fund
Global Equity Income Fund
UK Equity Alpha Income Fund
US Equity Income Fund

(d) In addition to the ACD charge, all other expenses of the US Equity Income Fund are deducted from capital for the purpose of calculating any distribution as detailed in the distribution policies.

(e) When a transfer is made between the revenue and capital of the same share class marginal tax relief is not taken into account when determining the distribution. Marginal tax relief is only taken into account where the transfer of benefit is between the revenue and capital property of at least two different share classes of a fund.

(f) Any fees arising as a result of outperformance are added back for the purpose of determining the amount for distribution.

3 RISK MANAGEMENT POLICIES

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

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

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

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

Market price risk

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

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

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

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

The value of the investment can fall as well as rise and investors might not get back the sum originally invested, especially if investments are not held for the long term. The ACD meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

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

Liquidity risk

Liquidity risk is the risk that the funds cannot raise sufficient cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, the funds will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of cancellations in the funds, the funds may hold cash and/or more liquid assets.

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

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

*The RMP available on request from the client services team contact details on page 197.

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

Notes to the financial statements

(continued)

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

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

Credit risk/Counterparty risk

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

In order to manage credit risk the funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty. Brokers are monitored on an on-going basis for suitability and creditworthiness.

The funds may invest in what are considered riskier bonds (below investment grade, i.e., credit ratings lower than BBB-). This brings the potential for increased risk of default and could affect both the income and the capital value of the fund. Further details can be found in the portfolio statement of the individual funds.

Interest rate risk

Interest rate risk is the risk that the value of the funds' investments will fluctuate as a result of changes in interest rates. The fund invests in floating rate securities. The income of these funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

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

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

Currency risk

Foreign currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For those funds where a proportion of the net assets of the fund are denominated in currencies other than the fund's base currency, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies. Hedged Share Classes are available to investors as set out in the Important Information – Characteristics of Shares section on page 192. The currency risk profile for the relevant funds is shown in their notes to the financial statements, contained within the full financial statements.

4 CROSS HOLDINGS

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

Threadneedle UK Mid 250 Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the FTSE 250 ex Investment Trusts Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange; predominantly companies domiciled in the UK, or which have significant UK business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, focusing on companies included within the FTSE 250 ex Investment Trusts Index.

The FTSE 250 ex Investment Trusts Index currently comprises approximately 200 companies (excluding Investment Trusts) listed on the London Stock Exchange and is regarded as an appropriate performance measure of medium-sized UK companies. It provides a suitable target benchmark against which the Fund performance will be measured and evaluated over time.

The Fund is relatively concentrated, and typically invests in fewer than 55 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes, when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Mid 250 Fund has risen from 227.32p to 319.39p.

For comparison, using noon prices, the performance of the Class 1 share class was +40.50% and +41.22% for the Class 2 share class compared to a return of +26.87% for the Morningstar UK Unit Trusts/OEICs – IA 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 250 Ex Investment Trusts Index was +41.24%.

Market Overview and Portfolio Activity

The review period was a turbulent, but ultimately strong period for UK

mid caps, which posted double-digit gains and were well ahead of the broader FTSE All-Share index.

Stocks recovered from the steep declines of March 2020, helped by the unprecedented stimulus measures from central banks and governments. In the UK, the Bank of England (BoE) ramped up its bond-purchase programme while the government launched a variety of pandemic support programmes and fiscal stimulus measures, including a furlough scheme to mitigate job losses.

Declining coronavirus caseloads and the resulting easing of lockdown restrictions also boosted markets. After some shocking data releases last April, better-than-expected economic data and corporate earnings tended to reinforce this positive sentiment over the summer months.

Caution set in towards the autumn, as rising cases in the UK and elsewhere in Europe prompted a return to lockdown restrictions. Concern also grew that the UK and the EU might fail to agree on a trade deal before the Brexit transition period expired in December.

The mood turned markedly positive in the last two months of 2020, due to Joe Biden's triumph in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK and elsewhere. Towards the end of 2020, UK mid-caps were also boosted by the long-awaited Brexit trade deal. The concomitant rise in the pound was a further tailwind for mid-cap stocks.

In 2021, the UK's successful vaccination programme, along with falling COVID-19 caseloads, bolstered optimism about the economy, with lockdown restrictions starting to be rolled back in April. Markets were also buoyed by hopes of a recovery in the global economy and further US fiscal stimulus measures. These developments benefited mid-caps. However, inflation expectations and bond yields also rose in response, which triggered some market volatility.

In terms of the UK economy, a composite index of services and manufacturing activity quickly bounced back from the record low seen last April and re-entered expansionary territory in July. Renewed lockdowns later in 2020 took their toll, with the UK's GDP growth declining by a record 9.9% over the year. However, growth rebounded strongly in 2021, helped by vaccine-driven optimism. In May, the BoE stated that it expects UK GDP to rise by 7.25% this year, which would be the strongest rate in seven decades.

In terms of activity, we initiated several new positions over the period. Examples included Electrocomponents, Hilton Food Group, Chemring, Watches of Switzerland and Oxford BioMedica.

While shares of Electrocomponents have rebounded from the lows of March, valuations are still attractive. Trading has recovered since the start of the pandemic, and the company benefits from a highly competent

management team, strong cash conversion and consistent market-share gains.

We view Hilton Food Group and Chemring as quality defensive names. Additionally, both companies have substantial opportunities not currently recognised in their share prices.

Luxury retailer Watches of Switzerland was impacted by store closures as a result of lockdowns. However, sales have held up well, helped by the US business and growth in the e-commerce division. We believe the latter is likely to be sustainable, as the pandemic has accelerated the structural trend towards internet-based shopping.

We initiated a position in Oxford Biomedica via a placing, which the company undertook to raise funds for new investments. The firm is a manufacturer of AstraZeneca's coronavirus vaccine. As well as increasing Oxford Biomedica's global reputation and standing, this collaboration will also demonstrate its ability to produce very high-volume treatments critical for the growth of gene therapy. Meanwhile, the business has expanded its overall manufacturing facilities, which positions it well for rapid growth over the next few years.

We also participated in the successful initial-public offerings of Moonpig, Dr. Martens and tinyBuild. All three stocks rose strongly after listing.

Sales included Cranswick and Weir; both performed well over 2020. We also exited stocks that had been promoted to the FTSE 100, such as Intermediate Capital. Domino's Pizza was another sale, due to concerns over the increasingly competitive environment and protracted issues with franchisees, which we feel will take a long time to redress.

Prospects for an economic recovery in the UK have improved significantly following the country's rapid rollout of COVID-19 vaccinations. Meanwhile, the Brexit deal should remove a large part of the uncertainty that has weighed on UK equities in recent years.

We expect a rapid recovery in UK GDP, though this may slow at the end of the year as the furlough scheme ends. However, UK consumers have amassed a significant amount of savings, which we expect to help support the housing market and the retail and leisure sectors over the next year. Although Brexit may introduce some friction in trade costs, we expect inflation pressures to subside as we move into 2022.

We are very positive on the outlook for UK mid-caps. We believe the asset class still offers good value relative to European and US equities and we expect the drivers of superior equity returns from the mid-cap space over the wider market to continue over the short, medium and long term. High-quality businesses are likely to emerge from the crisis even stronger and the asset class could perform well as the UK and global economies recover.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	21,705	(9,964)
Revenue	3	767	1,215
Expenses	4	(501)	(554)
Net revenue before taxation		266	661
Taxation	5	(3)	—
Net revenue after taxation		263	661
Total return before distributions		21,968	(9,303)
Distributions**	6	(277)	(681)
Change in net assets attributable to shareholders from investment activities		21,691	(9,984)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		70,460	49,942
Current assets:			
Debtors	7	310	261
Cash and bank balances		126	2,144
Total assets		70,896	52,347
Liabilities:			
Creditors:			
Other creditors	8	(248)	(497)
Total liabilities		(248)	(497)
Net assets attributable to shareholders		70,648	51,850

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	51,850	64,150
Amounts receivable on the issue of shares**	4,689	7,818
Amounts payable on the cancellation of shares**	(7,865)	(10,824)
	(3,176)	(3,006)
Dilution adjustment	4	23
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	21,691	(9,984)
Retained distribution on accumulation shares	279	667
Closing net assets attributable to shareholders	70,648	51,850

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 0.8708).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1 01/05/20 to 30/04/21	0.6758	—	0.6758	2.5785
Group 2 01/05/20 to 30/04/21	0.4306	0.2452	0.6758	2.5785
Total distributions in the period			0.6758	2.5785

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 16.

Threadneedle UK Mid 250 Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	1.5414	–	1.5414	2.2860
Group 2				
01/05/20 to 30/04/21	1.5414	–	1.5414	2.2860
Total distributions in the period			1.5414	2.2860

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	0.8228	–	0.8228	2.1374
Group 2				
01/05/20 to 30/04/21	0.5176	0.3052	0.8228	2.1374
Total distributions in the period			0.8228	2.1374

Group 2: shares purchased during a distribution period.

Threadneedle UK Mid 250 Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	221.86	262.99	266.89	244.17	287.76	290.35
Return before operating charges (p)	102.91	(36.82)	0.38	113.62	(40.48)	0.55
Operating charges (p)	(4.23)	(4.31)	(4.28)	(3.23)	(3.11)	(3.14)
Return after operating charges (p)*	98.68	(41.13)	(3.90)	110.39	(43.59)	(2.59)
Distributions (p)	–	(0.87)	(2.02)	(0.68)	(2.58)	(3.82)
Retained distributions on accumulation shares (p)	–	0.87	2.02	0.68	2.58	3.82
Closing net asset value per share (p)	320.54	221.86	262.99	354.56	244.17	287.76
*after direct transaction costs of (p)	0.68	0.93	0.93	0.76	1.01	1.06
Performance						
Return after charges (%)	44.48	(15.64)	(1.46)	45.21	(15.15)	(0.89)
Other information						
Closing net asset value (£000)	5,587	5,044	14,377	4,470	3,291	4,769
Closing number of shares	1,743,061	2,273,412	5,466,947	1,260,778	1,348,068	1,657,249
Operating charges (%)**	1.60	1.67	1.66	1.10	1.10	1.07
Direct transaction costs (%)***	0.25	0.36	0.36	0.25	0.36	0.36
Prices						
Highest share price (p)	322.85	295.84	283.29	357.07	325.20	308.42
Lowest share price (p)	212.63	164.80	221.67	234.05	181.25	242.07
	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	103.58	120.84	120.66	170.02	200.02	201.47
Return before operating charges (p)	48.46	(17.15)	0.22	79.18	(28.19)	0.33
Operating charges (p)	(0.13)	(0.11)	(0.04)	(1.88)	(1.81)	(1.78)
Return after operating charges (p)*	48.33	(17.26)	0.18	77.30	(30.00)	(1.45)
Distributions (p)	(1.54)	(2.29)	(2.82)	(0.82)	(2.14)	(2.99)
Retained distributions on accumulation shares (p)	1.54	2.29	2.82	0.82	2.14	2.99
Closing net asset value per share (p)	151.91	103.58	120.84	247.32	170.02	200.02
*after direct transaction costs of (p)	0.32	0.43	0.42	0.53	0.70	0.70
Performance						
Return after charges (%)	46.66	(14.28)	0.15	45.47	(15.00)	(0.72)
Other information						
Closing net asset value (£000)	10,163	6,929	4	50,428	36,586	45,000
Closing number of shares	6,689,554	6,689,554	3,000	20,390,070	21,518,986	22,497,816
Operating charges (%)**	0.10	0.09	0.03	0.92	0.92	0.91
Direct transaction costs (%)***	0.25	0.36	0.36	0.25	0.36	0.36
Prices						
Highest share price (p)	152.94	137.68	128.32	249.05	226.37	214.05
Lowest share price (p)	99.32	76.80	101.29	162.98	126.18	168.16

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

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

Threadneedle UK Mid 250 Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	21,708	(9,962)
Transaction costs	(3)	(2)
Net capital gains/(losses)	21,705	(9,964)

3 REVENUE

	2021 £000	2020 £000
UK dividends	767	1,203
Bank interest	—	9
Underwriting commission	—	3
Total revenue	767	1,215

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(415)	(464)
Registration fees	(55)	(58)
	(470)	(522)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(7)	(7)
Safe custody fees	(10)	(10)
	(17)	(17)
Other expenses:		
Regulatory fees	(6)	(6)
Audit fees	(8)	(9)
	(14)	(15)
Total expenses*	(501)	(554)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(3)	—
Total current tax (note 5b)	(3)	—
Total tax charge for the period	(3)	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	266	661
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(53)	(132)
Effects of:		
Revenue not subject to taxation	150	240
Overseas taxes	(3)	—
Excess expenses*	(97)	(104)
Conversion transfer from capital*	—	(4)
Current tax charge for period (note 5a)	(3)	—

*For details on restatement please refer to note 16.

The fund has not recognised a deferred tax asset of £2,533,698 (2020: £2,436,412) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Final	279	667
	279	667
Add: Revenue deducted on the cancellation of shares*	4	76
Deduct: Revenue received on the creation of shares*	(6)	(62)
Net distribution for the period	277	681
Net revenue after taxation	263	661
Equalisation on conversion*	—	20
Shortfall transfer from capital to revenue	14	—
Total distributions	277	681

*For details on restatement please refer to note 16.

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 7 to 8.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	110	52
Sales awaiting settlement	15	117
Accrued revenue	185	92
Total debtors	310	261

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(6)	(32)
Purchases awaiting settlement	(193)	(429)
Accrued expenses	(3)	(4)
Amounts payable to ACD	(46)	(32)
Total other creditors	(248)	(497)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

Threadneedle UK Mid 250 Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.40%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

Threadneedle UK Mid 250 Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 9. The distribution per share class is given in the distribution table on pages 7 to 8. All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	2,273,412
Shares issued	188,862
Shares redeemed	(482,058)
Net conversions	(237,155)
Closing shares	1,743,061
Class 2 – Accumulation shares	
Opening shares	1,348,068
Shares issued	21,346
Shares redeemed	(100,983)
Net conversions	(7,653)
Closing shares	1,260,778
Class X – Accumulation shares	
Opening shares	6,689,554
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	6,689,554
Class Z – Accumulation shares	
Opening shares	21,518,986
Shares issued	1,899,042
Shares redeemed	(3,348,203)
Net conversions	320,245
Closing shares	20,390,070

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.67% and vice versa (2020: 4.70%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2020: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	126	–	70,770	70,896
Currency 2020	£000	£000	£000	£000
UK Sterling	2,144	–	50,203	52,347

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(248)	(248)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(497)	(497)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1	70,460	–	49,942	–
	70,460	–	49,942	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	35,278	17	0.05	113	0.32
Corporate actions	495	–	–	–	–
Total	35,773	17		113	

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	37,114	20	0.05	–	–
Total	37,114	20		–	

Total sales net of transaction costs:

37,094

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
Taxes:	0.19%

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	37,671	21	0.05	174	0.46
Corporate actions	191	–	–	–	–
Total	37,862	21		174	

Gross purchases total:

	38,057
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Threadneedle UK Mid 250 Fund

Notes to the financial statements

(continued)

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	39,281	20	0.05	—	—
Corporate actions	409	—	—	—	—
Total	39,690	20		—	

Total sales net of transaction costs: 39,670

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.29%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.46% (30 April 2020: 0.41%), being the difference between the respective buying and selling prices for the fund's investments.

16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
STATEMENT OF TOTAL RETURN			
Distributions	(663)	(18)	(681)
Net impact		(18)	

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS			
Amounts receivable on the issue of shares	15,792	(7,974)	7,818
Amounts payable on the cancellation of shares	(18,816)	7,992	(10,824)
	(3,024)	18	(3,006)

Change in net assets attributable to shareholders from investment activities (see statement of total return above)

Impact on net assets attributable to shareholders

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
Note 5 TAXATION			
Excess expenses	(108)	4	(104)
Conversion transfer from capital	—	(4)	(4)
Net impact		—	

Note 6 DISTRIBUTIONS

Add: Revenue deducted on the cancellation of shares

Deduct: Revenue received on the creation of shares

Net impact

Equalisation on conversion

	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Add: Revenue deducted on the cancellation of shares	107	(31)	76
Deduct: Revenue received on the creation of shares	(111)	49	(62)
Net impact		18	
Equalisation on conversion	2	18	20

17 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Accumulation shares	(10.63)

Threadneedle UK Sustainable Equity Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve a return over the long term consisting of capital growth and some income, achieved through investment in companies that are positively exposed to sustainable themes through their products and services, as well as those with strong or improving environmental, social and governance (ESG) characteristics.

The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in the UK, or which have significant UK business operations.

The Fund focusses on selecting companies delivering sustainable outcomes or progressing towards the delivery of sustainable outcomes, as outlined in the Fund's Sustainable Investment Guidelines. Those companies will offer products and services aligned to the Fund's sustainable themes, or demonstrate leadership on sustainability issues through strong environmental, social, and governance practices.

On occasion, the Fund may invest in other securities (including fixed interest securities), and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

Performance of Class Z - Accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class Z – Accumulation shares in the Threadneedle UK Sustainable Equity Fund has risen from 119.61p to 150.13p.

For comparison, using noon prices, the performance of the Class T share class was +25.04% and +25.52% for the Class Z share class compared to a return of +26.87% for the Morningstar UK Unit Trusts/OEICs – IA 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 +25.95%.

Market Overview and Portfolio Activity

The review period was a positive but volatile period for UK equities.

Stocks recovered from the steep declines of March 2020, helped by the unprecedented stimulus measures from central banks and governments. Declining coronavirus caseloads and the resulting easing of lockdown restrictions also boosted markets. After some shocking data releases in April, better-than-expected economic data and corporate earnings tended to reinforce this positive sentiment.

However, caution set in towards the autumn, as rising COVID-19 cases in the UK and elsewhere in Europe prompted a return to lockdown restrictions. Concern also grew that the UK and the EU might fail to agree on a trade deal before the Brexit transition period expired in December.

The mood turned markedly positive in the last two months of 2020, due to Joe Biden's triumph in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK and elsewhere. Towards the end of the year, investors also welcomed news of the last-minute trade agreement between the UK and the EU. These developments sparked a surge in stocks in beaten-down sectors that were perceived to be major beneficiaries of a resumption of 'normal' economic activity.

In 2021, the UK's successful vaccination programme, along with falling COVID-19 caseloads bolstered optimism about the economy, with lockdown restrictions starting to be rolled back in April. Markets were also buoyed by hopes of a recovery in the global economy and further US fiscal stimulus measures. These developments benefited value stocks, which was an additional tailwind for the UK stock market. However, inflation expectations and bond yields also rose in response, which triggered some market volatility.

As well as impacting markets and economies, COVID-19 is accelerating the need for digital transformation. The post-COVID-19 era will be defined by a combination of new technologies and companies enabling people to work, relax and eat "remotely", and the shift from offline to online across all sectors and demographics. Companies are actively integrating sustainability factors into the business decisions they are making about their digital infrastructure – and shareholders, of course, have the ability to influence this, and in how firms source the required energy. Beyond the primary implications for greater sustainability, technological advances could have subsequent or secondary impacts that can help improve things environmentally.

Climate change continued to dominate headlines. Notably, the US rejoined the Paris Agreement in February, and President Biden plans to reverse his predecessor's cuts to environmental protections and increase the use of renewable energy for electricity generation. Indeed, across the globe, the pandemic has accelerated the urgency surrounding climate change policies, and many governments have now announced net-zero emissions targets, including China by 2060. For instance, the European Parliament voted to raise its 2030 greenhouse gas emission reduction target from -40% to -60% compared with 1990 levels. The UK government has committed to raising its 2030 offshore wind target, with the prime minister pledging to boost UK offshore wind power as part of a "green industrial revolution".

In terms of fund activity, given the uncertain environment in 2020, we kept in close contact with our investee companies, paying particular attention to the safety and wellbeing of employees. With some businesses suffering sharp declines in revenue and temporary operation closures, our focus also turned to financial robustness such as liquidity, cashflow and balance sheets.

We have ensured the fund remains invested in companies with strong and sustainable business models and have identified businesses that should

emerge stronger with opportunities to gain market share. Accordingly, we increased exposure to quality companies that were trading on attractive valuations, and which stand to benefit from sustainability megatrends over the short, medium and long term. These included food-services business Compass and software company Aveva.

We also initiated several new positions over the year. Examples included housebuilder Berkeley, chemicals company Victrex and information-services business Informa.

Berkeley targets improvement to the natural environment and also works to strengthen communities. The company is the first carbon-positive housebuilder.

Around 40% of Victrex's sales are from products with a positive environmental and social impact, such as lighter-weight components for air and road transport that reduce fuel burn and carbon emissions. The company is targeting over 50% of sales in the future. It is an advanced contributor to our Sustainable Resource Management and Transformation theme.

Informa earns about 20% of its revenues from scholarly research. Last year, the company introduced an online research collection to help researchers, business and governments understand and achieve the UN SDGs. The holding is a contributor to our Education and Training theme.

At the turn of the year, we increased our exposure to quality cyclical, including in the industrial sector, in companies positioned for sustainable success and those likely to benefit from the pandemic growth opportunities.

The outlook for the UK has turned more positive this year, due to fading political risks around Brexit and optimism that the economy is likely to benefit from the rapid rollout of vaccines and buoyant consumer spending. This means that global asset allocators are now less likely to avoid the UK.

While the recent rotation to value has benefited the UK stock market, UK equities still remain attractively valued relative to global averages. The market contains many sustainable leaders while the majority of companies earn revenues overseas. We feel that this discount should start to narrow as the world economy recovers. Meanwhile, we expect inbound Mergers & Acquisitions to accelerate as increased confidence builds in the UK economy and corporates seek to capitalise on the valuation discount.

We will use our disciplined process to identify investment opportunities in companies that deliver sustainable, innovative outcomes, and continue to engage with companies to ensure the best results for our clients.

Our engagement activities cover strategy, corporate governance and management of material environmental and social risks. For portfolio companies, and those we are considering, engagement focuses on quantifying the impact of business operations in terms of revenue alignment to the UN SDGs and each company's sustainable outcome.

The future winners will be businesses that are inherently sustainable, and which generate sustainable solutions for some of the biggest problems facing the world. Those that have responded well to the pandemic, treated workers fairly and carefully considered all stakeholders will be the quickest to recover.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains/(losses)	2	10,748	(2,389)
Revenue	3	979	682
Expenses	4	(409)	(325)
Net revenue before taxation		570	357
Taxation	5	–	–
Net revenue after taxation		570	357
Total return before distributions		11,318	(2,032)
Distributions	6	(570)	(358)
Change in net assets attributable to shareholders from investment activities		10,748	(2,390)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		130,068	22,225
Current assets:			
Debtors	7	8,133	186
Cash and bank balances		492	619
Total assets		138,693	23,030
Liabilities:			
Creditors:			
Distribution payable		(87)	(126)
Other creditors	8	(6,582)	(43)
Total liabilities		(6,669)	(169)
Net assets attributable to shareholders		132,024	22,861

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	22,861	25,416
Amounts receivable on the issue of shares	101,717	3,378
Amounts payable on the cancellation of shares	(4,627)	(3,607)
	97,090	(229)
Dilution adjustment	616	3
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,748	(2,390)
Retained distribution on accumulation shares	709	61
Closing net assets attributable to shareholders	132,024	22,861

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 2 – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.4193	–	0.4193	0.9606
01/11/20 to 30/04/21	0.7843	–	0.7843	0.9312
Group 2				
01/05/20 to 31/10/20	0.0383	0.3810	0.4193	0.9606
01/11/20 to 30/04/21	0.4888	0.2955	0.7843	0.9312
Total distributions in the period			1.2036	1.8918

*In pound Sterling and against UK peer group (See Performance summary on page 187).

Threadneedle UK Sustainable Equity Fund

DISTRIBUTION TABLE

(continued)

Class T – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.1253	–	0.1253	0.9136
01/11/20 to 30/04/21	0.4961	–	0.4961	0.6915
Group 2				
01/05/20 to 31/10/20	0.0658	0.0595	0.1253	0.9136
01/11/20 to 30/04/21	0.4449	0.0512	0.4961	0.6915
Total distributions in the period			0.6214	1.6051

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.3821	–	0.3821	1.2328
01/11/20 to 30/04/21	0.8202	–	0.8202	1.0030
Group 2				
01/05/20 to 31/10/20	0.2025	0.1796	0.3821	1.2328
01/11/20 to 30/04/21	0.6115	0.2087	0.8202	1.0030
Total distributions in the period			1.2023	2.2358

Class Z – Gross income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.2772	–	0.2772	
01/11/20 to 30/04/21	0.5712	–	0.5712	0.6745
Group 2				
01/05/20 to 31/10/20	0.2492	0.0280	0.2772	
01/11/20 to 30/04/21	0.4735	0.0977	0.5712	0.6745
Total distributions in the period			0.8484	0.6745

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Sustainable Equity Fund

Comparative Table Disclosure

	Class 2 – Gross accumulation shares		Class T – Income shares		
	30/04/2021	30/04/2020 ¹	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share					
Opening net asset value per share (p)	95.58	100.00	110.01	119.96	118.98
Return before operating charges (p)	26.12	(3.73)	29.85	(6.75)	4.34
Operating charges (p)	(0.77)	(0.69)	(1.59)	(1.59)	(1.58)
Return after operating charges (p)*	25.35	(4.42)	28.26	(8.34)	2.76
Distributions (p)	(1.20)	(1.89)	(0.62)	(1.61)	(1.78)
Retained distributions on accumulation shares (p)	1.20	1.89	–	–	–
Closing net asset value per share (p)	120.93	95.58	137.65	110.01	119.96
*after direct transaction costs of (p)	1.41	0.13	1.45	0.14	0.13
Performance					
Return after charges (%)	26.52	(4.42)	25.69	(6.95)	2.32
Other information					
Closing net asset value (£000)	104,849	116	23,190	19,313	22,538
Closing number of shares	86,705,594	121,111	16,846,897	17,556,090	18,788,639
Operating charges (%)**	0.66	0.69 ¹	1.31	1.32	1.34
Direct transaction costs (%)***	1.21	0.12	1.21	0.12	0.11
Prices					
Highest share price (p)	121.99	115.08	139.37	133.44	125.71
Lowest share price (p)	91.00	75.73	104.71	87.78	107.74

	Class Z – Accumulation shares			Class Z – Gross income shares	
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020 ²
Change in net assets per share					
Opening net asset value per share (p)	119.34	127.86	124.41	83.32	100.00
Return before operating charges (p)	32.51	(7.33)	4.61	22.63	(15.87)
Operating charges (p)	(1.20)	(1.19)	(1.16)	(0.83)	(0.14)
Return after operating charges (p)*	31.31	(8.52)	3.45	21.80	(16.01)
Distributions (p)	(1.20)	(2.24)	(2.37)	(0.85)	(0.67)
Retained distributions on accumulation shares (p)	1.20	2.24	2.37	–	–
Closing net asset value per share (p)	150.65	119.34	127.86	104.27	83.32
*after direct transaction costs of (p)	1.58	0.15	0.13	1.10	0.09
Performance					
Return after charges (%)	26.24	(6.66)	2.77	26.16	(16.01)
Other information					
Closing net asset value (£000)	3,351	2,910	2,878	634	522
Closing number of shares	2,224,213	2,438,354	2,251,079	608,299	626,807
Operating charges (%)**	0.91	0.92	0.94	0.90	0.92 ¹
Direct transaction costs (%)***	1.21	0.12	0.11	1.21	0.12
Prices					
Highest share price (p)	151.97	143.75	131.62	105.76	101.17
Lowest share price (p)	113.62	94.59	113.77	79.34	66.58

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

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

¹Commenced 15 May 2019.

²Commenced 18 February 2020.

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

Threadneedle UK Sustainable Equity Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	10,752	(2,389)
Other (losses)/gains	(3)	1
Transaction costs	(1)	(1)
Net capital gains/(losses)	10,748	(2,389)

3 REVENUE

	2021 £000	2020 £000
UK dividends	978	676
Overseas dividends	—	(1)
Bank interest	—	7
Underwriting commission	1	—
Total revenue	979	682

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(362)	(282)
Registration fees	(32)	(28)
	(394)	(310)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(5)	(3)
Safe custody fees	(9)	(9)
	(14)	(12)
Other expenses:		
Audit fees	(7)	(8)
Expenses cap*	6	5
	(1)	(3)
Total expenses**	(409)	(325)

*Excess expenses are paid by the ACD.

**Including irrecoverable VAT where applicable.

5 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Total current tax (note 5b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	570	357
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(114)	(71)
Effects of:		
Revenue not subject to taxation	192	134
Excess expenses	(78)	(63)
Current tax charge for period (note 5a)	—	—

The fund has not recognised a deferred tax asset of £357,878 (2020: £280,073) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

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

	2021 £000	2020 £000
Interim	34	202
Final	785	151
	819	353
Add: Revenue deducted on the cancellation of shares	12	14
Deduct: Revenue received on the creation of shares	(261)	(9)
Net distribution for the period	570	358
Net revenue after taxation	570	357
Equalisation on conversion	—	1
Total distributions	570	358

Details of the distribution per share are set out in the table on pages 13 to 14.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	7,509	7
Sales awaiting settlement	45	25
Accrued revenue	579	154
Total debtors	8,133	186

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(18)	(20)
Purchases awaiting settlement	(6,483)	—
Accrued expenses	(3)	(2)
Amounts payable to ACD	(78)	(21)
Total other creditors	(6,582)	(43)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

Threadneedle UK Sustainable Equity Fund currently has three share classes; Class 2, Class T and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 2 shares	0.60%
Class T shares	1.15%
Class Z shares	0.75%

Registration fees

Class 2 shares	0.035%
Class T shares	0.110%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 15. The distribution per share class is given in the distribution table on pages 13 to 14. All classes have the same rights on winding up.

Threadneedle UK Sustainable Equity Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2021
Class 2 – Gross accumulation shares	
Opening shares	121,111
Shares issued	88,259,155
Shares redeemed	(1,674,672)
Net conversions	–
Closing shares	86,705,594
Class T – Income shares	
Opening shares	17,556,090
Shares issued	276,487
Shares redeemed	(985,680)
Net conversions	–
Closing shares	16,846,897
Class Z – Accumulation shares	
Opening shares	2,438,354
Shares issued	847,159
Shares redeemed	(1,061,300)
Net conversions	–
Closing shares	2,224,213
Class Z – Gross income shares	
Opening shares	626,807
Shares issued	32,959
Shares redeemed	(51,467)
Net conversions	–
Closing shares	608,299

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.91% and vice versa (2020: 4.60%).

Currency exposures

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

	Total
Currency 2021	£000
Euro	2,013
US Dollar	94
Currency 2020	£000
Euro	253
US Dollar	22

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	–	–	2,116	2,116
UK Sterling	492	–	135,992	136,484
US Dollar	–	–	94	94
Currency 2020	£000	£000	£000	£000
Euro	1	–	252	253
UK Sterling	618	–	22,137	22,755
US Dollar	–	–	22	22

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	–	–	(103)	(103)
UK Sterling	–	–	(6,567)	(6,567)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(169)	(169)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £Nil) and a liability value of £Nil (2020: £Nil).

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Valuation technique				
Level 1	129,427	–	22,225	–
	129,427	–	22,225	–

Threadneedle UK Sustainable Equity Fund

Notes to the financial statements

(continued)

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	101,911	28	0.03	457	0.45
Corporate actions	663	—	—	—	—
Total	102,574	28		457	

Gross purchases total: 103,059

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	5,926	3	0.05	—	—
Corporate actions	45	—	—	—	—
Total	5,971	3		—	

Total sales net of transaction costs: 5,968

Transaction costs as a percentage of average Net Assets

Commissions: 0.08%
Taxes: 1.13%

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	6,196	3	0.04	25	0.41
Total	6,196	3		25	

Gross purchases total: 6,224

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	5,809	3	0.04	—	—
Corporate actions	14	—	—	—	—
Total	5,823	3		—	

Total sales net of transaction costs: 5,820

Transaction costs as a percentage of average Net Assets

Commissions: 0.02%
Taxes: 0.10%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.26% (30 April 2020: 0.46%), being the difference between the respective buying and selling prices for the fund's investments.

16 POST BALANCE SHEET EVENT

The ACD fee changed from 1.15% to 0.75% on the 01 June 2021.

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class T – Income shares	(101.16)

Threadneedle UK Extended Alpha Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least 90% of its investment exposure to a concentrated portfolio of shares of companies listed on the London Stock Exchange, predominantly companies domiciled in the UK, or which have significant UK business operations.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions are taken by investing in company shares directly, as well as indirectly using derivatives, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 85 companies.

The Fund follows an "equity extension strategy", which allows proceeds from short positions to be used to extend long positions within the portfolio, to include more of the fund manager's strongest investment ideas. However, the Fund does not usually short more than 30% of its value, and long positions don't normally exceed 130% of the value of the Fund.

The Fund's extended long and short positions are usually, at least in part, obtained by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of a basket of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also invest in other securities (including fixed interest securities), money market instruments, deposits, cash and near cash. These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective. In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. It is representative of the type of company in which the Fund invests and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Extended Alpha Fund has risen from 408.68p to 497.54p.

For comparison, using noon prices, the performance of the Class 1 share class was +21.74% and +22.43% for the Class 2 share class compared to a return of +26.87% for the Morningstar UK Unit Trusts/OEICs – IA 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 +25.95%.

Market Overview and Portfolio Activity

The FTSE All-Share notched a double-digit gain over the review period.

Stocks recovered from the steep declines of March 2020, helped by the unprecedented stimulus measures from central banks and governments. In the UK, the Bank of England (BoE) ramped up its bond purchases while the government launched a variety of pandemic support programmes and fiscal stimulus measures, including a furlough scheme to mitigate job losses. Declining coronavirus caseloads and the resulting easing of lockdown restrictions also boosted markets, as did the improvement in economic data.

However, caution set in towards the autumn, as rising cases in the UK and elsewhere in Europe prompted a return to lockdowns. Concern also grew that the UK and the EU might fail to agree on a trade deal before the Brexit transition period expired in December.

The mood turned markedly positive in the last two months of 2020, due to Joe Biden's triumph in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK and elsewhere. These developments sparked a surge in stocks in beaten-down sectors that were perceived to be major beneficiaries of a resumption of 'normal' economic activity. Towards the end of the year, investors also welcomed news of the last-minute trade agreement between the UK and the EU, which further boosted UK stocks. The increased clarity around Brexit also reignited takeover interest in UK companies.

In 2021, the UK's successful vaccination programme, along with falling COVID-19 caseloads, bolstered optimism about the economy, with lockdown restrictions starting to be rolled back in April. Markets were also buoyed by hopes of a recovery in the global economy and further US fiscal stimulus measures. These developments benefited value stocks, which was an additional tailwind for the UK stock market. However, inflation expectations and bond yields also rose in response, which triggered some market volatility. In terms of the UK economy, a composite index of services and manufacturing activity quickly bounced back from the record low seen last April and re-entered expansionary territory in July. Renewed lockdowns later in 2020 took their toll on activity, with the UK's GDP growth declining by a record 9.9% over the year. However, growth rebounded strongly in 2021, helped by vaccine-driven optimism. In May, the BoE stated that it

expects UK GDP to rise by 7.25% this year, which would be the strongest increase in seven decades.

In the long book, we initiated positions in defence manufacturer BAE Systems and Melrose Industries.

BAE Systems stands to benefit from increased government spending on defence, particularly in the US, which accounts for nearly half the company's revenues. BAE's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. We expect free cashflow to improve, which should lead to higher dividends and lower net debt.

Industrial-turnaround specialist Melrose is well positioned for a recovery in the UK and global economy. While the automotive business has been hit by a slowdown in demand, the performance of the ventilation division has been encouraging. We are positive about the firm's planned sale of its Nortek Air Management business. The proceeds will be used to repair the balance sheet as well as to reward shareholders. Melrose had a conservative strategy during the crisis last year, but is now more focused on expansion, which should be a positive catalyst for the shares.

British American Tobacco was sold. We feel that over the long term, return on capital is likely to be constrained unless the company cuts dividends or deleverages. Other sales included Shell, M&G and SSE.

New additions to the short book included a property developer, a self-storage company, an insurer and a fast-food chain. We closed our positions in an investment platform, a credit-scoring company and a provider of testing and assurance services.

The outlook for the UK appears more positive. With fading political risks around Brexit and the economy likely to benefit from the rapid rollout of vaccines and buoyant consumer spending, global asset allocators are now less likely to avoid the UK.

While the recent rotation to value has benefited UK equities, they are still very cheap relative to global averages. These valuation disparities are not just in domestic companies; quality UK-listed firms with global exposure are also materially cheaper than their international peers.

We feel that this discount should start to narrow as the global economy recovers. The UK's underweight to global technology giants should also prove beneficial as some of the extreme valuations here are likely to correct as interest-rate expectations rise, and 'normal' activity resumes.

Meanwhile, we expect inbound Mergers & Acquisitions to accelerate as increased confidence builds in the UK economy and corporates seek to capitalise on the valuation discount.

All told, we are confident that a well-constructed, well-balanced portfolio with a diversified set of exposures, coupled with accurate and disciplined active management, can navigate the market vagaries.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	26,960	(32,276)
Revenue	3	3,982	5,587
Expenses	4	(1,053)	(1,206)
Interest payable and similar charges	5	(314)	(749)
Net revenue before taxation		2,615	3,632
Taxation	6	–	–
Net revenue after taxation		2,615	3,632
Total return before distributions		29,575	(28,644)
Distributions**	7	(2,615)	(3,642)
Change in net assets attributable to shareholders from investment activities		26,960	(32,286)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		120,067	132,257
Current assets:			
Debtors	8	815	2,143
Cash and bank balances		2,073	1,837
Cash equivalents***		10	3,226
Total assets		122,965	139,463
Liabilities:			
Investment liabilities		(212)	–
Creditors:			
Other creditors	9	(1,024)	(1,062)
Total liabilities		(1,236)	(1,062)
Net assets attributable to shareholders		121,729	138,401

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	138,401	146,102
Amounts receivable on the issue of shares**	12,407	32,167
Amounts payable on the cancellation of shares**	(58,237)	(11,583)
	(45,830)	20,584
Dilution adjustment	17	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	26,960	(32,286)
Retained distribution on accumulation shares	2,181	4,001
Closing net assets attributable to shareholders	121,729	138,401

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 17.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1 01/05/20 to 30/04/21	6.3424	–	6.3424	8.7462
Group 2 01/05/20 to 30/04/21	4.5839	1.7585	6.3424	8.7462
Total distributions in the period			6.3424	8.7462

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

Threadneedle UK Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	9.5990	–	9.5990	12.4141
Group 2				
01/05/20 to 30/04/21	6.2091	3.3899	9.5990	12.4141
Total distributions in the period			9.5990	12.4141

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	6.1747	–	6.1747	7.5887
Group 2				
01/05/20 to 30/04/21	6.1747	–	6.1747	7.5887
Total distributions in the period			6.1747	7.5887

Group 2: shares purchased during a distribution period.

Threadneedle UK Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	397.40	488.57	473.27	433.42	529.84	510.38
Return before operating charges (p)	105.90	(84.56)	21.74	115.89	(92.14)	23.62
Operating charges (p)	(6.00)	(6.61)	(6.44)	(3.90)	(4.28)	(4.16)
Return after operating charges (p)*	99.90	(91.17)	15.30	111.99	(96.42)	19.46
Distributions (p)	(6.34)	(8.75)	(10.38)	(9.60)	(12.41)	(14.04)
Retained distributions on accumulation shares (p)	6.34	8.75	10.38	9.60	12.41	14.04
Closing net asset value per share (p)	497.30	397.40	488.57	545.41	433.42	529.84
*after direct transaction costs of (p)	0.35	1.51	1.16	0.38	1.64	1.25
Performance						
Return after charges (%)	25.14	(18.66)	3.23	25.84	(18.20)	3.81
Other information						
Closing net asset value (£000)	4,329	4,168	5,459	108,365	127,107	140,636
Closing number of shares	870,504	1,048,744	1,117,252	19,868,401	29,326,763	26,543,107
Operating charges (%)**	1.39	1.39	1.39	0.83	0.83	0.83
Direct transaction costs (%)***	0.08	0.32	0.25	0.08	0.32	0.25
Prices						
Highest share price (p)	504.19	526.27	490.22	552.87	572.83	531.58
Lowest share price (p)	369.21	318.27	413.00	403.80	346.88	447.04

	Class X – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share			
Opening net asset value per share (p)	201.54	244.51	233.73
Return before operating charges (p)	54.17	(42.80)	10.94
Operating charges (p)	(0.15)	(0.17)	(0.16)
Return after operating charges (p)*	54.02	(42.97)	10.78
Distributions (p)	(6.17)	(7.59)	(8.22)
Retained distributions on accumulation shares (p)	6.17	7.59	8.22
Closing net asset value per share (p)	255.56	201.54	244.51
*after direct transaction costs of (p)	0.18	0.76	0.58
Performance			
Return after charges (%)	26.80	(17.57)	4.61
Other information			
Closing net asset value (£000)	9,035	7,126	7
Closing number of shares	3,535,628	3,535,628	3,000
Operating charges (%)**	0.07	0.07	0.07
Direct transaction costs (%)***	0.08	0.32	0.25
Prices			
Highest share price (p)	258.99	265.68	245.28
Lowest share price (p)	188.49	161.17	205.76

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

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

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	25,818	(28,895)
Derivative contracts	1,150	(3,373)
Other losses	(7)	(6)
Transaction costs	(1)	(2)
Net capital gains/(losses)	26,960	(32,276)

3 REVENUE

	2021 £000	2020 £000
UK dividends	3,661	4,897
Derivative revenue	314	645
Bank interest	5	45
Underwriting commission	2	–
Total revenue	3,982	5,587

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(944)	(1,085)
Registration fees	(67)	(76)
	(1,011)	(1,161)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(16)	(18)
Safe custody fees	(11)	(12)
	(27)	(30)
Other expenses:		
Regulatory fees	(6)	(6)
Audit fees	(9)	(9)
	(15)	(15)
Total expenses*	(1,053)	(1,206)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Dividends payable on short positions	(314)	(749)
Total interest payable and similar charges	(314)	(749)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,615	3,632
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(523)	(726)
Effects of:		
Revenue not subject to taxation	722	967
Excess expenses*	(199)	(239)
Conversion transfer from capital*	–	2
Current tax charge for period (note 6a)	–	–

*For details on restatement please refer to note 17.

The fund has not recognised a deferred tax asset of £1,835,700 (2020: £1,636,782) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Final	2,181	4,001
	2,181	4,001
Add: Revenue deducted on the cancellation of shares*	511	114
Deduct: Revenue received on the creation of shares*	(77)	(473)
Net distribution for the period	2,615	3,642
Net revenue after taxation	2,615	3,632
Equalisation on conversion*	–	10
Total distributions	2,615	3,642

*For details on restatement please refer to note 17.

Details of the distribution per share are set out in the table on pages 19 to 20.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	–	1,241
Sales awaiting settlement	60	–
Accrued revenue	755	902
Total debtors	815	2,143

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(819)	(15)
Purchases awaiting settlement	(5)	(915)
Accrued expenses	(123)	(49)
Amounts payable to ACD	(77)	(83)
Total other creditors	(1,024)	(1,062)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

12 SHAREHOLDER FUNDS

Threadneedle UK Extended Alpha Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.25%
Class 2 shares	0.75%
Class X shares	N/A*
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.050%
Class X shares	0.035%

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 21. The distribution per share class is given in the distribution table on pages 19 to 20. All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	1,048,744
Shares issued	112,971
Shares redeemed	(272,619)
Net conversions	(18,592)
Closing shares	870,504
Class 2 – Accumulation shares	
Opening shares	29,326,763
Shares issued	2,578,039
Shares redeemed	(12,053,444)
Net conversions	17,043
Closing shares	19,868,401
Class X – Accumulation shares	
Opening shares	3,535,628
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,535,628

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Value at Risk (VaR) disclosure

Ex ante risk forecasts are generated using factor models provided by BlackRock Solutions. The risk model is updated daily. VaR is used to evaluate the level of Global Exposure undertaken by the fund. VaR is defined using two variables – a time period and a probability of loss. For example, a 99%, 1 month VaR estimate would imply there is a 99% probability that the fund will lose no more than this VaR amount over a one month period. The figure is calculated using a covariance model with 2 years of data, weighted with a 6 month half-life. All risk figures are estimates.

The fund's VaR limit is 1.6x benchmark¹.

As at year end the fund's VaR was 16.8% (2020: 22.8%). This means that there is estimated to be a 1% chance that the fund could lose more than 16.8% (2020: 22.8%) of its value in a month.

At 30 April, 2021 the VaR utilisation was 69% (2020: 63%) (actual VaR/VaR limit). During the year ended 30 April, 2021 the lowest VaR utilisation was 63% (2020: 61%), the highest VaR utilisation was 72% (2020: 68%) and the average utilisation was 67% (2020: 65%).

¹The benchmark of fund is shown on page 187.

Currency exposures

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

	Total
Currency 2021	£000
US Dollar	197
Currency 2020	£000
Euro	62
US Dollar	145

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

The fund did not hold any collateral received from the fund's counterparties in the current year (2020: £106,000). The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	2,073	10	120,685	122,768
US Dollar	–	–	197	197
Currency 2020	£000	£000	£000	£000
Euro	62	–	–	62
UK Sterling	1,773	3,226	134,257	139,256
US Dollar	2	–	143	145

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(1,236)	(1,236)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(1,062)	(1,062)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

Derivatives including portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager.

At 30 April 2021, the fund had outstanding portfolio swaps with an asset value of £Nil (2020: £1,023,000) and a liability value of £212,000 (2020: £Nil).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

14 FAIR VALUE DISCLOSURE

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

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

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

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

(continued)

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	120,077	–	134,460	–
Level 2	–	(212)	1,023	–
	120,077	(212)	135,483	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value	Commissions	Taxes	
	£000	£000	%	£000
Purchases				
Equities	17,250	8	0.04	74
Collective investment schemes	19,004	–	–	–
Corporate actions	956	–	–	–
Total	37,210	8		74

Gross purchases total:

37,292

	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	54,484	23	0.04	–
Collective investment schemes	22,220	–	–	–
Corporate actions	825	–	–	–
Total	77,529	23		–

Total sales net of transaction costs:

77,506

Transaction costs as a percentage of average Net Assets

Commissions: 0.02%
Taxes: 0.06%

30 April 2020

	Value	Commissions	Taxes	
	£000	£000	%	£000
Purchases				
Equities	82,487	40	0.05	399
Collective investment schemes	34,025	–	–	–
Total	116,512	40		399

Gross purchases total:

116,951

	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	61,555	34	0.05	–
Collective investment schemes	30,800	–	–	–
Corporate actions	1,619	–	–	–
Total	93,974	34		–

Total sales net of transaction costs:

93,940

Transaction costs as a percentage of average Net Assets

Commissions: 0.05%
Taxes: 0.27%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.07% (30 April 2020: 0.08%), being the difference between the respective buying and selling prices for the fund's investments.

17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

STATEMENT OF TOTAL RETURN	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Distributions	(3,632)	(10)	(3,642)
Net impact		(10)	

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Amounts receivable on the issue of shares	41,549	(9,382)	32,167
Amounts payable on the cancellation of shares	(20,975)	9,392	(11,583)
	20,574	10	20,584

Change in net assets attributable to shareholders from investment activities (see statement of total return above)

(32,276) (10) (32,286)

Impact on net assets attributable to shareholders

–

Note 6 TAXATION	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Excess expenses	(241)	2	(239)
Conversion transfer from capital	–	(2)	(2)
Net impact		–	

Note 7 DISTRIBUTIONS	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Add: Revenue deducted on the cancellation of shares	146	(32)	114
Deduct: Revenue received on the creation of shares	(515)	42	(473)
Net impact		10	
Equalisation on conversion	–	10	10

18 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 28 July 2021, the net asset value of the Fund decreased by 27.66%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 4 August with no material movements noted since 28 July.

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 2 – Accumulation shares	(30.69)

Threadneedle UK Equity Alpha Income Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange; predominantly companies domiciled in the UK, or which have significant UK business operations.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. The Alpha Income investment approach is a highly focused management style, allowing the flexibility for significant share and sector positions to be taken. As a result, investment is usually concentrated in fewer than 35 companies. These companies may be of any size, but investment tends to focus on larger companies included in the FTSE All-Share Index.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time.

The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

Performance of Net Income Class 1 Shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Income shares in the Threadneedle UK Equity Alpha Income Fund has risen from 55.98p to 65.42p.

For comparison, using noon prices, the performance of the Class 1 share class was +21.43% and +22.12% for the Class 2 share class compared to a return of +24.99% for the Morningstar UK Unit Trusts/OEICs – IA 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 +25.95%.

Market Overview and Portfolio Activity

The FTSE All-Share notched a double-digit gain over the review period.

Stocks recovered from the steep declines of March 2020, helped by the unprecedented stimulus measures from central banks and governments. In the UK, the Bank of England (BoE) ramped up its bond purchases while the government launched a variety of pandemic support programmes and fiscal stimulus measures, including a furlough scheme to mitigate job losses. Declining coronavirus caseloads and the resulting easing of lockdown restrictions also boosted markets, as did the improvement in economic data.

However, caution set in towards the autumn, as rising cases in the UK and elsewhere in Europe prompted a return to lockdowns. Concern also grew that the UK and the EU might fail to agree on a trade deal before the Brexit transition period expired in December.

The mood turned markedly positive in the last two months of 2020, due to Joe Biden's triumph in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in the UK and elsewhere. These developments sparked a surge in stocks in beaten-down sectors that were perceived to be major beneficiaries of a resumption of 'normal' economic activity. Towards the end of the year, investors also welcomed news of the last-minute trade agreement between the UK and the EU, which further boosted UK stocks. The increased clarity around Brexit also reignited takeover interest in UK companies.

In 2021, the UK's successful vaccination programme, along with falling COVID-19 caseloads, bolstered optimism about the economy, with lockdown restrictions starting to be rolled back in April. Markets were also buoyed by hopes of a recovery in the global economy and further US fiscal stimulus measures. These developments benefited value stocks, which was an additional tailwind for the UK stock market. However, inflation expectations and bond yields also rose in response, which triggered some market volatility. In terms of the UK economy, a composite index of services and manufacturing activity quickly bounced back from the record low seen last April and re-entered expansionary territory in July. Renewed lockdowns later in 2020 took their toll on activity, with the UK's GDP growth declining by a record 9.9% over the year. However, growth rebounded strongly in 2021, helped by vaccine-driven optimism. In May, the BoE stated that it expects UK GDP to rise by 7.25% this year, which would be the strongest increase in seven decades.

In terms of activity, we initiated positions in engineering company IMI and insurers Direct Line and Hiscox. Following a period of underperformance associated with Brexit and COVID-19, we felt that these stocks were attractively valued.

In our view, Hiscox is likely to be impacted to a smaller extent by the Supreme Court ruling on business-interruption claims relating to the pandemic than initially feared. Meanwhile, the business has a strong capital position, as well as opportunities to expand its retail presence and generate higher margins in big-ticket lines.

Direct Line is one of the major personal-lines insurers in the UK. The stock has a favourable dividend yield. With a range of well-established brands, the company also boasts scale and diversification advantages – factors which bode well for profitability. Furthermore, we feel the scale advantages will also bring brand strength, diverse distribution relationships and an opportunity to cut costs, which Direct Line should continue to exploit.

We also initiated a position in private-equity group 3i. The firm has a diverse portfolio and exposure to some sectors which are benefiting from increased momentum, such as healthcare, e-commerce and value-for-money retail.

We profitably sold RSA Insurance ahead of its takeover. The position in Shell was also closed.

Despite the recent rally, the UK market remains cheap; this is a reflection of global asset allocators' underweight to the market amid the uncertainty around Brexit and COVID-19. But the outlook is now more positive as vaccines are rolled out, and the UK market offers global exposure alongside attractive governance factors. Global firms listed in the UK are trading at material price-to-earnings discounts relative to overseas competitors. As such, Mergers & Acquisitions have taken off, and we expect this trend to continue.

Meanwhile, valuations within the market remain polarised. While some of the more distressed areas have rallied significantly since November, we still feel there is much further to go. The proliferation of quantitative- and ETF-driven trading and factor-based investing is throwing up some interesting themes, and a number of companies do not fit the narrow growth/value definition. We feel there are many favourable opportunities in stocks which cannot be clearly delineated as either COVID-19 winners or clear reopening beneficiaries, and believe it is important to maintain optionality within the portfolio.

Conditions have stabilised following the swift and sharp contraction in dividend payments last year, with many companies resuming dividends and more likely to follow. Looking ahead, we expect more prudent policies and better cover. For now, however, balance sheets and liquidity are paramount.

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

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	59,401	(52,765)
Revenue	3	10,930	15,799
Expenses	4	(2,621)	(3,272)
Net revenue before taxation		8,309	12,527
Taxation	5	–	–
Net revenue after taxation		8,309	12,527
Total return before distributions		67,710	(40,238)
Distributions**	6	(10,632)	(15,428)
Change in net assets attributable to shareholders from investment activities		57,078	(55,666)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		318,097	299,763
Current assets:			
Debtors	7	1,828	1,782
Cash and bank balances		1,227	1,786
Cash equivalents***		2,014	1,512
Total assets		323,166	304,843
Liabilities:			
Creditors:			
Distribution payable		(5,129)	(5,395)
Other creditors	8	(336)	(584)
Total liabilities		(5,465)	(5,979)
Net assets attributable to shareholders		317,701	298,864

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	298,864	362,319
Amounts receivable on the issue of shares**	7,393	91,493
Amounts payable on the cancellation of shares**	(46,868)	(101,722)
	(39,475)	(10,229)
Dilution adjustment	–	50
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	57,078	(55,666)
Retained distribution on accumulation shares	1,234	2,390
Closing net assets attributable to shareholders	317,701	298,864

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 16.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.8870	–	0.8870	1.5568
01/11/20 to 30/04/21	1.1767	–	1.1767	1.1472
Group 2				
01/05/20 to 31/10/20	0.4605	0.4265	0.8870	1.5568
01/11/20 to 30/04/21	0.6478	0.5289	1.1767	1.1472
Total distributions in the period			2.0637	2.7040

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

Threadneedle UK Equity Alpha Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.9765	–	0.9765	1.6911
01/11/20 to 30/04/21	1.2933	–	1.2933	1.2559
Group 2				
01/05/20 to 31/10/20	0.5491	0.4274	0.9765	1.6911
01/11/20 to 30/04/21	0.2930	1.0003	1.2933	1.2559
Total distributions in the period			2.2698	2.9470

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	1.5304	–	1.5304	2.6480
01/11/20 to 30/04/21	2.0338	–	2.0338	1.9666
Group 2				
01/05/20 to 31/10/20	1.5304	–	1.5304	2.6480
01/11/20 to 30/04/21	1.4638	0.5700	2.0338	1.9666
Total distributions in the period			3.5642	4.6146

Class X – Gross accumulation shares

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	1.5484	–	1.5484	2.3099
01/11/20 to 30/04/21	2.0934	–	2.0934	1.9373
Group 2				
01/05/20 to 31/10/20	1.5484	–	1.5484	2.3099
01/11/20 to 30/04/21	2.0934	–	2.0934	1.9373
Total distributions in the period			3.6418	4.2472

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	1.9079	–	1.9079	3.3260
01/11/20 to 30/04/21	2.5402	–	2.5402	2.4577
Group 2				
01/05/20 to 31/10/20	0.7966	1.1113	1.9079	3.3260
01/11/20 to 30/04/21	1.5615	0.9787	2.5402	2.4577
Total distributions in the period			4.4481	5.7837

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Alpha Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	53.49	64.02	65.70	57.43	68.39	69.83
Return before operating charges (p)	13.71	(6.81)	2.23	14.77	(7.30)	2.39
Operating charges (p)	(0.95)	(1.02)	(1.07)	(0.67)	(0.71)	(0.75)
Return after operating charges (p)*	12.76	(7.83)	1.16	14.10	(8.01)	1.64
Distributions (p)	(2.06)	(2.70)	(2.84)	(2.27)	(2.95)	(3.08)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	64.19	53.49	64.02	69.26	57.43	68.39
*after direct transaction costs of (p)	0.03	0.02	0.02	0.03	0.02	0.03
Performance						
Return after charges (%)	23.85	(12.23)	1.77	24.55	(11.71)	2.35
Other information						
Closing net asset value (£000)	35,615	34,828	66,736	84,717	74,408	127,561
Closing number of shares	55,484,539	65,110,743	104,243,800	122,313,737	129,565,167	186,530,931
Operating charges (%)**	1.63	1.63	1.63	1.06	1.06	1.05
Direct transaction costs (%)***	0.05	0.03	0.03	0.05	0.03	0.03
Prices						
Highest share price (p)	66.22	68.66	70.41	71.47	73.60	74.95
Lowest share price (p)	51.90	44.97	59.42	55.73	48.26	63.39

	Class X – Income shares			Class X – Gross accumulation shares	
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020 ¹
Change in net assets per share					
Opening net asset value per share (p)	90.36	106.51	107.65	91.41	100.00
Return before operating charges (p)	23.34	(11.49)	3.67	24.04	(8.53)
Operating charges (p)	(0.06)	(0.05)	(0.02)	(0.06)	(0.06)
Return after operating charges (p)*	23.28	(11.54)	3.65	23.98	(8.59)
Distributions (p)	(3.56)	(4.61)	(4.79)	(3.64)	(4.25)
Retained distributions on accumulation shares (p)	–	–	–	3.64	4.25
Closing net asset value per share (p)	110.08	90.36	106.51	115.39	91.41
*after direct transaction costs of (p)	0.05	0.03	0.04	0.05	0.03
Performance					
Return after charges (%)	25.76	(10.83)	3.39	26.23	(8.59)
Other information					
Closing net asset value (£000)	13,777	12,786	3	39,112	48,521
Closing number of shares	12,515,893	14,150,865	3,000	33,894,303	53,078,463
Operating charges (%)**	0.06	0.06	0.02	0.06	0.06 ¹
Direct transaction costs (%)***	0.05	0.03	0.03	0.05	0.03
Prices					
Highest share price (p)	113.53	115.38	115.88	116.86	114.32
Lowest share price (p)	87.72	75.85	98.45	88.74	75.14

Threadneedle UK Equity Alpha Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares		
	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share			
Opening net asset value per share (p)	115.00	136.59	139.15
Return before operating charges (p)	29.61	(14.63)	4.71
Operating charges (p)	(1.11)	(1.18)	(1.23)
Return after operating charges (p)*	28.50	(15.81)	3.48
Distributions (p)	(4.45)	(5.78)	(6.04)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	139.05	115.00	136.59
*after direct transaction costs of (p)	0.06	0.04	0.05
Performance			
Return after charges (%)	24.78	(11.57)	2.50
Other information			
Closing net asset value (£000)	144,480	128,321	168,019
Closing number of shares	103,907,495	111,582,284	123,009,135
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.05	0.03	0.03
Prices			
Highest share price (p)	143.41	147.22	149.43
Lowest share price (p)	111.61	96.59	126.53

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

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

¹Commenced 9 May 2019.

²The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	59,407	(52,746)
Other losses	(5)	(18)
Transaction costs	(1)	(1)
Net capital gains/(losses)	59,401	(52,765)

3 REVENUE

	2021 £000	2020 £000
UK dividends	10,928	15,758
Overseas dividends	–	12
Bank interest	2	17
Underwriting commission	–	12
Total revenue	10,930	15,799

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,323)	(2,915)
Registration fees	(233)	(285)
	(2,556)	(3,200)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(36)	(43)
Safe custody fees	(15)	(16)
	(51)	(59)
Other expenses:		
Regulatory fees	(6)	(5)
Audit fees	(8)	(8)
	(14)	(13)
Total expenses*	(2,621)	(3,272)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	8,309	12,527
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,662)	(2,505)
Effects of:		
Revenue not subject to taxation	2,096	3,071
Excess expenses*	(434)	(565)
Conversion transfer from capital*	–	(1)
Current tax charge for period (note 5a)	–	–

*For details on restatement please refer to note 16.

The fund has not recognised a deferred tax asset of £12,574,404 (2020: £12,140,025) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Interim	4,506	8,674
Final	5,838	6,423
	10,344	15,097
Add: Revenue deducted on the cancellation of shares*	351	1,142
Deduct: Revenue received on the creation of shares*	(63)	(811)
Net distribution for the period	10,632	15,428
Net revenue after taxation	8,309	12,527
Annual management charge to capital	2,323	2,915
Equalisation on conversion*	–	(14)
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	10,632	15,428

*For details on restatement please refer to note 16.

Details of the distribution per share are set out in the table on pages 25 to 26.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	20	30
Sales awaiting settlement	–	70
Accrued revenue	1,808	1,682
Total debtors	1,828	1,782

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(104)	(378)
Accrued expenses	(6)	(9)
Amounts payable to ACD	(226)	(197)
Total other creditors	(336)	(584)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

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

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

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

(continued)

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 27 to 28. The distribution per share class is given in the distribution table on pages 25 to 26.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	65,110,743
Shares issued	1,148,787
Shares redeemed	(7,727,265)
Net conversions	(3,047,726)
Closing shares	55,484,539
Class 2 – Income shares	
Opening shares	129,565,167
Shares issued	4,377,220
Shares redeemed	(11,659,984)
Net conversions	31,334
Closing shares	122,313,737
Class X – Income shares	
Opening shares	14,150,865
Shares issued	208,689
Shares redeemed	(1,843,661)
Net conversions	–
Closing shares	12,515,893
Class X – Gross accumulation shares	
Opening shares	53,078,463
Shares issued	–
Shares redeemed	(19,184,160)
Net conversions	–
Closing shares	33,894,303
Class Z – Income shares	
Opening shares	111,582,284
Shares issued	3,093,313
Shares redeemed	(12,166,588)
Net conversions	1,398,486
Closing shares	103,907,495

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.60% and vice versa (2020: 4.35%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2020: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	1,227	2,014	319,925	323,166
Currency 2020	£000	£000	£000	£000
UK Sterling	1,786	1,512	301,545	304,843

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(5,465)	(5,465)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(5,979)	(5,979)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	320,111	–	301,275	–
	320,111	–	301,275	–

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

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	30,208	14	0.05	115	0.38
Collective investment schemes	23,002	–	–	–	–
Corporate actions	1,403	–	–	–	–
Total	54,613	14		115	
Gross purchases total:	54,742				

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

(continued)

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	72,837	24	0.03	—	—
Collective investment schemes	22,500	—	—	—	—
Total	95,337	24		—	

Total sales net of transaction costs: 95,313

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.04%

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	21,568	7	0.03	81	0.38
Collective investment schemes	22,507	—	—	—	—
Corporate actions	1,625	—	—	—	—
Total	45,700	7		81	

Gross purchases total: 45,788

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	44,145	20	0.04	—	—
Collective investment schemes	21,050	—	—	—	—
Total	65,195	20		—	

Total sales net of transaction costs: 65,175

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.02%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.16% (30 April 2020: 0.21%), being the difference between the respective buying and selling prices for the fund's investments.

16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
STATEMENT OF TOTAL RETURN			
Distributions	(15,442)	14	(15,428)
Net impact		14	

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Amounts receivable on the issue of shares
Amounts payable on the cancellation of shares

Change in net assets attributable to shareholders from investment activities (see statement of total return above)

Impact on net assets attributable to shareholders

Note 5 TAXATION

Excess expenses
Conversion transfer from capital

Net impact

Note 6 DISTRIBUTIONS

Add: Revenue deducted on the cancellation of shares
Deduct: Revenue received on the creation of shares

Net impact

Equalisation on conversion

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
112,687	(21,194)	91,493
(122,902)	21,180	(101,722)
(10,215)	(14)	(10,229)

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
(55,680)	14	(55,666)
	—	

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
(566)	1	(565)
—	(1)	(1)
	—	

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
1,448	(306)	1,142
(1,103)	292	(811)
	(14)	
—	(14)	(14)

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the iBoxx GBP Non-Gilts 5+ Years Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in investment grade corporate bonds with a remaining maturity of 5 years or more. The Fund may also invest in other bonds (including below investment grade corporate bonds, and government bonds) when considered appropriate to achieve its investment objective.

The bonds selected are denominated in sterling (or hedged back to sterling, if a different currency) and issued by companies anywhere in the world.

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. The Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The iBoxx GBP Non-Gilts 5+ Years Index is regarded as an appropriate performance measure of sterling-denominated investment grade bonds with a remaining maturity of 5 years or longer issued worldwide, but excluding bonds issued by the UK government (gilts). It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Gross Income Class 2 Shares*

Over the twelve months to 30 April 2021, the published share price of Class 2 – Income shares in the Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund has risen from 142.28p to 144.27p.

For comparison, using noon prices, the performance of the Class 2 share class was +3.50% (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 iBoxx GBP Non-Gilt 5+ Years Index was +2.57%.

Market Overview and Portfolio Activity

The year under review was a turbulent period in terms of both world events and financial-market movements. Ultimately, however, it was a positive one for UK corporate bonds. As measured by the fund's benchmark, sterling investment-grade (IG) credit with over five years to maturity posted a modest positive total return. A rise in UK government bond (gilt) yields (which move inversely to price) was outweighed by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

From the start of the period until September 2020, risk assets in general (such as equities and corporate bonds) rallied amid hopes that the flood of pandemic-driven stimulus from central banks and governments, together with the eventual easing of lockdown restrictions, would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, gilt yields remained low for much of this period. Yields were anchored by Brexit fears, accommodative monetary policy (in the UK and elsewhere), and speculation that the Bank of England (BoE) might cut rates below zero to revive the economy. Longer-dated yields rose sharply in August, however, as the reopening of businesses was reflected in higher inflation, and the market digested increased supply of new long-dated gilts.

In September, however, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and evidence of slowing economic momentum – particularly in Europe – amid increased efforts to contain the virus. Meanwhile, political uncertainty was also mounting in relation to the US presidential election and Brexit. This mood continued through much of October, intensifying in the week before the US election. Nevertheless, IG spreads were little altered from the end of the summer.

After this interruption, credit spreads resumed their tightening trend. In the last two months of 2020, investors welcomed a market-friendly outcome in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in Western democracies. Anticipation of another fiscal relief package in the US provided more fuel for the risk-on rally – as did its eventual delivery in December. News of the last-minute Brexit deal also bolstered sentiment as the year drew to a close.

The remainder of the period was characterised by a sharp rise in gilt and other core bond yields, accompanied by a modest tightening in credit

spreads. Yields rose along with US inflation expectations as the Democrats took control of the Senate, paving the way for even larger injections of fiscal stimulus, one of which was signed into law in March. Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes – the UK being a notable example – further buoyed risk appetite. Gilt yields in particular were pushed higher as the BoE downplayed the likelihood of negative rates.

In terms of activity, early in the second quarter of 2020, we continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) before reducing it again as spreads came back in towards their long-term averages. At the end of the period in review, the portfolio still had a modest long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well.

We were active in the primary market, particularly in the spring of 2020 when a surge in issuance, encouraged by central-bank actions, allowed us to avail of significant new-issue premiums compared to secondary market levels. As regards specific trades, we took part in a wide range of new bond offerings over the year, the largest of which (in terms of position sizes) included deals from Southern Water Services, GlaxoSmithKline, Heathrow, Credit Suisse and ING Group.

In the secondary market, we started new positions in BPCE, Diageo, Danske Bank, Wessex Water Services – later sold, and Comcast among others. On the disposals side, we reduced exposure to some issuers, such as NatWest, EDF, Western Power Distribution, KfW Bankengruppe and Akelius Residential Property, and exited others completely, including LaFargeHolcim, Sky, Clydesdale Bank, Dwr Cymru and Futures Treasury.

The outlook for the sterling IG market is supported by anticipation of an increase in economic activity this year as the vaccine rollout progresses. There is also the tailwind of an expected improvement in credit metrics for the year ahead. Likewise, the ongoing provision of very accommodative policy conditions should help IG and other 'risk' markets at a time when new issuance is expected to be relatively light.

What is concerning is that credit spreads are well below the short-term (5-year) and longer-term (20-year) averages. To that extent, the market appears fairly fully valued. We note that on a time-weighted basis, however, it is common for spreads in the market to trade inside averages most of the time.

All in all, this leads us to a neutral to slightly positive view on the prospects for the market.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	4,563	19,515
Revenue	3	7,493	8,835
Expenses	4	(185)	(196)
Interest payable and similar charges	5	(43)	(3)
Net revenue before taxation		7,265	8,636
Taxation	6	–	–
Net revenue after taxation		7,265	8,636
Total return before distributions		11,828	28,151
Distributions	7	(7,265)	(8,636)
Change in net assets attributable to shareholders from investment activities		4,563	19,515

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		301,454	300,790
Current assets:			
Debtors	8	7,061	5,100
Cash and bank balances	9	1,075	3,589
Cash equivalents**		6,911	6,907
Total assets		316,501	316,386
Liabilities:			
Investment liabilities		(40)	(1,073)
Creditors:			
Bank overdrafts	9	–	(941)
Distribution payable		(4)	(3)
Other creditors	10	(2,144)	(2,317)
Total liabilities		(2,188)	(4,334)
Net assets attributable to shareholders		314,313	312,052

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	312,052	304,211
Amounts receivable on the issue of shares	69,032	25,486
Amounts payable on the cancellation of shares	(78,830)	(45,709)
	(9,798)	(20,223)
Dilution adjustment	267	1
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,563	19,515
Retained distribution on accumulation shares	7,229	8,548
Closing net assets attributable to shareholders	314,313	312,052

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Interest distribution in pence per share

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/05/20	0.2552	–	0.2552	0.2840
01/06/20 to 30/06/20	0.2769	–	0.2769	0.2767
01/07/20 to 31/07/20	0.2561	–	0.2561	0.2816
01/08/20 to 31/08/20	0.2395	–	0.2395	0.2938
01/09/20 to 30/09/20	0.2758	–	0.2758	0.2810
01/10/20 to 31/10/20	0.2595	–	0.2595	0.2694
01/11/20 to 30/11/20	0.2433	–	0.2433	0.2587
01/12/20 to 31/12/20	0.2423	–	0.2423	0.2836
01/01/21 to 31/01/21	0.2285	–	0.2285	0.2760
01/02/21 to 28/02/21	0.2106	–	0.2106	0.2483
01/03/21 to 31/03/21	0.2540	–	0.2540	0.2834
01/04/21 to 30/04/21	0.2292	–	0.2292	0.2610

*In pound Sterling and against UK peer group (See Performance summary on page 187).

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

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

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2				
01/05/20 to 31/05/20	0.2035	0.0517	0.2552	0.2840
01/06/20 to 30/06/20	0.1878	0.0891	0.2769	0.2767
01/07/20 to 31/07/20	0.0955	0.1606	0.2561	0.2816
01/08/20 to 31/08/20	0.1436	0.0959	0.2395	0.2938
01/09/20 to 30/09/20	0.1700	0.1058	0.2758	0.2810
01/10/20 to 31/10/20	0.1316	0.1279	0.2595	0.2694
01/11/20 to 30/11/20	0.1353	0.1080	0.2433	0.2587
01/12/20 to 31/12/20	0.1072	0.1351	0.2423	0.2836
01/01/21 to 31/01/21	0.0881	0.1404	0.2285	0.2760
01/02/21 to 28/02/21	0.1305	0.0801	0.2106	0.2483
01/03/21 to 31/03/21	0.1046	0.1494	0.2540	0.2834
01/04/21 to 30/04/21	0.0970	0.1322	0.2292	0.2610
Total distributions in the period			2.9709	3.2975

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/05/20	0.2380	—	0.2380	0.2541
01/06/20 to 30/06/20	0.2603	—	0.2603	0.2486
01/07/20 to 31/07/20	0.2437	—	0.2437	0.2548
01/08/20 to 31/08/20	0.2273	—	0.2273	0.2644
01/09/20 to 30/09/20	0.2631	—	0.2631	0.2563
01/10/20 to 31/10/20	0.2480	—	0.2480	0.2476
01/11/20 to 30/11/20	0.2342	—	0.2342	0.2374
01/12/20 to 31/12/20	0.2362	—	0.2362	0.2609
01/01/21 to 31/01/21	0.2231	—	0.2231	0.2550
01/02/21 to 28/02/21	0.2067	—	0.2067	0.2307
01/03/21 to 31/03/21	0.2475	—	0.2475	0.2617
01/04/21 to 30/04/21	0.2242	—	0.2242	0.2425
Group 2				
01/05/20 to 31/05/20	0.0621	0.1759	0.2380	0.2541
01/06/20 to 30/06/20	0.1725	0.0678	0.2603	0.2486
01/07/20 to 31/07/20	0.0551	0.1886	0.2437	0.2548
01/08/20 to 31/08/20	0.1275	0.0998	0.2273	0.2644
01/09/20 to 30/09/20	0.0901	0.1730	0.2631	0.2563
01/10/20 to 31/10/20	0.1328	0.1142	0.2480	0.2476
01/11/20 to 30/11/20	0.1353	0.0989	0.2342	0.2374
01/12/20 to 31/12/20	0.1498	0.0864	0.2362	0.2609
01/01/21 to 31/01/21	0.0498	0.1733	0.2231	0.2550
01/02/21 to 28/02/21	0.1056	0.1011	0.2067	0.2307
01/03/21 to 31/03/21	0.0860	0.1615	0.2475	0.2617
01/04/21 to 30/04/21	0.1164	0.1078	0.2242	0.2425
Total distributions in the period			2.8523	3.0140

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 2 – Gross income shares [§]			Class X – Gross accumulation shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	141.16	132.69	130.46	111.89	102.33	97.72
Return before operating charges (p)	5.98	12.41	6.14	4.69	9.63	4.68
Operating charges (p)	(0.68)	(0.64)	(0.61)	(0.07)	(0.07)	(0.07)
Return after operating charges (p)*	5.30	11.77	5.53	4.62	9.56	4.61
Distributions (p)	(2.97)	(3.30)	(3.30)	(2.85)	(3.01)	(2.90)
Retained distributions on accumulation shares (p)	–	–	–	2.85	3.01	2.90
Closing net asset value per share (p)	143.49	141.16	132.69	116.51	111.89	102.33
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.75	8.87	4.24	4.13	9.34	4.72
Other information						
Closing net asset value (£000)	2,231	1,594	5,844	312,082	310,458	298,367
Closing number of shares	1,554,808	1,129,326	4,404,481	267,866,956	277,461,539	291,568,801
Operating charges (%)**	0.46	0.46	0.47	0.06	0.06	0.07
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	153.24	147.08	134.37	123.49	116.06	103.17
Lowest share price (p)	140.32	121.41	126.18	111.26	95.81	96.14

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

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

[§]Only available to eligible investors.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	2,693	21,284
Derivative contracts	800	(1,228)
Forward currency contracts	820	(720)
Other gains	253	180
Transaction costs	(3)	(1)
Net capital gains	4,563	19,515

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	7,487	8,803
Interest on short term investments	—	11
Bank interest	6	21
Total revenue	7,493	8,835

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(8)	(11)
Registration fees	(105)	(110)
	(113)	(121)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(36)	(38)
Safe custody fees	(25)	(26)
	(61)	(64)
Other expenses:		
Audit fees	(11)	(11)
	(11)	(11)
Total expenses*	(185)	(196)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	—	(1)
Derivative expense	(43)	(2)
Total interest payable and similar charges	(43)	(3)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	7,265	8,636
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,453)	(1,727)
Effects of:		
Distributions treated as tax deductible	1,453	1,727
Current tax charge for period (note 6a)	—	—

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

7 DISTRIBUTIONS

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

	2021 £000	2020 £000
Interim	6,666	7,935
Final	604	676
	7,270	8,611
Add: Revenue deducted on the cancellation of shares	71	55
Deduct: Revenue received on the creation of shares	(76)	(30)
Net distribution for the period	7,265	8,636

Details of the distribution per share are set out in the table on pages 32 to 33.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	638	105
Sales awaiting settlement	2,458	553
Accrued revenue	3,965	4,442
Total debtors	7,061	5,100

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	238	2,673
Cash and bank balances	837	916
	1,075	3,589
Cash overdrafts at broker	—	(941)
Total cash and bank balances	1,075	2,648

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(1)	(21)
Purchases awaiting settlement	(2,125)	(2,276)
Accrued expenses	(8)	(11)
Amounts payable to ACD	(10)	(9)
Total other creditors	(2,144)	(2,317)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

13 SHAREHOLDER FUNDS

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund currently has two share classes; Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge	
Class 2 shares	0.40%
Class X shares	N/A*
Registration fees	
Class 2 shares	0.035%
Class X shares	0.035%

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 34. The distribution per share class is given in the distribution table on pages 32 to 33. All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 2 – Gross income shares	
Opening shares	1,129,326
Shares issued	989,126
Shares redeemed	(563,644)
Net conversions	–
Closing shares	1,554,808
Class X – Gross accumulation shares	
Opening shares	277,461,539
Shares issued	57,201,764
Shares redeemed	(66,796,347)
Net conversions	–
Closing shares	267,866,956

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 10.46% and vice versa (2020: 10.90%).

Currency exposures

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

	Total
Currency 2021	£000
Euro	6
US Dollar	61
Currency 2020	£000
Euro	(96)
US Dollar	(16)

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

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

	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure
2021		
Counterparty	£000	£000
Lloyds	–	64
UBS	78	–
2020		
Counterparty	£000	£000
Lloyds	–	154

The fund held £30,000 (2020: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
AAA	19,774	6.41	23,185	7.56
Aaa	2,297	0.74	5,750	1.87
AA+	1,939	0.63	1,835	0.60
Aa1	1,424	0.46	–	–
AA	10,266	3.33	16,008	5.22
Aa2	–	–	445	0.14
Aa2u	–	–	4,624	1.51
AA-	1,547	0.50	3,066	1.00
Aa3	403	0.13	551	0.18
Aa3u	7,142	2.32	–	–
A+	14,522	4.71	15,690	5.12
A1	741	0.24	311	0.10
A	14,138	4.59	11,819	3.85
A2	888	0.29	1,274	0.42
A-	30,042	9.74	55,374	18.06
A3	3,861	1.25	2,687	0.88
BBB+	103,451	33.55	72,973	23.80
Baa1	1,161	0.38	2,542	0.83
BBB	47,283	15.34	57,730	18.83
Baa2	4,262	1.38	3,134	1.02
BBB-	15,879	5.15	12,540	4.09
Baa3	696	0.23	–	–
BB+	2,566	0.83	1,712	0.56
BB-	792	0.26	–	–
B+	747	0.24	–	–
Not Rated*	15,451	5.01	7,083	2.31
Liquidity Funds	–	–	6,907	2.25
Collective investment schemes	6,911	2.24	–	–
Derivatives**	142	0.05	(616)	(0.20)
	308,325	100.00	306,624	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	430	2,787	239	3,456
UK Sterling	31,901	267,022	17,548	316,471
US Dollar	633	6,485	208	7,326
Currency 2020	£000	£000	£000	£000
Euro	–	1,050	–	1,050
UK Sterling	22,049	272,273	20,447	314,769
US Dollar	1,507	13,950	456	15,913

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	—	—	(3,450)	(3,450)
UK Sterling	—	—	(2,225)	(2,225)
US Dollar	—	—	(7,265)	(7,265)
Currency 2020	£000	£000	£000	£000
Euro	(107)	—	(1,039)	(1,146)
UK Sterling	—	—	(2,605)	(2,605)
US Dollar	(834)	—	(15,095)	(15,929)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £182,000 (2020: £457,000) and a liability value of £40,000 (2020: £1,073,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2021		2020	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1*	35,159	(40)	19,395	(1,069)
Level 2	273,206	—	288,302	(4)
	308,365	(40)	307,697	(1,073)

Included within Level 1, are debt securities of £35,041,000 (2020: £19,094,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £196,885,095 (2020: £122,456,029) and £196,790,556 (2020: £133,981,089) respectively. Collective investment schemes purchases and sales amounted to £29,504,560 (2020: £14,506,899) and £29,500,000 (2020: £7,600,000) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £389,972 (2020: £684,506) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £1,466 (2020: £1,446).

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

At the balance sheet date, the portfolio dealing spread was 0.78% (30 April 2020: 1.22%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the iBoxx GBP Non-Gilts 1-5 Years Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in investment grade corporate bonds with an effective maturity of 5 years or less. The Fund may also invest in other bonds (including below investment grade corporate bonds, and government bonds) when considered appropriate to achieve its investment objective.

The bonds selected are denominated in sterling (or hedged back to sterling, if a different currency) and issued by companies anywhere in the world.

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. The Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The iBoxx GBP Non-Gilts 1-5 Years Index is regarded as an appropriate performance measure of sterling-denominated investment grade bonds (including corporate, government and government agencies) with a maturity of between 1-5 years, issued worldwide, but excluding gilts i.e. UK government bonds. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Class 1 – Gross accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Gross Accumulation shares in Threadneedle Sterling Short-Dated Corporate Bond Fund risen from 107.53p to 112.90p.

For comparison, using noon prices, the performance of the Class 1 share class was +4.99% (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 iBoxx GBP Non-Gilt (1-5 Y) Index was +3.36%.

Market Overview and Portfolio Activity

The year under review was a turbulent period in terms of both world events and financial-market movements. Ultimately, however, it was a positive one for sterling short-dated investment-grade (IG) credit, which posted a positive total return as measured by the fund's benchmark. A rise in UK government bond (gilt) yields (which move inversely to price) was outweighed by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

From the start of the period until September 2020, risk assets in general (such as equities and corporate bonds) rallied amid hopes that the flood of pandemic-driven stimulus from central banks and governments, together with the eventual easing of lockdown restrictions, would fuel a swift recovery in the global economy. Despite the 'risk-on' tone, gilt yields remained low for much of this period. Yields were anchored by Brexit fears, accommodative monetary policy (in the UK and elsewhere), and speculation that the Bank of England (BoE) might cut rates below zero to revive the economy. Longer-dated yields rose sharply in August, however, as the reopening of businesses was reflected in higher inflation, and the market digested increased supply of new long-dated gilts.

In September, however, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and evidence of slowing economic momentum – particularly in Europe – amid increased efforts to contain the virus. Meanwhile, political uncertainty was also mounting in relation to the US presidential election and Brexit. This mood continued through much of October, intensifying in the week before the US election. Nevertheless, IG spreads were little altered from the end of the summer.

After this interruption, credit spreads resumed their tightening trend. In the last two months of 2020, investors welcomed a market-friendly outcome in the US election, landmark results in coronavirus vaccine trials, and the subsequent approval of the first vaccines for use in Western democracies. Anticipation of another fiscal relief package in the US provided more fuel for the risk-on rally – as did its eventual delivery in December. News of the last-minute Brexit deal also bolstered sentiment as the year drew to a close.

The remainder of the period was characterised by a sharp rise in gilt and

other core bond yields, accompanied by a modest tightening in credit spreads. Yields rose along with US inflation expectations as the Democrats took control of the US Senate, paving the way for even larger injections of fiscal stimulus, one of which was signed into law in March. Falling COVID-19 infection and death rates in those countries furthest along in their vaccination programmes – the UK being a notable example – further buoyed risk appetite. Gilt yields in particular were pushed higher as the BoE downplayed the likelihood of negative rates.

Throughout the period, the portfolio remained short of the benchmark in terms of duration (sensitivity to changes in interest rates) and long in 'beta' (sensitivity to changes in credit spreads). As at the end of April 2021, the long position in credit risk remains tilted to defensive sectors that we think will weather the crisis well.

As regards specific trades, we took part in a wide range of new bond offerings over the year, the largest of which (in terms of position sizes) included deals from JPMorgan Chase, Bank of America, Danske Bank, Southern Water Services and Experian. In the secondary market, we started new positions in Tennet, Boeing, Western Power Distribution West Midlands, and BT – later sold, among others. On the disposals side, we reduced exposure to some issuers, such as Digital Realty, Aviva, Banque Fédérative de Crédit Mutuel, DNB Bank and Anheuser-Busch InBev, and exited others completely, such as Syngenta, New York Life, Pennon, Equinix and Eversholt.

The outlook for the sterling IG market is supported by anticipation of an increase in economic activity this year as the vaccine rollout progresses. There is also the tailwind of an expected improvement in credit metrics for the year ahead. Likewise, the ongoing provision of very accommodative policy conditions should help IG and other risk markets at a time when new issuance is expected to be relatively light.

What is concerning is that credit spreads are well below the short-term (5-year) and longer-term (20-year) averages. To that extent, the market appears fairly fully valued. We note that on a time-weighted basis, however, it is common for spreads in the market to trade inside averages most of the time.

All in all, this leads us to a neutral to slightly positive view on the prospects for the market.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 Restated** £000
Income			
Net capital gains/(losses)	2	36,334	(19,297)
Revenue	3	22,622	30,982
Expenses	4	(1,494)	(2,063)
Interest payable and similar charges	5	(3)	(8)
Net revenue before taxation		21,125	28,911
Taxation	6	–	(24)
Net revenue after taxation		21,125	28,887
Total return before distributions		57,459	9,590
Distributions**	7	(21,126)	(28,890)
Change in net assets attributable to shareholders from investment activities		36,333	(19,300)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		929,165	1,074,539
Current assets:			
Debtors	8	13,220	21,698
Cash and bank balances	9	3,547	21,491
Cash equivalents***		7,528	12,514
Total assets		953,460	1,130,242
Liabilities:			
Investment liabilities		(556)	(2,399)
Creditors:			
Bank overdrafts	9	(2,255)	(4,902)
Distribution payable		(231)	(1,146)
Other creditors	10	(802)	(3,344)
Total liabilities		(3,844)	(11,791)
Net assets attributable to shareholders		949,616	1,118,451

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 Restated** £000
Opening net assets attributable to shareholders	1,118,451	1,402,020
Amounts receivable on the issue of shares**	391,970	118,947
Amounts payable on the cancellation of shares**	(613,575)	(396,250)
	(221,605)	(277,303)
Dilution adjustment	304	561
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	36,333	(19,300)
Retained distribution on accumulation shares	16,133	12,473
Closing net assets attributable to shareholders	949,616	1,118,451

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Interest distribution in pence per share					
Class 1 – Accumulation shares					
Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020	
Group 1					
01/05/20 to 31/05/20	0.1642	–	0.1642	0.1679	
01/06/20 to 30/06/20	0.1670	–	0.1670	0.1655	
01/07/20 to 31/07/20	0.1528	–	0.1528	0.1634	
01/08/20 to 31/08/20	0.1360	–	0.1360	0.1550	
01/09/20 to 30/09/20	0.1767	–	0.1767	0.1608	
01/10/20 to 31/10/20	0.1534	–	0.1534	0.1444	
01/11/20 to 30/11/20	0.1513	–	0.1513	0.1529	
01/12/20 to 31/12/20	0.1449	–	0.1449	0.1627	
01/01/21 to 31/01/21	0.1336	–	0.1336	0.1589	
01/02/21 to 28/02/21	0.1246	–	0.1246	0.1480	
01/03/21 to 31/03/21	0.1488	–	0.1488	0.1776	
01/04/21 to 30/04/21	0.1326	–	0.1326	0.1656	

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 18.

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

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2					Group 2				
01/05/20 to 31/05/20	0.0472	0.1170	0.1642	0.1679	01/05/20 to 31/05/20	0.0729	0.1009	0.1738	0.1813
01/06/20 to 30/06/20	0.0784	0.0886	0.1670	0.1655	01/06/20 to 30/06/20	0.0832	0.0944	0.1776	0.1784
01/07/20 to 31/07/20	0.0687	0.0841	0.1528	0.1634	01/07/20 to 31/07/20	0.0798	0.0831	0.1629	0.1765
01/08/20 to 31/08/20	0.1004	0.0356	0.1360	0.1550	01/08/20 to 31/08/20	0.0587	0.0864	0.1451	0.1673
01/09/20 to 30/09/20	0.0807	0.0960	0.1767	0.1608	01/09/20 to 30/09/20	0.0849	0.1020	0.1869	0.1734
01/10/20 to 31/10/20	0.0723	0.0811	0.1534	0.1444	01/10/20 to 31/10/20	0.0849	0.0781	0.1630	0.1566
01/11/20 to 30/11/20	0.1317	0.0196	0.1513	0.1529	01/11/20 to 30/11/20	0.1032	0.0571	0.1603	0.1641
01/12/20 to 31/12/20	0.0896	0.0553	0.1449	0.1627	01/12/20 to 31/12/20	0.0935	0.0608	0.1543	0.1750
01/01/21 to 31/01/21	0.0160	0.1176	0.1336	0.1589	01/01/21 to 31/01/21	0.0528	0.0894	0.1422	0.1706
01/02/21 to 28/02/21	0.0763	0.0483	0.1246	0.1480	01/02/21 to 28/02/21	0.0642	0.0685	0.1327	0.1583
01/03/21 to 31/03/21	0.1005	0.0483	0.1488	0.1776	01/03/21 to 31/03/21	0.0898	0.0684	0.1582	0.1887
01/04/21 to 30/04/21	0.0303	0.1023	0.1326	0.1656	01/04/21 to 30/04/21	0.0674	0.0737	0.1411	0.1757
Total distributions in the period			1.7859	1.9227	Total distributions in the period			1.8981	2.0659
Class 1 – Gross accumulation shares					Class 2 – Gross income shares				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1					Group 1				
01/05/20 to 31/05/20	0.1678	–	0.1678	0.1715	01/05/20 to 31/05/20	0.1743	–	0.1743	0.1819
01/06/20 to 30/06/20	0.1711	–	0.1711	0.1691	01/06/20 to 30/06/20	0.1782	–	0.1782	0.1790
01/07/20 to 31/07/20	0.1559	–	0.1559	0.1670	01/07/20 to 31/07/20	0.1635	–	0.1635	0.1771
01/08/20 to 31/08/20	0.1390	–	0.1390	0.1583	01/08/20 to 31/08/20	0.1456	–	0.1456	0.1679
01/09/20 to 30/09/20	0.1805	–	0.1805	0.1643	01/09/20 to 30/09/20	0.1876	–	0.1876	0.1739
01/10/20 to 31/10/20	0.1568	–	0.1568	0.1475	01/10/20 to 31/10/20	0.1634	–	0.1634	0.1572
01/11/20 to 30/11/20	0.1546	–	0.1546	0.1562	01/11/20 to 30/11/20	0.1608	–	0.1608	0.1646
01/12/20 to 31/12/20	0.1480	–	0.1480	0.1663	01/12/20 to 31/12/20	0.1548	–	0.1548	0.1756
01/01/21 to 31/01/21	0.1364	–	0.1364	0.1624	01/01/21 to 31/01/21	0.1427	–	0.1427	0.1712
01/02/21 to 28/02/21	0.1272	–	0.1272	0.1512	01/02/21 to 28/02/21	0.1332	–	0.1332	0.1588
01/03/21 to 31/03/21	0.1520	–	0.1520	0.1814	01/03/21 to 31/03/21	0.1588	–	0.1588	0.1894
01/04/21 to 30/04/21	0.1354	–	0.1354	0.1692	01/04/21 to 30/04/21	0.1415	–	0.1415	0.1763
Group 2					Group 2				
01/05/20 to 31/05/20	0.1678	–	0.1678	0.1715	01/05/20 to 31/05/20	0.0829	0.0914	0.1743	0.1819
01/06/20 to 30/06/20	0.1711	–	0.1711	0.1691	01/06/20 to 30/06/20	0.1202	0.0580	0.1782	0.1790
01/07/20 to 31/07/20	0.1559	–	0.1559	0.1670	01/07/20 to 31/07/20	0.0544	0.1091	0.1635	0.1771
01/08/20 to 31/08/20	0.1390	–	0.1390	0.1583	01/08/20 to 31/08/20	0.0878	0.0578	0.1456	0.1679
01/09/20 to 30/09/20	0.1805	–	0.1805	0.1643	01/09/20 to 30/09/20	0.0906	0.0970	0.1876	0.1739
01/10/20 to 31/10/20	0.1568	–	0.1568	0.1475	01/10/20 to 31/10/20	0.0710	0.0924	0.1634	0.1572
01/11/20 to 30/11/20	0.1546	–	0.1546	0.1562	01/11/20 to 30/11/20	0.1145	0.0463	0.1608	0.1646
01/12/20 to 31/12/20	0.1480	–	0.1480	0.1663	01/12/20 to 31/12/20	0.0799	0.0749	0.1548	0.1756
01/01/21 to 31/01/21	0.1364	–	0.1364	0.1624	01/01/21 to 31/01/21	0.0700	0.0727	0.1427	0.1712
01/02/21 to 28/02/21	0.1272	–	0.1272	0.1512	01/02/21 to 28/02/21	0.0899	0.0433	0.1332	0.1588
01/03/21 to 31/03/21	0.1520	–	0.1520	0.1814	01/03/21 to 31/03/21	0.0592	0.0996	0.1588	0.1894
01/04/21 to 30/04/21	0.1354	–	0.1354	0.1692	01/04/21 to 30/04/21	0.0807	0.0608	0.1415	0.1763
Total distributions in the period			1.8247	1.9644	Total distributions in the period			1.9044	2.0729
Class 1 EUR Hedged – Gross accumulation shares					Class 2 – Gross accumulation shares				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1					Group 1				
01/05/20 to 31/05/20	0.1567	–	0.1567	0.1593	01/05/20 to 31/05/20	0.1709	–	0.1709	0.1749
01/06/20 to 30/06/20	0.1620	–	0.1620	0.1607	01/06/20 to 30/06/20	0.1749	–	0.1749	0.1724
01/07/20 to 31/07/20	0.1494	–	0.1494	0.1597	01/07/20 to 31/07/20	0.1607	–	0.1607	0.1707
01/08/20 to 31/08/20	0.1329	–	0.1329	0.1548	01/08/20 to 31/08/20	0.1434	–	0.1434	0.1622
01/09/20 to 30/09/20	0.1728	–	0.1728	0.1557	01/09/20 to 30/09/20	0.1849	–	0.1849	0.1683
01/10/20 to 31/10/20	0.1512	–	0.1512	0.1378	01/10/20 to 31/10/20	0.1616	–	0.1616	0.1523
01/11/20 to 30/11/20	0.1467	–	0.1467	0.1423	01/11/20 to 30/11/20	0.1592	–	0.1592	0.1598
01/12/20 to 31/12/20	0.1420	–	0.1420	0.1493	01/12/20 to 31/12/20	0.1533	–	0.1533	0.1707
01/01/21 to 31/01/21	0.1286	–	0.1286	0.1462	01/01/21 to 31/01/21	0.1416	–	0.1416	0.1666
01/02/21 to 28/02/21	0.1168	–	0.1168	0.1345	01/02/21 to 28/02/21	0.1322	–	0.1322	0.1549
01/03/21 to 31/03/21	0.1374	–	0.1374	0.1703	01/03/21 to 31/03/21	0.1579	–	0.1579	0.1850
01/04/21 to 30/04/21	0.1225	–	0.1225	0.1565	01/04/21 to 30/04/21	0.1410	–	0.1410	0.1724
Group 2					Group 2				
01/05/20 to 31/05/20	0.1567	–	0.1567	0.1593	01/05/20 to 31/05/20	0.0905	0.0804	0.1709	0.1749
01/06/20 to 30/06/20	0.1620	–	0.1620	0.1607	01/06/20 to 30/06/20	0.0929	0.0820	0.1749	0.1724
01/07/20 to 31/07/20	0.1494	–	0.1494	0.1597	01/07/20 to 31/07/20	0.0462	0.1145	0.1607	0.1707
01/08/20 to 31/08/20	0.1329	–	0.1329	0.1548	01/08/20 to 31/08/20	0.0453	0.0981	0.1434	0.1622
01/09/20 to 30/09/20	0.1728	–	0.1728	0.1557	01/09/20 to 30/09/20	0.1001	0.0848	0.1849	0.1683
01/10/20 to 31/10/20	0.1512	–	0.1512	0.1378	01/10/20 to 31/10/20	0.1064	0.0552	0.1616	0.1523
01/11/20 to 30/11/20	0.1467	–	0.1467	0.1423	01/11/20 to 30/11/20	0.0642	0.0950	0.1592	0.1598
01/12/20 to 31/12/20	0.1420	–	0.1420	0.1493	01/12/20 to 31/12/20	0.0639	0.0894	0.1533	0.1707
01/01/21 to 31/01/21	0.1286	–	0.1286	0.1462	01/01/21 to 31/01/21	0.0793	0.0623	0.1416	0.1666
01/02/21 to 28/02/21	0.1168	–	0.1168	0.1345	01/02/21 to 28/02/21	0.0805	0.0517	0.1322	0.1549
01/03/21 to 31/03/21	0.1374	–	0.1374	0.1703	01/03/21 to 31/03/21	0.1018	0.0561	0.1579	0.1850
01/04/21 to 30/04/21	0.1225	–	0.1225	0.1565	01/04/21 to 30/04/21	0.0793	0.0617	0.1410	0.1724
Total distributions in the period			1.7190	1.8271	Total distributions in the period			1.8816	2.0102
Class 2 – Income shares					Class 2 EUR Hedged – Gross accumulation shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1					Group 1				
01/05/20 to 31/05/20	0.1738	–	0.1738	0.1813	01/05/20 to 31/05/20	0.1705	–	0.1705	0.1737
01/06/20 to 30/06/20	0.1776	–	0.1776	0.1784	01/06/20 to 30/06/20	0.1776	–	0.1776	0.1749
01/07/20 to 31/07/20	0.1629	–	0.1629	0.1765	01/07/20 to 31/07/20	0.1641	–	0.1641	0.1749
01/08/20 to 31/08/20	0.1451	–	0.1451	0.1673	01/08/20 to 31/08/20	0.1458	–	0.1458	0.1690
01/09/20 to 30/09/20	0.1869	–	0.1869	0.1734	01/09/20 to 30/09/20	0.1891	–	0.1891	0.1709
01/10/20 to 31/10/20	0.1630	–	0.1630	0.1566	01/10/20 to 31/10/20	0.1652	–	0.1652	0.1514
01/11/20 to 30/11/20	0.1603	–	0.1603	0.1641	01/11/20 to 30/11/20	0.1605	–	0.1605	0.1556
01/12/20 to 31/12/20	0.1543	–	0.1543	0.1750	01/12/20 to 31/12/20	0.1559	–	0.1559	0.1641
01/01/21 to 31/01/21	0.1422	–	0.1422	0.1706	01/01/21 to 31/01/21	0.1422	–	0.1422	0.1602
01/02/21 to 28/02/21	0.1327	–	0.1327	0.1583	01/02/21 to 28/02/21	0.1299	–	0.1299	0.1469
01/03/21 to 31/03/21	0.1582	–	0.1582	0.1887	01/03/21 to 31/03/21	0.1525	–	0.1525	0.1855
01/04/21 to 30/04/21	0.1411	–	0.1411	0.1757	01/04/21 to 30/04/21	0.1365	–	0.1365	0.1707

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 2					Group 2				
01/05/20 to 31/05/20	0.1705	—	0.1705	0.1737	01/05/20 to 31/05/20	0.1108	0.0632	0.1740	0.1822
01/06/20 to 30/06/20	0.1776	—	0.1776	0.1749	01/06/20 to 30/06/20	0.0707	0.1085	0.1792	0.1791
01/07/20 to 31/07/20	0.1641	—	0.1641	0.1749	01/07/20 to 31/07/20	0.0477	0.1173	0.1650	0.1777
01/08/20 to 31/08/20	0.1458	—	0.1458	0.1690	01/08/20 to 31/08/20	0.0621	0.0852	0.1473	0.1688
01/09/20 to 30/09/20	0.0291	0.1600	0.1891	0.1709	01/09/20 to 30/09/20	0.0847	0.1038	0.1885	0.1748
01/10/20 to 31/10/20	0.1652	—	0.1652	0.1514	01/10/20 to 31/10/20	0.0809	0.0843	0.1652	0.1592
01/11/20 to 30/11/20	0.1605	—	0.1605	0.1556	01/11/20 to 30/11/20	0.0773	0.0850	0.1623	0.1654
01/12/20 to 31/12/20	0.1559	—	0.1559	0.1641	01/12/20 to 31/12/20	0.0958	0.0614	0.1572	0.1768
01/01/21 to 31/01/21	0.1422	—	0.1422	0.1602	01/01/21 to 31/01/21	0.0495	0.0955	0.1450	0.1723
01/02/21 to 28/02/21	0.1299	—	0.1299	0.1469	01/02/21 to 28/02/21	0.0679	0.0679	0.1358	0.1596
01/03/21 to 31/03/21	0.1525	—	0.1525	0.1855	01/03/21 to 31/03/21	0.0839	0.0777	0.1616	0.1893
01/04/21 to 30/04/21	0.1365	—	0.1365	0.1707	01/04/21 to 30/04/21	0.0696	0.0748	0.1444	0.1761
Total distributions in the period			1.8898	1.9978	Total distributions in the period			1.9255	2.0813

Class X – Gross income shares

Group 2: shares purchased during a distribution period.

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/05/20	0.1969	—	0.1969	0.2067
01/06/20 to 30/06/20	0.2062	—	0.2062	0.2030
01/07/20 to 31/07/20	0.1895	—	0.1895	0.2024
01/08/20 to 31/08/20	0.1694	—	0.1694	0.1927
01/09/20 to 30/09/20	0.2149	—	0.2149	0.1995
01/10/20 to 31/10/20	0.1899	—	0.1899	0.1836
01/11/20 to 30/11/20	0.1863	—	0.1863	0.1885
01/12/20 to 31/12/20	0.1819	—	0.1819	0.2022
01/01/21 to 31/01/21	0.1682	—	0.1682	0.1970
01/02/21 to 28/02/21	0.1579	—	0.1579	0.1820
01/03/21 to 31/03/21	0.1876	—	0.1876	0.2144
01/04/21 to 30/04/21	0.1680	—	0.1680	0.1994
Group 2				
01/05/20 to 31/05/20	0.1969	—	0.1969	0.2067
01/06/20 to 30/06/20	0.0981	0.1081	0.2062	0.2030
01/07/20 to 31/07/20	0.1895	—	0.1895	0.2024
01/08/20 to 31/08/20	0.0394	0.1300	0.1694	0.1927
01/09/20 to 30/09/20	0.0749	0.1400	0.2149	0.1995
01/10/20 to 31/10/20	0.1799	0.0100	0.1899	0.1836
01/11/20 to 30/11/20	0.1863	—	0.1863	0.1885
01/12/20 to 31/12/20	0.1819	—	0.1819	0.2022
01/01/21 to 31/01/21	0.1682	—	0.1682	0.1970
01/02/21 to 28/02/21	0.1579	—	0.1579	0.1820
01/03/21 to 31/03/21	0.1876	—	0.1876	0.2144
01/04/21 to 30/04/21	0.1680	—	0.1680	0.1994
Total distributions in the period			2.2167	2.3714

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/05/20	0.2177	—	0.2177	0.2232
01/06/20 to 30/06/20	0.2264	—	0.2264	0.2197
01/07/20 to 31/07/20	0.2103	—	0.2103	0.2194
01/08/20 to 31/08/20	0.1884	—	0.1884	0.2094
01/09/20 to 30/09/20	0.2393	—	0.2393	0.2171
01/10/20 to 31/10/20	0.2119	—	0.2119	0.2002
01/11/20 to 30/11/20	0.2084	—	0.2084	0.2059
01/12/20 to 31/12/20	0.2037	—	0.2037	0.2213
01/01/21 to 31/01/21	0.1887	—	0.1887	0.2161
01/02/21 to 28/02/21	0.1774	—	0.1774	0.2000
01/03/21 to 31/03/21	0.2112	—	0.2112	0.2360
01/04/21 to 30/04/21	0.1894	—	0.1894	0.2200
Group 2				
01/05/20 to 31/05/20	0.0694	0.1483	0.2177	0.2232
01/06/20 to 30/06/20	0.1582	0.0682	0.2264	0.2197
01/07/20 to 31/07/20	0.1610	0.0493	0.2103	0.2194
01/08/20 to 31/08/20	0.0401	0.1483	0.1884	0.2094
01/09/20 to 30/09/20	0.0832	0.1561	0.2393	0.2171
01/10/20 to 31/10/20	0.0807	0.1312	0.2119	0.2002
01/11/20 to 30/11/20	0.1005	0.1079	0.2084	0.2059
01/12/20 to 31/12/20	0.0813	0.1224	0.2037	0.2213
01/01/21 to 31/01/21	0.1011	0.0876	0.1887	0.2161
01/02/21 to 28/02/21	0.0815	0.0959	0.1774	0.2000
01/03/21 to 31/03/21	0.0909	0.1203	0.2112	0.2360
01/04/21 to 30/04/21	0.0819	0.1075	0.1894	0.2200
Total distributions in the period			2.4728	2.5883

Class Y – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/05/20	0.1740	—	0.1740	0.1822
01/06/20 to 30/06/20	0.1792	—	0.1792	0.1791
01/07/20 to 31/07/20	0.1650	—	0.1650	0.1777
01/08/20 to 31/08/20	0.1473	—	0.1473	0.1688
01/09/20 to 30/09/20	0.1885	—	0.1885	0.1748
01/10/20 to 31/10/20	0.1652	—	0.1652	0.1592
01/11/20 to 30/11/20	0.1623	—	0.1623	0.1654
01/12/20 to 31/12/20	0.1572	—	0.1572	0.1768
01/01/21 to 31/01/21	0.1450	—	0.1450	0.1723
01/02/21 to 28/02/21	0.1358	—	0.1358	0.1596
01/03/21 to 31/03/21	0.1616	—	0.1616	0.1893
01/04/21 to 30/04/21	0.1444	—	0.1444	0.1761

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares ^s		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	104.93	104.98	102.91	107.21	107.26	105.15
Return before operating charges (p)	6.05	0.57	2.67	6.17	0.58	2.72
Operating charges (p)	(0.63)	(0.62)	(0.60)	(0.65)	(0.63)	(0.61)
Return after operating charges (p)*	5.42	(0.05)	2.07	5.52	(0.05)	2.11
Distributions (p)	(1.79)	(1.92)	(1.84)	(1.82)	(1.96)	(1.88)
Retained distributions on accumulation shares (p)	1.79	1.92	1.84	1.82	1.96	1.88
Closing net asset value per share (p)	110.35	104.93	104.98	112.73	107.21	107.26
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.17	(0.05)	2.01	5.15	(0.05)	2.01
Other information						
Closing net asset value (£000)	4,809	6,525	7,549	137	186	270
Closing number of shares	4,357,498	6,217,837	7,191,000	121,389	173,098	251,892
Operating charges (%)**	0.58	0.58	0.58	0.58	0.58	0.58
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	111.01	108.51	105.20	113.40	110.87	107.48
Lowest share price (p)	104.75	100.40	102.65	107.02	102.58	104.87
	Class 1 EUR Hedged – Gross accumulation shares ^s			Class 2 – Income shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	97.97	98.27	99.77	104.40	106.35	106.13
Return before operating charges (p)	4.81	0.27	(0.93)	6.01	0.61	2.73
Operating charges (p)	(0.59)	(0.57)	(0.57)	(0.50)	(0.49)	(0.49)
Return after operating charges (p)*	4.22	(0.30)	(1.50)	5.51	0.12	2.24
Distributions (p)	(1.72)	(1.83)	(1.79)	(1.90)	(2.07)	(2.02)
Retained distributions on accumulation shares (p)	1.72	1.83	1.79	–	–	–
Closing net asset value per share (p)	102.19	97.97	98.27	108.01	104.40	106.35
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.31	(0.31)	(1.50)	5.28	0.11	2.11
Other information						
Closing net asset value (£000)	10	10	10	98,354	185,694	218,577
Closing number of shares	10,001	10,001	10,001	91,061,032	177,875,137	205,518,255
Operating charges (%)**	0.57	0.57	0.57	0.46	0.46	0.46
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	108.92	107.47	102.91	109.22	108.63	106.74
Lowest share price (p)	97.90	95.87	96.91	104.22	100.23	104.69

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares [§]			Class 2 – Gross accumulation shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	104.75	106.71	106.49	102.65	102.58	100.43
Return before operating charges (p)	6.02	0.60	2.73	5.93	0.55	2.61
Operating charges (p)	(0.50)	(0.49)	(0.49)	(0.49)	(0.48)	(0.46)
Return after operating charges (p)*	5.52	0.11	2.24	5.44	0.07	2.15
Distributions (p)	(1.90)	(2.07)	(2.02)	(1.88)	(2.01)	(1.93)
Retained distributions on accumulation shares (p)	–	–	–	1.88	2.01	1.93
Closing net asset value per share (p)	108.37	104.75	106.71	108.09	102.65	102.58
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.27	0.10	2.10	5.30	0.07	2.14
Other information						
Closing net asset value (£000)	38,550	61,708	98,360	5,061	9,295	7,677
Closing number of shares	35,571,848	58,911,935	92,174,744	4,682,279	9,054,606	7,483,840
Operating charges (%)**	0.46	0.46	0.46	0.46	0.46	0.46
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	109.59	109.00	107.10	108.69	106.12	102.78
Lowest share price (p)	104.57	100.56	105.04	102.48	98.21	100.24
	Class 2 EUR Hedged – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	100.83	100.99	102.39	99.23	101.09	100.88
Return before operating charges (p)	4.97	0.32	(0.93)	5.70	0.57	2.59
Operating charges (p)	(0.49)	(0.48)	(0.47)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	4.48	(0.16)	(1.40)	5.64	0.51	2.53
Distributions (p)	(1.89)	(2.00)	(1.96)	(2.22)	(2.37)	(2.32)
Retained distributions on accumulation shares (p)	1.89	2.00	1.96	–	–	–
Closing net asset value per share (p)	105.31	100.83	100.99	102.65	99.23	101.09
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.44	(0.16)	(1.37)	5.68	0.50	2.51
Other information						
Closing net asset value (£000)	117	98	71	3,511	323,217	414,599
Closing number of shares	110,771	97,728	70,780	3,419,269	325,730,653	410,127,179
Operating charges (%)**	0.46	0.46	0.46	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	112.18	110.49	105.68	103.84	103.29	101.49
Lowest share price (p)	100.75	98.66	99.58	99.06	95.29	99.52

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Y – Gross income shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	109.69	109.17	106.46	97.57	99.40	99.20
Return before operating charges (p)	6.34	0.59	2.77	5.62	0.56	2.54
Operating charges (p)	(0.07)	(0.07)	(0.06)	(0.31)	(0.31)	(0.31)
Return after operating charges (p)*	6.27	0.52	2.71	5.31	0.25	2.23
Distributions (p)	(2.47)	(2.59)	(2.48)	(1.93)	(2.08)	(2.03)
Retained distributions on accumulation shares (p)	2.47	2.59	2.48	–	–	–
Closing net asset value per share (p)	115.96	109.69	109.17	100.95	97.57	99.40
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.72	0.48	2.55	5.44	0.25	2.25
Other information						
Closing net asset value (£000)	766,426	487,384	611,786	32,641	44,334	43,121
Closing number of shares	660,921,266	444,334,105	560,409,345	32,332,348	45,436,026	43,379,079
Operating charges (%)**	0.06	0.06	0.06	0.31	0.31	0.31
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	116.46	113.29	109.39	102.09	101.55	99.78
Lowest share price (p)	109.51	104.89	106.46	97.41	93.69	97.85

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

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

[§]Only available to eligible investors.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	27,891	(6,048)
Derivative contracts	(2,914)	(3,574)
Forward currency contracts	10,774	(8,812)
Other gains/(losses)	584	(862)
Transaction costs	(1)	(1)
Net capital gains/(losses)	36,334	(19,297)

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	22,305	30,428
Interest on short term investments	—	5
Derivative revenue	300	439
Bank interest	17	110
Total revenue	22,622	30,982

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(930)	(1,349)
Registration fees	(360)	(460)
	(1,290)	(1,809)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(122)	(156)
Safe custody fees	(63)	(78)
	(185)	(234)
Other expenses:		
Regulatory fees	(3)	(3)
Audit fees	(16)	(17)
	(19)	(20)
Total expenses*	(1,494)	(2,063)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(3)	(8)
Total interest payable and similar charges	(3)	(8)

6 TAXATION

a) Analysis of charge in period

	2021 £000	2020 Restated* £000
Overseas taxes	—	(24)
Total current tax (note 6b)	—	(24)
Total tax charge for the period	—	(24)

b) Factors affecting taxation charge for period

	2021 £000	2020 Restated* £000
Net revenue before taxation	21,125	28,911
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(4,225)	(5,782)
Effects of:		
Overseas taxes	—	(24)
Overseas tax expensed	—	5
Distributions treated as tax deductible*	4,225	5,778
Conversion transfer from capital*	—	(1)
Current tax charge for period (note 6a)	—	(24)

*For details on restatement please refer to note 18.

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

7 DISTRIBUTIONS

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

	2021 £000	2020 Restated* £000
Interim	19,500	26,521
Final	1,496	2,150
	20,996	28,671
Add: Revenue deducted on the cancellation of shares*	587	339
Deduct: Revenue received on the creation of shares*	(457)	(120)
Net distribution for the period	21,126	28,890
Net revenue after taxation	21,125	28,887
Equalisation on conversion*	1	3
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	21,126	28,890

*For details on restatement please refer to note 18.

Details of the distribution per share are set out in the table on pages 38 to 40.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	2,352	165
Sales awaiting settlement	—	5,560
Accrued revenue	10,868	15,973
Total debtors	13,220	21,698

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	3,202	8,978
Cash and bank balances	345	12,513
	3,547	21,491
Bank overdrafts	(1,948)	—
Cash overdrafts at broker	(307)	(4,902)
Total cash and bank balances	1,292	16,589

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2021	2020
	£000	£000
Amounts payable for the cancellation of shares	(700)	(3,182)
Accrued expenses	(18)	(33)
Amounts payable to ACD	(84)	(129)
Total other creditors	(802)	(3,344)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

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

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

13 SHAREHOLDER FUNDS

Threadneedle Sterling Short-Dated Corporate Bond Fund currently has four share classes; Class 1, Class 2, Class X and Class Y shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	0.45%
Class 2 shares	0.40%
Class X shares	N/A*
Class Y shares	0.25%

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Y shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 41 to 43. The distribution per share class is given in the distribution table on pages 38 to 40.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	6,217,837
Shares issued	740,643
Shares redeemed	(2,600,982)
Net conversions	–
Closing shares	4,357,498
Class 1 – Gross accumulation shares	
Opening shares	173,098
Shares issued	–
Shares redeemed	(51,709)
Net conversions	–
Closing shares	121,389
Class 1 EUR Hedged – Gross accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,001

Class 2 – Income shares

Opening shares	177,875,137
Shares issued	2,272,222
Shares redeemed	(69,035,767)
Net conversions	(20,050,560)
Closing shares	91,061,032

Class 2 – Gross income shares

Opening shares	58,911,935
Shares issued	4,325,345
Shares redeemed	(27,681,901)
Net conversions	16,469
Closing shares	35,571,848

Class 2 – Gross accumulation shares

Opening shares	9,054,606
Shares issued	438,898
Shares redeemed	(4,811,225)
Net conversions	–
Closing shares	4,682,279

Class 2 EUR Hedged – Gross accumulation shares

Opening shares	97,728
Shares issued	17,621
Shares redeemed	(4,578)
Net conversions	–
Closing shares	110,771

Class X – Gross income shares

Opening shares	325,730,653
Shares issued	4,238,460
Shares redeemed	(326,549,844)
Net conversions	–
Closing shares	3,419,269

Class X – Gross accumulation shares

Opening shares	444,334,105
Shares issued	333,368,091
Shares redeemed	(116,780,930)
Net conversions	–
Closing shares	660,921,266

Class Y – Gross income shares

Opening shares	45,436,026
Shares issued	3,361,321
Shares redeemed	(37,897,863)
Net conversions	21,432,864
Closing shares	32,332,348

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 2.79% and vice versa (2020: 2.40%).

Currency exposures

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

	Total
Currency 2021	£000
Euro	1,702
US Dollar	619
Currency 2020	£000
Euro	876
US Dollar	1,160

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

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

	Credit Default Swaps Exposure	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
2021	£000	£000	£000	£000
Counterparty				
HSBC	—	—	601	—
Lloyds	—	—	123	60
UBS	—	18	—	—

	Credit Default Swaps Exposure	Futures and Options Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
2020	£000	£000	£000	£000
Counterparty				
HSBC	—	—	1,839	—
Lloyds	—	—	1,368	—
Morgan Stanley	98	—	—	—

The fund held £500,000 (2020: £2,100,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
AAA	46,902	5.01	2,691	0.25
Aaa	594	0.06	9,501	0.88
AA+	—	—	24,101	2.22
AA	2,120	0.23	—	—
Aa2	5,965	0.64	—	—
AA-	20,562	2.20	35,203	3.24
A+	27,615	2.95	31,973	2.95
A	62,692	6.70	90,269	8.32
A-	69,907	7.47	96,419	8.89
A3	981	0.10	4,434	0.41
BBB+	214,349	22.90	213,533	19.69
Baa1	17,715	1.89	16,828	1.55
BBB	171,132	18.28	216,848	19.99
Baa2	291	0.03	20,281	1.87
BBB-	142,092	15.18	181,512	16.73
Baa3	24,090	2.57	18,614	1.72
BB+	68,403	7.31	42,139	3.89
BB	17,756	1.90	16,706	1.54
BB-	8,078	0.86	8,393	0.77
B	3,970	0.42	947	0.09
Not Rated*	22,658	2.42	39,773	3.67
Liquidity Funds	7,528	0.80	12,514	1.15
Derivatives**	737	0.08	1,975	0.18
	936,137	100.00	1,084,654	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	31,336	162,281	14,269	207,886
UK Sterling	148,883	510,473	303,803	963,159
US Dollar	48,949	37,024	759	86,732
Currency 2020	£000	£000	£000	£000
Euro	14,627	143,433	12,709	170,769
UK Sterling	153,367	667,495	314,982	1,135,844
US Dollar	45,232	80,016	4,906	130,154

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	(307)	—	(205,877)	(206,184)
UK Sterling	(1,948)	—	(13,916)	(15,864)
US Dollar	—	—	(86,113)	(86,113)
Currency 2020	£000	£000	£000	£000
Euro	(3,453)	—	(166,440)	(169,893)
UK Sterling	—	—	(19,429)	(19,429)
US Dollar	(1,449)	—	(127,545)	(128,994)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £1,293,000 (2020: £4,374,000) and a liability value of £556,000 (2020: £2,399,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

	2021		2020	
Valuation technique	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1*	37,330	(525)	15,468	(2,284)
Level 2	899,067	(31)	1,070,862	(115)
Level 3	296	—	723	—
	936,693	(556)	1,087,053	(2,399)

Included within Level 1, are debt securities of £36,787,000 (2020: £14,514,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £524,250,771 (2020: £485,043,915) and £682,730,512 (2020: £752,389,779) respectively. Collective investment schemes purchases and sales amounted to £239,514,474 (2020: £186,552,494) and £244,500,000 (2020: £174,140,000) respectively. Corporate action costs and proceeds amounted to £Nil (2020: £Nil) and £1,787,864 (2020: £3,339,064) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £17,108 (2020: £13,523).

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

At the balance sheet date, the portfolio dealing spread was 0.31% (30 April 2020: 0.62%), being the difference between the respective buying and selling prices for the fund's investments.

18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 7 March 2020:

	Previously reported	Adjustments	Restated
STATEMENT OF TOTAL RETURN	2020		2020
	£'000	£'000	£'000
Distributions	(28,887)	(3)	(28,890)
Net impact		(3)	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Amounts receivable on the issue of shares	255,550	(136,603)	118,947
Amounts payable on the cancellation of shares	(532,856)	136,606	(396,250)
Amounts receivable on inspecie transfers	—	—	—
Amounts payable on inspecie transfers	—	—	—
	(277,306)	3	(277,303)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(19,297)	(3)	(19,300)
Impact on net assets attributable to shareholders		—	

	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Note 6 TAXATION			
Distributions treated as tax deductible	5,777	1	5,778
Excess expenses	—	(1)	(1)
Conversion transfer from capital	—	—	—
Net impact		—	
	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000

Note 7 DISTRIBUTIONS

Add: Revenue deducted on the cancellation of shares	470	(131)	339
Deduct: Revenue received on the creation of shares	(254)	134	(120)
Net impact		3	
Equalisation on conversion	—	3	3

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class X – Gross income shares	(18.18)

Threadneedle UK Fixed Interest Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the FTSE Actuaries UK Conventional Gilts All Stocks Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and will invest at least 80% of its assets in UK government bonds (gilts).

The Fund may also invest in other bonds, including index linked UK government bonds (index-linked gilts), as well as bonds issued by governments (or government agencies) of other developed countries, international organisations, or companies. The bonds selected are usually investment grade and denominated in sterling (or hedged back to sterling, if a different currency).

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. However, the Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The FTSE Actuaries UK Conventional Gilts All Stocks Index is regarded as an appropriate good performance measure of sterling-denominated government bonds, issued by the UK government. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Income shares in the Threadneedle UK Fixed Interest Fund fallen from 156.68p to 142.98p.

For comparison, using noon prices, the performance of the Class 1 share class was -8.52% compared to a return of -7.80% for the Morningstar UK Unit Trusts/OEICs – IA UK Gilts 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 Actuaries UK Conventional Gilts All Stocks Index was -7.79%.

Market Overview and Portfolio Activity

The period under review was one of considerable volatility for financial markets in general and UK government bonds were no exception. Sentiment was driven mainly by the development of the COVID-19 pandemic and the massive monetary and fiscal stimulus response. Over the review term as a whole, the yield (which moves inversely to price) on benchmark 10-year gilts rose 65 basis points to 0.84%.

Gilt yields fell at the start of the period as the escalating pandemic drove a rush for the safety of government debt, and generally remained low in absolute terms over the rest of 2020. Uncertainty about the outlook for a post-Brexit trade deal with the EU also supported bond prices, until an agreement was announced on Christmas Eve. On the other side, there were bouts of weakness driven by breakthroughs in developing COVID-19 vaccines and associated optimism about a rebound in economic growth. After the new year started, however, a reflationary mindset took hold among investors as mass vaccinations progressed, and the US unveiled a large new fiscal stimulus proposal. This sparked broad selling of sovereign debt that dragged gilt yields notably higher into the end of the review period. The rise was particularly sharp in February as a relatively smooth vaccine rollout in the UK fostered optimism about a rebound in the economy. Together with comments from the Bank of England (BoE) that were perceived as hawkish, this led investors to push back expectations for a rate cut.

Like the other leading central banks, the BoE was active in responding to the pandemic. Having cut its key interest rate in March 2020 to a record low of 0.1% and restarted its monetary stimulus programme, the central bank remained supportive, for instance by subsequently increasing its bond purchases by £250bn in two steps. Meanwhile, the government borrowed money at an unprecedented pace to pay for a variety of pandemic support programmes and fiscal stimulus measures. However, investors seemingly looked past this in the context of the pandemic, as the UK issued gilts at a negative yield for the first time ever in May. In terms of the economy, a composite index of UK services and manufacturing activity quickly bounced back from April's record low and re-entered expansionary territory in July. Although the measure indicated contraction in November and January as lockdown measures prevailed, it swiftly strengthened and was at the highest level since 2013 when the review period ended.

In terms of activity, we maintained a longer duration position (which measures the portfolio's sensitivity to changes in interest rates) relative to the benchmark over the review period. The portfolio started with a duration of 0.55 years long relative to the index.

Portfolio activity was fairly quiet in May. Trading in June included adding some exposure to 2061 bonds as 30-year gilt yields hit our target of 0.65%. We also switched some exposure to gilts maturing in 2049 into 2061 bonds at the best level since the latter's issuance in May, and subsequently reduced duration after the BoE unexpectedly slowed the pace of monthly gilt purchases.

Early in July, we increased holdings of 15- and 30-year gilts. Later, we added to the 40-year area. In August, we added to bonds maturing in 2037, and made a variety of switches, such as selling 2026 gilts against 2028 issues. September saw little activity in terms of duration changes as yields retraced half of August's sell-off until the final day of the month. We switched various issues into the new gilt maturing in 2035, which offered an attractive yield pickup over similar existing, higher-coupon

issues and raised the running yield on the portfolio.

Over the first half of October, we added duration in the 15-year area by selling gilts maturing in 2034 into 2035 bonds. Late in the month, we bought 30-year bonds as gilts sold off in line with US Treasuries ahead of the US presidential election. In early November, gilts rallied hard due to the BoE's announcement of additional monetary support. We sold 30-year and ultra-long bonds, and subsequently repurchased them after yields had increased by 10 basis points.

We made a number of duration-management trades in December as yields moved through their recent trading range, providing opportunities for tactical adjustments. The portfolio finished 2020 with relative duration of 0.8 years long.

In January's first session, we reduced duration by selling 2041, 2050 and 2061 gilts, as the 30-year yield touched 0.71%. We subsequently added to duration by buying 2041 bonds as the 30-year yield hit 0.93%. At the start of February, we increased duration via 2050 gilts as yields climbed to our target. However, this was soon reversed as hawkish hints from the BoE pushed yields higher, and we trimmed duration further the following day, selling ultra-longs as the sell-off continued. Mid-month, as 30-year yields breached 1.20%, we reduced duration by selling 2041, 2050 and 2061 gilts. Conversely, we added to duration by purchasing 2028 and 2050 bonds on 24 February, as the 30-year yield had reached 1.36% – its highest open since March 2020.

In March, we continued to reduce ultra-long exposure. We also made a number of duration-neutral trades to pick up yield. We closed the underweight in short-dated bonds in April by purchasing 2024 bonds. Near month end, we took part in the new 30-year gilt syndication, funded by sales of 2050s, which added duration.

Overall, relative duration at the end of the period was 1.0 years long, aligned as follows: flat in 0-3 years; 0.15 (years) CTD (contribution to duration) in 3-7 years; 0.4 CTD in 7-15 years; 0.45 CTD in 15-25 years; 0.5 CTD in 25-35 years; and -0.5 CTD in ultra-longs.

As the world economy emerges from the shadow of COVID-19, market pricing will aim to reconcile a very buoyant recovery in services activity during the initial phase of reopening with a medium- and long-term outlook that is far less certain. While inflation pressures will likely increase as economic activity recovers, we believe this will be transitory. The degree of economic scarring from the pandemic is likely to suppress rates of growth and medium-term price pressures relative to pre-COVID-19 norms.

In the UK, yields have moved higher across the curve this year as the vaccine rollout continues and the BoE sees less downside risks to the economy going forward. From here, yields are likely to remain contained by expectations of a less easy fiscal stance from the government, and the damaging economic impact of increased remote-working. The BoE will have the ability to adopt negative interest rates later in the year, but internal members of the MPC appear less supportive of the additional monetary tool.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital (losses)/gains	2	(32,107)	57,524
Revenue	3	2,031	4,080
Expenses	4	(1,151)	(1,357)
Net revenue before taxation		880	2,723
Taxation	5	–	–
Net revenue after taxation		880	2,723
Total return before distributions		(31,227)	60,247
Distributions**	6	(880)	(2,727)
Change in net assets attributable to shareholders from investment activities		(32,107)	57,520

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		367,752	321,505
Current assets:			
Debtors	7	12,357	1,904
Cash and bank balances		488	541
Cash equivalents***		1,213	5,809
Total assets		381,810	329,759
Liabilities:			
Creditors:			
Distribution payable		(5)	(15)
Other creditors	8	(9,380)	(110)
Total liabilities		(9,385)	(125)
Net assets attributable to shareholders		372,425	329,634

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	329,634	496,535
Amounts receivable on the issue of shares**	107,630	118,824
Amounts payable on the cancellation of shares**	(33,689)	(345,575)
	73,941	(226,751)
Dilution adjustment	23	186
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(32,107)	57,520
Retained distribution on accumulation shares	934	2,144
Closing net assets attributable to shareholders	372,425	329,634

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 16.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.0865	–	0.0865	0.4559
01/11/20 to 30/04/21	–	–	–	0.2928
Group 2				
01/05/20 to 31/10/20	0.0148	0.0717	0.0865	0.4559
01/11/20 to 30/04/21	–	–	–	0.2928
Total distributions in the period			0.0865	0.7487

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

Threadneedle UK Fixed Interest Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.1087	–	0.1087	0.5651
01/11/20 to 30/04/21	0.0001	–	0.0001	0.3638
Group 2				
01/05/20 to 31/10/20	0.1087	–	0.1087	0.5651
01/11/20 to 30/04/21	0.0001	–	0.0001	0.3638
Total distributions in the period			0.1088	0.9289

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.1725	–	0.1725	0.4517
01/11/20 to 30/04/21	0.0993	–	0.0993	0.3267
Group 2				
01/05/20 to 31/10/20	0.0715	0.1010	0.1725	0.4517
01/11/20 to 30/04/21	0.0303	0.0690	0.0993	0.3267
Total distributions in the period			0.2718	0.7784

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.2183	–	0.2183	0.5705
01/11/20 to 30/04/21	0.1251	–	0.1251	0.4129
Group 2				
01/05/20 to 31/10/20	0.0228	0.1955	0.2183	0.5705
01/11/20 to 30/04/21	0.0368	0.0883	0.1251	0.4129
Total distributions in the period			0.3434	0.9834

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.3354	–	0.3354	0.5487
01/11/20 to 30/04/21	0.2568	–	0.2568	0.4699
Group 2				
01/05/20 to 31/10/20	0.1554	0.1800	0.3354	0.5487
01/11/20 to 30/04/21	0.2568	–	0.2568	0.4699
Total distributions in the period			0.5922	1.0186

Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.2755	–	0.2755	0.7146
01/11/20 to 30/04/21	0.1866	–	0.1866	0.5124
Group 2				
01/05/20 to 31/10/20	0.0742	0.2013	0.2755	0.7146
01/11/20 to 30/04/21	0.1077	0.0789	0.1866	0.5124
Total distributions in the period			0.4621	1.2270

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	156.31	136.97	134.07	194.47	169.56	164.62
Return before operating charges (p)	(12.50)	20.87	4.73	(15.55)	25.87	5.82
Operating charges (p)	(0.80)	(0.78)	(0.72)	(1.00)	(0.96)	(0.88)
Return after operating charges (p)*	(13.30)	20.09	4.01	(16.55)	24.91	4.94
Distributions (p)	(0.09)	(0.75)	(1.11)	(0.11)	(0.93)	(1.36)
Retained distributions on accumulation shares (p)	–	–	–	0.11	0.93	1.36
Closing net asset value per share (p)	142.92	156.31	136.97	177.92	194.47	169.56
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(8.51)	14.67	2.99	(8.51)	14.69	3.00
Other information						
Closing net asset value (£000)	402	548	508	57	64	59
Closing number of shares	281,142	350,611	371,149	32,076	33,111	34,906
Operating charges (%)**	0.53	0.53	0.53	0.53	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	157.33	160.68	140.27	195.74	199.54	172.96
Lowest share price (p)	141.32	136.86	130.99	175.92	169.42	160.84
	Class 2 – Income shares			Class 2 – Gross income shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	121.07	106.08	103.84	152.98	134.05	131.21
Return before operating charges (p)	(9.68)	16.18	3.65	(12.23)	20.42	4.63
Operating charges (p)	(0.42)	(0.41)	(0.37)	(0.53)	(0.51)	(0.48)
Return after operating charges (p)*	(10.10)	15.77	3.28	(12.76)	19.91	4.15
Distributions (p)	(0.27)	(0.78)	(1.04)	(0.34)	(0.98)	(1.31)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	110.70	121.07	106.08	139.88	152.98	134.05
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(8.34)	14.87	3.16	(8.34)	14.85	3.16
Other information						
Closing net asset value (£000)	98	147	24	5,863	4,881	6,120
Closing number of shares	88,585	121,278	22,335	4,191,461	3,190,526	4,565,819
Operating charges (%)**	0.36	0.36	0.35	0.36	0.36	0.36
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	121.89	124.53	108.71	154.02	157.35	137.37
Lowest share price (p)	109.52	106.00	101.53	138.39	133.94	128.29

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]		Class Z – Accumulation shares		
	30/04/2021	30/04/2020 [†]	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share					
Opening net asset value per share (p)	114.63	100.00	199.05	173.29	168.00
Return before operating charges (p)	(9.19)	14.69	(15.94)	26.46	5.94
Operating charges (p)	(0.07)	(0.06)	(0.67)	(0.70)	(0.65)
Return after operating charges (p)*	(9.26)	14.63	(16.61)	25.76	5.29
Distributions (p)	(0.59)	(1.02)	(0.46)	(1.23)	(1.65)
Retained distributions on accumulation shares (p)	0.59	1.02	0.46	1.23	1.65
Closing net asset value per share (p)	105.37	114.63	182.44	199.05	173.29
*after direct transaction costs of (p)	–	–	–	–	–
Performance					
Return after charges (%)	(8.08)	14.63	(8.34)	14.87	3.15
Other information					
Closing net asset value (£000)	19,168	30,060	346,837	293,934	489,824
Closing number of shares	18,191,654	26,223,594	190,111,385	147,668,150	282,654,571
Operating charges (%)**	0.06	0.06 [†]	0.35	0.38	0.38
Direct transaction costs (%)***	–	–	–	–	–
Prices					
Highest share price (p)	115.45	117.54	200.39	204.19	176.74
Lowest share price (p)	104.10	99.99	180.33	173.15	164.25

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

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

[§]Only available to eligible investors.

[†]Commenced 9 May 2019.

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

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(32,105)	57,526
Transaction costs	(2)	(2)
Net capital (losses)/gains	(32,107)	57,524

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	2,026	4,048
Interest on short term investments	–	13
Bank interest	5	19
Total revenue	2,031	4,080

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(829)	(892)
Registration fees	(254)	(393)
	(1,083)	(1,285)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(42)	(46)
Safe custody fees	(17)	(17)
	(59)	(63)
Other expenses:		
Audit fees	(9)	(9)
	(9)	(9)
Total expenses*	(1,151)	(1,357)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	880	2,723
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(176)	(545)
Effects of:		
Distributions treated as tax deductible	176	545
Current tax charge for period (note 5a)	–	–

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

6 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Interim	540	1,294
Final	407	895
	947	2,189
Add: Revenue deducted on the cancellation of shares*	17	739
Deduct: Revenue received on the creation of shares*	(84)	(201)
Net distribution for the period	880	2,727
Net revenue after taxation	880	2,723
Equalisation on conversion*	–	4
Total distributions	880	2,727

*For details on restatement please refer to note 16.

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

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	1,482	118
Sales awaiting settlement	10,288	685
Accrued revenue	587	1,101
Total debtors	12,357	1,904

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(76)	(11)
Purchases awaiting settlement	(9,206)	–
Accrued expenses	(7)	(10)
Amounts payable to ACD	(91)	(89)
Total other creditors	(9,380)	(110)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	0.40%
Class 2 shares	0.30%
Class X shares	N/A*
Class Z shares	0.25%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 50 to 51. The distribution per share class is given in the distribution table on pages 48 to 49.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	350,611
Shares issued	310
Shares redeemed	(69,779)
Net conversions	–
Closing shares	281,142
Class 1 – Accumulation shares	
Opening shares	33,111
Shares issued	–
Shares redeemed	(1,035)
Net conversions	–
Closing shares	32,076
Class 2 – Income shares	
Opening shares	121,278
Shares issued	86,918
Shares redeemed	(119,611)
Net conversions	–
Closing shares	88,585
Class 2 – Gross income shares	
Opening shares	3,190,526
Shares issued	1,206,707
Shares redeemed	(205,772)
Net conversions	–
Closing shares	4,191,461
Class X – Gross accumulation shares	
Opening shares	26,223,594
Shares issued	1,142,859
Shares redeemed	(9,174,799)
Net conversions	–
Closing shares	18,191,654
Class Z – Accumulation shares	
Opening shares	147,668,150
Shares issued	54,140,530
Shares redeemed	(11,697,295)
Net conversions	–
Closing shares	190,111,385

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 12.85% and vice versa (2020: 13.63%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2020: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
AAA	11,100	3.01	10,649	3.25
Aaa	6,519	1.77	1,308	0.40
AA+	4,075	1.10	4,082	1.25
AA	2,047	0.55	1,651	0.50
Aa2u	–	–	237,876	72.68
Aa3u	57,912	15.70	–	–
AA-	–	–	1,368	0.42
A+	2,901	0.79	–	–
Not Rated*	283,198	76.75	64,571	19.73
Liquidity Funds	1,213	0.33	5,809	1.77
	368,965	100.00	327,314	100.00

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	7,707	360,533	13,570	381,810
Currency 2020	£000	£000	£000	£000
UK Sterling	2,531	325,324	1,904	329,759
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(9,385)	(9,385)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(125)	(125)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

13 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

(continued)

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	346,002	–	313,181	–
Level 2	22,963	–	14,133	–
	368,965	–	327,314	–

Included within Level 1, are debt securities of £346,002,000 (2020: £313,181,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £668,763,453 (2020: £791,391,746) and £586,795,179 (2020: £1,003,731,644) respectively. Collective investment schemes purchases and sales amounted to £37,004,101 (2020: £20,008,801) and £41,600,000 (2020: £14,200,000) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.09% (30 April 2020: 0.10%), being the difference between the respective buying and selling prices for the fund's investments.

16 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

	Previously reported	Adjustments	Restated
STATEMENT OF TOTAL RETURN	2020		2020
	£'000	£'000	£'000
Distributions	(2,723)	(4)	(2,727)
Net impact		(4)	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	Previously reported	Adjustments	Restated
	2020		2020
	£'000	£'000	£'000
Amounts receivable on the issue of shares	146,315	(27,491)	118,824
Amounts payable on the cancellation of shares	(373,070)	27,495	(345,575)
	(226,755)	4	(226,751)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	57,524	(4)	57,520
Impact on net assets attributable to shareholders		–	

Note 6 DISTRIBUTIONS

Add: Revenue deducted on the cancellation of shares

771 (32) 739

Deduct: Revenue received on the creation of shares

(237) 36 (201)

Net impact

4

Equalisation on conversion

– 4 4

Threadneedle UK Index Linked Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the FTSE Actuaries UK Index-Linked Gilts All Stocks Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 80% of its assets in index-linked bonds issued by the UK government (index-linked gilts).

The Fund may also invest in conventional UK government bonds (gilts), as well as other sterling-denominated index-linked bonds. In addition, the Fund may invest in bonds issued by governments (or government agencies) of other developed countries, international organisations, or companies. The bonds selected are usually investment grade and denominated in sterling (or hedged back to sterling, if a different currency).

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of managing the Fund more efficiently. The Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The FTSE Actuaries UK Index-Linked Gilts All Stocks Index is regarded as an appropriate performance measure of sterling-denominated index-linked bonds, issued by the UK government. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Income shares in the Threadneedle UK Index Linked Fund fallen from 194.41p to 188.92p.

For comparison, using noon prices, the performance of the Class 1 share class was -2.63% compared to a return of -2.14% for the Morningstar UK Unit Trusts/ OEICs – IA UK Index Linked Gilts 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 Actuaries UK Index Linked All Stocks Index was -1.53%.

Market Overview and Portfolio Activity

The period under review was one of considerable volatility for financial markets in general, driven mainly by the development of the COVID-19 pandemic and the response of massive monetary and fiscal stimulus, and UK government bonds (gilts) were no exception. Over the review term as a whole, the yield (which moves inversely to price) on benchmark 10-year gilts rose 65 basis points to 0.84%. Index-linked gilts, as measured by the FTSE Actuaries Index Linked All Stocks index, were strong outperformers over their conventional counterpart.

Gilt yields fell at the start of the period as the escalating pandemic drove a rush for the safety of government debt, and generally remained low in absolute terms over the rest of 2020. Uncertainty about the outlook for a post-Brexit trade deal

with the EU also supported bond prices, until an agreement was announced on Christmas Eve. On the other side, there were bouts of weakness driven by breakthroughs in developing COVID-19 vaccines and associated optimism about a rebound in economic growth.

After the new year started, however, a reflationary mindset took hold among investors as mass vaccinations progressed, and the US unveiled a large new fiscal-stimulus proposal. This sparked broad selling of sovereign debt that dragged gilt yields notably higher into the end of the review period. The rise was particularly sharp in February as a relatively smooth vaccine rollout fostered optimism about a rebound by the UK economy and comments from the Bank of England (BoE) were perceived as hawkish, leading investors to push back expectations for a rate cut.

Like the other leading central banks, the BoE was active in responding to the pandemic, not least in cutting its key interest rate twice in March 2020 to a record low of 0.1%. The BoE also announced £200bn of monetary stimulus, which was subsequently increased by £250bn in two steps. Meanwhile, the government borrowed money at an unprecedented pace to pay for a variety of pandemic support programmes and fiscal stimulus measures. However, investors seemingly looked past this in the context of the pandemic, as the UK issued gilts at a negative yield for the first time ever in May. In terms of the economy, a composite index of UK services and manufacturing activity quickly bounced back from April's record low and re-entered expansionary territory in July. Although the measure indicated contraction in November and January as lockdown measures prevailed, it swiftly strengthened and was at the highest level since 2013 when the review period ended.

UK consumer-price inflation was relatively subdued overall during the review term, holding below 1% (year on year) for most of the period and falling as low as 0.2%. Still, the price of Brent crude oil exceeded \$71 a barrel in March 2021, after trading below \$26 early in the review term, and copper was near the highest levels in a decade as the period ended. Meanwhile, energy bills for many households were scheduled to rise from April, following Ofgem's announcement of an increase in the price cap on tariffs. These factors, together with the prospect of a global economic recovery, pushed up inflation expectations.

We started the period with a duration (which measures sensitivity to changes in interest rates) of 0.35 years long relative to the benchmark.

There was little activity in May, other than selling bonds maturing in 2036 into 2028 and 2044 issues to pick up yield. June was also quiet, as index-linked debt outperformed conventional gilts over much of the month. Around mid-June, we moved to a neutral position in ultra-long bonds by selling gilts maturing in 2062. We also sold 2048 bonds and added some exposure to 10-year debt.

There was very little activity in July. We reduced duration in 25-35-year bonds to flat by selling 2052 issues, and added to bonds maturing in 2041 and 2058, thereby moving slightly overweight in ultra-longs.

On 4 August, we moved to a flat position in ultra-longs by selling 2062 bonds. A day later, we increased overall duration via purchases of 2052 and 2062 issues following a sell-off in gilts. We subsequently made a variety of switching trades, including selling 2026 bonds against gilts maturing in 2029 and 2034, thereby reducing the underweight in 7-15 yrs.

In September, we added to 7-15-year bonds via 2034s and trimmed exposure to longer-dated gilts by selling 2058 and 2052 issues. October was a quieter month, with little activity to note.

Volatility escalated in November, driven by expectations of more information about the Retail Price Index (RPI) reform that were subsequently fulfilled. In the month's first half, we sold gilts maturing in 2044, 2052 and 2062. The fund also sold 2034 bonds and bought 2036s at a record yield pick-up of 14 bps. Near month-end, we purchased 2026s and 2028s.

Yields traded through the recent range in December, giving opportunities for tactical adjustments. We sold bonds across the curve near mid-month to reduce duration, and subsequently added some of this back with purchases of 2052 and 2062 issues as yields retraced higher. With the EU trade talks going down to the wire, we reduced duration on 23 December as yields moved to recent lows, reversing this a day later as yields retraced by 15 bps the next day with the announcement of a deal. Yields then fell into year-end.

Among trades in January, we sold bonds near the end of the month. We also took part in the auction of a new 2031 issue, financing this by selling 2028 and 2029 bonds in a duration-neutral play.

February was a record negative month for the gilt market, given the BoE comments referenced above and a global sell-off in government debt. During the month's first half, we switched surrounding bonds into the new issue of 2051 'linkers', again keeping duration neutral. Around mid-month, we reduced duration by selling bonds maturing in 2044, 2052 and 2062; some of the proceeds were recycled into conventional 2050 gilts.

The gilt market stabilised in March, and portfolio activity was light in terms of affecting top-line duration. April was another month of consolidation, with little activity again. We sold 2026 bonds against 2028s in small size and bought 2062 gilts.

At the close of the period, the overall portfolio was positioned 0.45 years long relative to the benchmark, aligned as follows: +0.1 (years) CTD (contribution to duration) in 0-3 years; -0.25 CTD in 3-7 years; +0.25 CTD in 7-15 years; +0.15 CTD in 15-25 years; +0.1 CTD in 25-35 years; +0.1 CTD in ultra-longs.

As the world economy emerges from the shadow of COVID-19, market pricing will aim to reconcile a very buoyant recovery in services activity during the initial phase of reopening with a medium- and long-term outlook that is far less certain. While inflation pressures will likely increase as economic activity recovers, we believe this will be transitory. The degree of economic scarring from the pandemic is likely to suppress rates of growth and medium-term price pressures relative to pre-COVID-19 norms. In the UK, yields have moved higher across the curve this year as the vaccine rollout continues and the BoE sees less downside risks to the economy going forward. From here, yields are likely to remain contained by expectations of a less easy fiscal stance from the government, and the damaging economic impact of increased remote-working. The BoE will have the ability to adopt negative interest rates later in the year, but internal members of the MPC appear less supportive of the additional monetary tool.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 £000
Income			
Net capital (losses)/gains	2	(296)	5,218
Revenue	3	418	805
Expenses	4	(97)	(114)
Net revenue before taxation		321	691
Taxation	5	–	–
Net revenue after taxation		321	691
Total return before distributions		25	5,909
Distributions	6	(321)	(691)
Change in net assets attributable to shareholders from investment activities		(296)	5,218

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		53,473	72,579
Current assets:			
Debtors	7	68	2,758
Cash and bank balances		769	798
Total assets		54,310	76,135
Liabilities:			
Creditors:			
Distribution payable		–	(1)
Other creditors	8	(35)	(3,043)
Total liabilities		(35)	(3,044)
Net assets attributable to shareholders		54,275	73,091

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	73,091	69,033
Amounts receivable on the issue of shares	3,651	1,900
Amounts payable on the cancellation of shares	(22,495)	(3,742)
	(18,844)	(1,842)
Dilution adjustment	24	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(296)	5,218
Retained distribution on accumulation shares	300	682
Closing net assets attributable to shareholders	54,275	73,091

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.1191	–	0.1191	0.6742
01/11/20 to 30/04/21	0.0775	–	0.0775	0.2727
Group 2				
01/05/20 to 31/10/20	0.0210	0.0981	0.1191	0.6742
01/11/20 to 30/04/21	0.0620	0.0155	0.0775	0.2727
Total distributions in the period			0.1966	0.9469

*In pound Sterling and against UK peer group (See Performance summary on page 187).

Threadneedle UK Index Linked Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.0820	–	0.0820	0.4681
01/11/20 to 30/04/21	0.0535	–	0.0535	0.1902
Group 2				
01/05/20 to 31/10/20	0.0820	–	0.0820	0.4681
01/11/20 to 30/04/21	0.0535	–	0.0535	0.1902
Total distributions in the period			0.1355	0.6583

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.2216	–	0.2216	0.5682
01/11/20 to 30/04/21	0.2299	–	0.2299	0.2940
Group 2				
01/05/20 to 31/10/20	0.0320	0.1896	0.2216	0.5682
01/11/20 to 30/04/21	0.0310	0.1989	0.2299	0.2940
Total distributions in the period			0.4515	0.8622

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.3892	–	0.3892	0.9903
01/11/20 to 30/04/21	0.4048	–	0.4048	0.5147
Group 2				
01/05/20 to 31/10/20	0.1700	0.2192	0.3892	0.9903
01/11/20 to 30/04/21	0.2279	0.1769	0.4048	0.5147
Total distributions in the period			0.7940	1.5050

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	0.2940	–	0.2940	0.7548
01/11/20 to 30/04/21	0.3047	–	0.3047	0.3899
Group 2				
01/05/20 to 31/10/20	0.1365	0.1575	0.2940	0.7548
01/11/20 to 30/04/21	0.1086	0.1961	0.3047	0.3899
Total distributions in the period			0.5987	1.1447

Class D – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.1269	–	0.1269	0.7546
01/11/20 to 30/04/21	0.0816	–	0.0816	0.3054
Group 2				
01/05/20 to 31/10/20	0.1269	–	0.1269	0.7546
01/11/20 to 30/04/21	0.0816	–	0.0816	0.3054
Total distributions in the period			0.2085	1.0600

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	0.3959	–	0.3959	0.7127
01/11/20 to 30/04/21	0.3561	–	0.3561	0.4637
Group 2				
01/05/20 to 31/10/20	0.3959	–	0.3959	0.7127
01/11/20 to 30/04/21	0.0961	0.2600	0.3561	0.4637
Total distributions in the period			0.7520	1.1764

Group 2: shares purchased during a distribution period.

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares ^s		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	193.93	180.20	169.55	135.32	125.11	116.87
Return before operating charges (p)	(3.72)	15.84	13.00	(2.59)	11.02	8.98
Operating charges (p)	(1.20)	(1.16)	(1.07)	(0.85)	(0.81)	(0.74)
Return after operating charges (p)*	(4.92)	14.68	11.93	(3.44)	10.21	8.24
Distributions (p)	(0.20)	(0.95)	(1.28)	(0.14)	(0.66)	(0.89)
Retained distributions on accumulation shares (p)	–	–	–	0.14	0.66	0.89
Closing net asset value per share (p)	188.81	193.93	180.20	131.88	135.32	125.11
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.54)	8.15	7.04	(2.54)	8.16	7.05
Other information						
Closing net asset value (£000)	359	408	413	76	78	72
Closing number of shares	190,437	210,617	229,407	57,466	57,466	57,859
Operating charges (%)**	0.61	0.61	0.61	0.62	0.61	0.61
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	206.17	205.45	190.69	143.86	142.64	131.85
Lowest share price (p)	181.35	166.61	168.27	126.62	116.09	115.99
	Class 2 – Income shares			Class 2 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	130.54	121.29	114.12	229.34	211.66	197.38
Return before operating charges (p)	(2.51)	10.67	8.76	(4.43)	18.66	15.18
Operating charges (p)	(0.49)	(0.56)	(0.52)	(0.86)	(0.98)	(0.90)
Return after operating charges (p)*	(3.00)	10.11	8.24	(5.29)	17.68	14.28
Distributions (p)	(0.45)	(0.86)	(1.07)	(0.79)	(1.51)	(1.86)
Retained distributions on accumulation shares (p)	–	–	–	0.79	1.51	1.86
Closing net asset value per share (p)	127.09	130.54	121.29	224.05	229.34	211.66
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.30)	8.34	7.22	(2.31)	8.35	7.23
Other information						
Closing net asset value (£000)	52	59	79	14,666	14,946	14,077
Closing number of shares	40,675	45,523	64,996	6,545,946	6,516,989	6,650,841
Operating charges (%)**	0.37	0.44	0.44	0.37	0.44	0.44
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	138.84	138.38	128.45	243.92	241.48	223.04
Lowest share price (p)	122.18	112.22	113.27	215.01	196.72	195.92

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares [§]			Class D – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	173.55	161.25	151.72	222.73	205.94	192.40
Return before operating charges (p)	(3.32)	14.19	11.64	(4.28)	18.12	14.75
Operating charges (p)	(0.67)	(0.75)	(0.69)	(1.40)	(1.33)	(1.21)
Return after operating charges (p)*	(3.99)	13.44	10.95	(5.68)	16.79	13.54
Distributions (p)	(0.60)	(1.14)	(1.42)	(0.21)	(1.06)	(1.45)
Retained distributions on accumulation shares (p)	–	–	–	0.21	1.06	1.45
Closing net asset value per share (p)	168.96	173.55	161.25	217.05	222.73	205.94
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.30)	8.33	7.22	(2.55)	8.15	7.04
Other information						
Closing net asset value (£000)	64	110	172	15	16	15
Closing number of shares	37,684	63,242	106,599	7,008	7,008	7,008
Operating charges (%)**	0.38	0.44	0.44	0.62	0.61	0.61
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	184.58	183.97	170.77	236.78	234.80	217.05
Lowest share price (p)	162.43	149.19	150.59	208.40	191.09	190.95
	Class X – Gross accumulation shares [§]					
	30/04/2021	30/04/2020	30/04/2019			
Change in net assets per share						
Opening net asset value per share (p)	118.19	108.70	101.01			
Return before operating charges (p)	(2.29)	9.59	7.78			
Operating charges (p)	(0.11)	(0.10)	(0.09)			
Return after operating charges (p)*	(2.40)	9.49	7.69			
Distributions (p)	(0.75)	(1.18)	(1.32)			
Retained distributions on accumulation shares (p)	0.75	1.18	1.32			
Closing net asset value per share (p)	115.79	118.19	108.70			
*after direct transaction costs of (p)	–	–	–			
Performance						
Return after charges (%)	(2.03)	8.73	7.61			
Other information						
Closing net asset value (£000)	39,043	57,474	54,205			
Closing number of shares	33,719,398	48,630,068	49,868,396			
Operating charges (%)**	0.09	0.09	0.09			
Direct transaction costs (%)***	–	–	–			
Prices						
Highest share price (p)	125.81	124.16	114.50			
Lowest share price (p)	111.07	101.33	100.28			

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

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

[§]Only available to eligible investors.

Threadneedle UK Index Linked Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL (LOSSES)/GAINS

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

	2021 £000	2020 £000
Non-derivative securities	(295)	5,219
Transaction costs	(1)	(1)
Net capital (losses)/gains	(296)	5,218

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	418	801
Bank interest	—	4
Total revenue	418	805

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(45)	(55)
Registration fees	(21)	(26)
	(66)	(81)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(7)	(9)
Safe custody fees	(10)	(10)
	(17)	(19)
Other expenses:		
Audit fees	(14)	(14)
	(14)	(14)
Total expenses*	(97)	(114)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Total current tax (note 5b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	321	691
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(64)	(138)
Effects of:		
Excess expenses	(102)	(70)
UK Indexation relief	166	208
Current tax charge for period (note 5a)	—	—

The fund has not recognised a deferred tax asset of £790,266 (2020: £688,473) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years. Interest distributions were made in respect of all distributions during the prior period.

6 DISTRIBUTIONS

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

	2021 £000	2020 £000
Interim	153	426
Final	147	260
	300	686
Add: Revenue deducted on the cancellation of shares	26	9
Deduct: Revenue received on the creation of shares	(5)	(4)
Net distribution for the period	321	691

Details of the distribution per share are set out in the table on pages 55 to 56.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	25	4
Sales awaiting settlement	—	2,713
Accrued revenue	43	41
Total debtors	68	2,758

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(26)	(9)
Purchases awaiting settlement	—	(3,021)
Accrued expenses	(4)	(6)
Amounts payable to ACD	(5)	(7)
Total other creditors	(35)	(3,043)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	0.45%
Class 2 shares	0.25%
Class D shares	0.45%
Class X shares	N/A*

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.110%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 57 to 58. The distribution per share class is given in the distribution table on pages 55 to 56. All classes have the same rights on winding up.

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

Threadneedle UK Index Linked Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	210,617
Shares issued	10,908
Shares redeemed	(31,088)
Net conversions	–
Closing shares	190,437
Class 1 – Gross accumulation shares	
Opening shares	57,466
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	57,466
Class 2 – Income shares	
Opening shares	45,523
Shares issued	14,942
Shares redeemed	(19,790)
Net conversions	–
Closing shares	40,675
Class 2 – Accumulation shares	
Opening shares	6,516,989
Shares issued	815,880
Shares redeemed	(786,923)
Net conversions	–
Closing shares	6,545,946
Class 2 – Gross income shares	
Opening shares	63,242
Shares issued	10,636
Shares redeemed	(36,194)
Net conversions	–
Closing shares	37,684
Class D – Accumulation shares	
Opening shares	7,008
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	7,008
Class X – Gross accumulation shares	
Opening shares	48,630,068
Shares issued	1,463,077
Shares redeemed	(16,373,747)
Net conversions	–
Closing shares	33,719,398

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 21.45% and vice versa (2020: 22.53%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2020: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2020: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
AA	1,577	2.95	1,880	2.59
Aa2u	–	–	70,699	97.41
Aa3u	45,100	84.34	–	–
Not Rated*	6,796	12.71	–	–
	53,473	100.00	72,579	100.00

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	769	53,473	68	54,310
Currency 2020	£000	£000	£000	£000
UK Sterling	798	72,579	2,758	76,135

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(35)	(35)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(3,044)	(3,044)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Valuation technique				
Level 1	51,896	–	70,699	–
Level 2	1,577	–	1,880	–
	53,473	–	72,579	–

Included within Level 1, are debt securities of £51,896,000 (2020: £70,699,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

Threadneedle UK Index Linked Fund

Notes to the financial statements

(continued)

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £43,834,306 (2020: £75,072,227) and £62,935,053 (2020: £77,103,878) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.04% (30 April 2020: 0.22%), being the difference between the respective buying and selling prices for the fund's investments.

16 POST BALANCE SHEET EVENT

The ACD fee changed from 0.45% to 0.40% on the 01 June 2021.

Threadneedle Pan European Focus Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the MSCI Europe Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in Europe (including the UK), or which have significant business operations there. The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI Europe Index.

The MSCI Europe Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies within developed market countries across Europe (including the UK), currently with over 400 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle Pan European Focus Fund has risen from 297.74p to 381.63p in sterling terms and from 3.4245 to 4.3945 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was +28.18% and +28.91% for the Class 2 share class compared to a return of +31.37% for the Morningstar UK Unit Trusts/ OEICs - IA 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 +30.98%.

Market Overview and Portfolio Activity

The review period was a volatile, but ultimately strong period for European equities.

Markets rallied over the spring and summer of 2020, driven by optimism that the COVID-19 pandemic was past its peak in Europe. Markets were also propelled higher by central-bank stimulus programmes and government support packages. Notably, EU countries reached agreement on a pandemic recovery fund, to be financed by joint borrowing for the first time ever. Stocks were also boosted by robust corporate earnings and optimism that vaccinations and treatments would be found for the virus.

However, progress was interrupted as a resurgence in virus infection rates prompted many countries to re-impose controls in the autumn. Markets were also affected by US election jitters.

The mood turned markedly positive in the last two months of 2020. Investors were encouraged by Joe Biden's triumph in the US election and hopes for further fiscal stimulus. Sentiment was also boosted by landmark results in coronavirus vaccine trials, the subsequent approval of the first vaccines for use in Western democracies and, towards the end of the year, news of the last-minute trade agreement between the UK and the EU. These developments sparked a surge in oil prices and stocks in beaten-down sectors that were perceived to be major beneficiaries of a resumption of 'normality'. This trend prevailed over 2021, and gained further traction from expectations of higher US government spending after the Democrats took control of the Senate.

The EU's vaccine rollout was initially beset with challenges, resulting in the bloc's pace of inoculations lagging those of the UK and the US over the first quarter of 2021. This, along with an increase in COVID-19 infections triggered fresh lockdowns in European countries, which fanned concerns about the economic outlook. However, the resulting weakness in the euro proved a tailwind for the region's export-heavy stockmarket. The pace of vaccinations gathered speed in the EU in April. On the economic front, eurozone GDP contracted by more than 6% over 2020. In response to the resurgent pandemic in autumn and winter, the European Central Bank (ECB) increased the size and time horizon of its bond-purchase scheme, while also extending its programme of cheap funding for banks. The Bank of England also ramped up its bond purchases. In March this year, the ECB further increased its bond purchases as debt markets sold off on expectations that a vaccine-driven recovery would push up inflation. The eurozone's growth was also negative in the first quarter of 2021, but recent-forward looking economic indicators have been encouraging. For instance, a measure of growth in manufacturing activity hit a 24-year high in April thanks to a jump in output and new orders.

In terms of activity, we opened several new positions over the year. Examples included Brenntag, Moncler, Koninklijke DSM and Akzo Nobel. Brenntag stands to gain from an improving global economy. The chemicals distributor is under new management and is engaged in a cost-cutting programme. The company announced strong results for 2020 in all geographic regions, with the exception of North America.

Luxury-apparel firm Moncler has managed the COVID-19 impact well, and recovery should be strong once vaccinations are rolled out. The planned acquisition of Stone Island should boost its long-term potential. Koninklijke DSM is a global life and materials sciences company with end markets including food and dietary supplements, personal care, animal feed, pharma and bio-based materials. The company positions itself as a sustainability champion producing a wide range of innovative solutions, aiming to solve some of the world's biggest social and environmental challenges.

Paints business Akzo Nobel has a strong balance sheet and is consolidating its position in the sector. The firm recently reported an upsurge in revenues in the first quarter of 2021, driven by strong growth across regions, and particularly in Asia.

Recently, we opened positions in financials DNB, KBC and Barclays, which stand to benefit from rising US interest rates and a cyclical recovery.

Sales included Grifols; the virus has hampered plasma collection and long-term growth is threatened by potentially disruptive new agents.

The potential for a post-virus recovery is building confidence, though some sectors will be under strain for years to come, and inflationary pressures may surface. COVID-19 still dominates sentiment; the current wave has meant a return of lockdowns and travel restrictions, although successful vaccination programmes should mean the worst is over by the summer.

A fraught end to the US election left the Democrats with tentative control of the Senate as well as the House and the presidency – so a return to Obama-like policies is ensuing, with an emphasis on fiscal and monetary stimulus, and this may tend to favour companies which would benefit from a cyclical upturn. However, some previously fragile business models are proving unsustainable, impacting small businesses and employment in the hospitality and travel sectors.

Some post-Brexit practicalities are still unclear, particularly as lockdowns and travel restrictions continue.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour high-quality companies with the pricing power to sustain strong returns, and we also target re-rating opportunities.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	20,411	3,674
Revenue	3	855	1,315
Expenses	4	(658)	(646)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		196	668
Taxation	6	(37)	(48)
Net revenue after taxation		159	620
Total return before distributions		20,570	4,294
Distributions**	7	(276)	(698)
Change in net assets attributable to shareholders from investment activities		20,294	3,596

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		74,679	81,715
Current assets:			
Debtors	8	1,187	512
Cash and bank balances		3,502	118
Cash equivalents***		2	11
Total assets		79,370	82,356
Liabilities:			
Creditors:			
Bank overdrafts		–	(203)
Other creditors	9	(158)	(46)
Total liabilities		(158)	(249)
Net assets attributable to shareholders		79,212	82,107

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	82,107	80,879
Amounts receivable on the issue of shares**	7,487	17,336
Amounts payable on the cancellation of shares**	(23,301)	(20,398)
Amounts payable on in specie transfers	(7,586)	–
	(23,400)	(3,062)
Dilution adjustment	14	12
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	20,294	3,596
Retained distribution on accumulation shares	197	682
Closing net assets attributable to shareholders	79,212	82,107

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 17.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 1.2941).

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

Threadneedle Pan European Focus Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	1.4179	–	1.4179	2.0615
Group 2				
01/05/20 to 30/04/21	1.4179	–	1.4179	2.0615
Total distributions in the period			1.4179	2.0615

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 1.2764).

Group 2: shares purchased during a distribution period.

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	137.31	131.59	117.03	297.56	285.21	253.74
Return before operating charges (p)	41.50	8.19	16.51	89.88	17.45	35.82
Operating charges (p)	(2.68)	(2.47)	(1.95)	(5.89)	(5.10)	(4.35)
Return after operating charges (p)*	38.82	5.72	14.56	83.99	12.35	31.47
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	176.13	137.31	131.59	381.55	297.56	285.21
*after direct transaction costs of (p)	1.05	0.96	0.45	2.28	1.99	0.98
Performance						
Return after charges (%)	28.27	4.35	12.44	28.23	4.33	12.40
Other information						
Closing net asset value (£000)	5	4	4	10,485	8,846	21,615
Closing number of shares	3,000	3,000	3,000	2,747,864	2,972,968	7,578,621
Operating charges (%)**	1.64	1.67	1.62	1.66	1.66	1.66
Direct transaction costs (%)***	0.64	0.65	0.38	0.64	0.65	0.38
Prices						
Highest share price (p)	178.81	154.85	131.86	387.36	335.57	285.79
Lowest share price (p)	133.94	110.50	109.29	290.26	239.47	236.92
	Class 2 – Accumulation shares			Class X – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	322.95	307.77	272.24	144.52	136.36	119.42
Return before operating charges (p)	97.74	18.80	38.60	43.89	8.29	17.05
Operating charges (p)	(4.20)	(3.62)	(3.07)	(0.16)	(0.13)	(0.11)
Return after operating charges (p)*	93.54	15.18	35.53	43.73	8.16	16.94
Distributions (p)	–	(1.29)	(1.47)	(1.42)	(2.06)	(1.89)
Retained distributions on accumulation shares (p)	–	1.29	1.47	1.42	2.06	1.89
Closing net asset value per share (p)	416.49	322.95	307.77	188.25	144.52	136.36
*after direct transaction costs of (p)	2.47	2.16	1.05	1.11	0.97	0.46
Performance						
Return after charges (%)	28.96	4.93	13.05	30.26	5.98	14.19
Other information						
Closing net asset value (£000)	37,950	30,642	51,600	26,112	36,914	5,766
Closing number of shares	9,112,006	9,488,186	16,765,820	13,871,066	25,543,273	4,229,068
Operating charges (%)**	1.09	1.09	1.09	0.09	0.09	0.09
Direct transaction costs (%)***	0.64	0.65	0.38	0.64	0.65	0.38
Prices						
Highest share price (p)	422.82	363.79	308.36	191.11	162.48	136.60
Lowest share price (p)	315.02	259.72	255.15	140.98	116.08	112.65

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share			
Opening net asset value per share (p)	219.68	208.99	184.54
Return before operating charges (p)	66.48	12.75	26.19
Operating charges (p)	(2.38)	(2.06)	(1.74)
Return after operating charges (p)*	64.10	10.69	24.45
Distributions (p)	–	(1.28)	(1.33)
Retained distributions on accumulation shares (p)	–	1.28	1.33
Closing net asset value per share (p)	283.78	219.68	208.99
*after direct transaction costs of (p)	1.67	1.47	0.71
Performance			
Return after charges (%)	29.18	5.12	13.25
Other information			
Closing net asset value (£000)	4,660	5,701	1,894
Closing number of shares	1,642,110	2,594,985	906,329
Operating charges (%)**	0.91	0.91	0.91
Direct transaction costs (%)***	0.64	0.65	0.38
Prices			
Highest share price (p)	288.11	247.38	209.39
Lowest share price (p)	214.29	176.63	173.15

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

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

Threadneedle Pan European Focus Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	20,395	3,647
Forward currency contracts	(31)	13
Other gains	52	18
Transaction costs	(5)	(4)
Net capital gains	20,411	3,674

3 REVENUE

	2021 £000	2020 £000
UK dividends	93	353
Overseas dividends	755	953
Bank interest	7	9
Total revenue	855	1,315

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(577)	(565)
Registration fees	(43)	(42)
	(620)	(607)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(10)	(10)
Safe custody fees	(13)	(13)
	(23)	(23)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(8)	(9)
	(15)	(16)
Total expenses*	(658)	(646)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(1)	(1)
Total interest payable and similar charges	(1)	(1)

6 TAXATION

	2021 £000	Restated 2020* £000
a) Analysis of charge in period		
Overseas taxes	(37)	(48)
Total current tax (note 6b)	(37)	(48)
Total tax charge for the period	(37)	(48)
b) Factors affecting taxation charge for period		
Net revenue before taxation	196	668
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(39)	(134)
Effects of:		
Revenue not subject to taxation	169	261
Overseas taxes	(37)	(48)
Excess expenses*	(130)	(116)
Conversion transfer from capital*	—	(11)
Current tax charge for period (note 6a)	(37)	(48)

*For details on restatement please refer to note 17.

The fund has not recognised a deferred tax asset of £1,989,531 (2020: £1,859,609) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Final	197	682
	197	682
Add: Revenue deducted on the cancellation of shares*	81	53
Deduct: Revenue received on the creation of shares*	(2)	(37)
Net distribution for the period	276	698
Net revenue after taxation	159	620
Equalisation on conversion*	—	54
Shortfall transfer from capital to revenue	117	24
Total distributions	276	698

*For details on restatement please refer to note 17.

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 62 to 63.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	16	197
Sales awaiting settlement	927	77
Accrued revenue	112	113
Foreign withholding tax recoverable	132	125
Total debtors	1,187	512

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(104)	—
Accrued expenses	(4)	(5)
Amounts payable to ACD	(50)	(41)
Total other creditors	(158)	(46)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

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

Threadneedle Pan European Focus Fund

Notes to the financial statements

(continued)

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 64 to 65. The distribution per share class is given in the distribution table on pages 62 to 63.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class 1 – Accumulation shares	
Opening shares	2,972,968
Shares issued	1,343,800
Shares redeemed	(1,448,469)
Net conversions	(120,435)
Closing shares	2,747,864
Class 2 – Accumulation shares	
Opening shares	9,488,186
Shares issued	285,175
Shares redeemed	(661,355)
Net conversions	–
Closing shares	9,112,006
Class X – Accumulation shares	
Opening shares	25,543,273
Shares issued	–
Shares redeemed	(11,672,207)
Net conversions	–
Closing shares	13,871,066
Class Z – Accumulation shares	
Opening shares	2,594,985
Shares issued	624,267
Shares redeemed	(1,740,239)
Net conversions	163,097
Closing shares	1,642,110

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.65% and vice versa (2020: 4.60%).

Currency exposures

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

	Total £000
Currency 2021	
Danish Krone	7,258
Euro	47,081
Norwegian Krone	3,916
Swedish Krona	2,529
Swiss Franc	8,126
US Dollar	9

	£000
Currency 2020	
Danish Krone	4,752
Euro	58,872
Norwegian Krone	4
Swedish Krona	3,948
Swiss Franc	12,413
US Dollar	1

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
Euro	0.11	0.07
Swiss Franc	4.22	0.43
Currency 2020	%	%
Euro	0.88	0.63
Swiss Franc	8.45	1.28

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Danish Krone	–	–	7,258	7,258
Euro	4	–	47,077	47,081
Norwegian Krone	–	–	3,916	3,916
Swedish Krona	–	–	2,529	2,529
Swiss Franc	–	–	8,126	8,126
UK Sterling	3,498	2	6,951	10,451
US Dollar	–	–	9	9
Currency 2020	£000	£000	£000	£000
Danish Krone	–	–	4,752	4,752
Euro	78	–	58,794	58,872
Norwegian Krone	–	–	4	4
Swedish Krona	40	–	3,908	3,948
Swiss Franc	–	–	12,413	12,413
UK Sterling	–	11	2,355	2,366
US Dollar	–	–	1	1
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(158)	(158)
Currency 2020	£000	£000	£000	£000
UK Sterling	(203)	–	(46)	(249)

Threadneedle Pan European Focus Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	74,681	–	81,726	–
	74,681	–	81,726	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value	Commissions	Taxes	
	£000	£000	%	£000
Purchases				
Equities	196,245	120	0.06	290
Collective investment schemes	25,000	–	–	–
Total	221,245	120		290

Gross purchases total:

221,655

	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	211,397	132	0.06	–
Collective investment schemes	25,010	–	–	–
In specie transactions	6,410	–	–	–
Total	242,817	132		–

Total sales net of transaction costs:

242,685

Transaction costs as a percentage of average Net Assets

Commissions: 0.30%
Taxes: 0.34%

30 April 2020

	Value	Commissions	Taxes	
	£000	£000	%	£000
Purchases				
Equities	221,139	124	0.05	305
Collective investment schemes	8,501	–	–	–
Total	229,640	124		305

Gross purchases total:

230,069

	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	224,097	126	0.05	–
Collective investment schemes	8,490	–	–	–
Corporate actions	157	–	–	–
Total	232,744	126		–

Total sales net of transaction costs:

232,618

Transaction costs as a percentage of average Net Assets

Commissions: 0.29%
Taxes: 0.36%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.04% (30 April 2020: 0.12%), being the difference between the respective buying and selling prices for the fund's investments.

17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

	Previously reported	Adjustments	Restated
	2020		2020
STATEMENT OF TOTAL RETURN	£'000	£'000	£'000
Distributions	(644)	(54)	(698)
Net impact		(54)	
	Previously reported	Adjustments	Restated
	2020		2020
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	£'000	£'000	£'000
Amounts receivable on the issue of shares	50,977	(33,641)	17,336
Amounts payable on the cancellation of shares	(54,093)	33,695	(20,398)
	(3,116)	54	(3,062)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,650	(54)	3,596
Impact on net assets attributable to shareholders		–	

Threadneedle Pan European Focus Fund

Notes to the financial statements

(continued)

	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Note 6 TAXATION			
Excess expenses	(127)	11	(116)
Conversion transfer from capital	—	(11)	(11)
Net impact		—	

	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	143	(90)	53
Deduct: Revenue received on the creation of shares	(181)	144	(37)
Net impact		54	
Equalisation on conversion	—	54	54

Threadneedle American Extended Alpha Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the S&P 500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least 75% of its investment exposure to shares of companies domiciled in the United States of America (US), or which have significant US business operations.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions are taken by investing in company shares directly, as well as indirectly using derivatives, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 110 companies.

The Fund follows an "equity extension strategy", which allows proceeds from short positions to be used to extend long positions within the portfolio, to include more of the fund manager's strongest investment ideas. However, the Fund does not usually short more than 30% of its value, and long positions don't normally exceed 130% of the value of the Fund.

The Fund's extended long and short positions are usually, at least in part, obtained by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of a basket of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also hold other securities (including fixed interest securities), money market instruments, deposits, cash and near cash. These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective. In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The S&P 500 Index is a US stock market index the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. It is representative of the type of company in which the Fund invests and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle American Extended Alpha Fund has risen from 469.63p to 615.53p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +31.07% and +32.15% for the Class 2 share class compared to a return of +33.62% for the Morningstar UK Unit Trusts/OEICs – IA 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 Index was +32.99%.

Market Overview and Portfolio Activity

US equities registered strong double-digit gains over the 12 months to 30 April 2021. The year in review was a turbulent period in terms of both world events and financial-market movements, as the coronavirus outbreak in China spread around the world, and measures to control the spread of the virus brought cities, regions, and even entire countries to a near-standstill. However, unprecedented stimulus measures from central banks and governments helped risk assets rally from May until September: in the US, the Federal Reserve cut rates back to near zero and pledged to provide unlimited monetary stimulus. After some shocking data releases in April, better-than-expected economic data and corporate earnings reinforced positive sentiment, while declining coronavirus caseloads and the resulting easing of lockdown restrictions later boosted markets.

In September, however, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and the reimposition of control measures to contain the virus. Meanwhile, political uncertainty also mounted, in relation to the US presidential election and Brexit. Yet the mood turned markedly positive in the last two months of 2020. Investors were encouraged by Joe Biden's triumph in the US election and hopes for further fiscal stimulus. Sentiment was also boosted by landmark results in coronavirus vaccine trials, the subsequent approval of the first vaccines for use in Western democracies and, towards the end of the year, news of the last-minute trade agreement between the UK and the EU. These developments pushed up bond yields and sparked a surge in oil prices and stocks in beaten-down sectors that were perceived to be major beneficiaries of a resumption of 'normal' economic activity.

The 'reflation trade' prevailed over the early months of 2021, helping US equities post gains. Encouraging corporate earnings bolstered sentiment,

and optimism grew that progress in COVID-19 vaccinations and further US stimulus spending, in the form of a \$2.3tn infrastructure plan, would drive a revival of economic growth. However, this also spawned concerns about potential inflationary effects, leading to a sharp rise in Treasury yields, which in turn triggered bouts of weakness. Technology stocks were impacted the most as investors rotated away from highly valued growth names in favour of value stocks, but the dips proved short lived.

In the long book, new additions included software firms Intuit and Autodesk, and e-payments company PayPal. We added to our positions in Edwards Lifesciences, Mastercard and Visa. Sales included Booking Holdings and United Health Group.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021. The first is consumer spending. Household finances are emerging from this recession in much better shape than after prior downturns, but the pattern of consumer spending will differ from before the pandemic. The "experience economy" should see the best growth, benefiting tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

The second theme is how changes in corporate costs will feed into increased operational leverage and improved profitability as revenues rebound. Firms have cut costs aggressively during this crisis to protect profits and liquidity. Some will add back expenses as revenues grow, while others may maintain lower costs, leveraging the workforce reorganisation, use of technology to optimise operations, and changes in supply chains made necessary by the COVID-19 pandemic. This provides an opportunity to invest in firms that have reduced costs permanently, giving additional leverage to drive sustained improvements in profitability through the next business cycle.

With the Democrats now holding the presidency and in full control of Congress, we are keen to see how Biden progresses in enacting his policy initiatives. A new round of stimulus has been approved, with small-business support and further direct payments to households included as part of the package. Further stimulus has also arrived in the form of a proposed infrastructure plan amounting to more than \$2tn. These packages, together with an acceleration in the pace of vaccine rollouts, has brightened the economic outlook for the second half of 2021 – and the bond market has responded by signalling higher expected inflation. However, we view this positively, as it indicates strength in the US economy, and we are mindful that the Fed has maintained its accommodative policy stance and is looking through temporary bouts of inflation in its pursuit of full employment.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	18,046	2,981
Revenue	3	392	657
Expenses	4	(587)	(552)
Interest payable and similar charges	5	(202)	(243)
Net expense before taxation		(397)	(138)
Taxation	6	(60)	(88)
Net expense after taxation		(457)	(226)
Total return		17,589	2,755
Change in net assets attributable to shareholders from investment activities		17,589	2,755

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		60,719	50,953
Current assets:			
Debtors	8	1,726	117
Cash and bank balances	9	2,845	2,488
Cash equivalents**		3,456	44
Total assets		68,746	53,602
Liabilities:			
Investment liabilities		(4)	(276)
Creditors:			
Bank overdrafts	9	(421)	(309)
Other creditors	10	(340)	(197)
Total liabilities		(765)	(782)
Net assets attributable to shareholders		67,981	52,820

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	52,820	72,578
Amounts receivable on the issue of shares	32,659	46,108
Amounts payable on the cancellation of shares	(35,095)	(68,639)
	(2,436)	(22,531)
Dilution adjustment	8	18
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,589	2,755
Closing net assets attributable to shareholders	67,981	52,820

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

*In pound Sterling and against UK peer group (See Performance summary on page 187).

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

Threadneedle American Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	0.2690	–	0.2690	0.4540
Group 2				
01/05/20 to 30/04/21	0.2690	–	0.2690	0.4540
Total distributions in the period			0.2690	0.4540

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Group 2: shares purchased during a distribution period.

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

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	30/04/2021	30/04/2020	30/04/2019	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	469.16	439.13	366.49	393.81
Return before operating charges (p)	158.67	37.52	79.09	4.23
Operating charges (p)	(8.92)	(7.49)	(6.45)	(4.61)
Return after operating charges (p)*	149.75	30.03	72.64	(0.38)
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	618.91	469.16	439.13	393.43
*after direct transaction costs of (p)	0.08	0.10	0.18	0.11
Performance				
Return after charges (%)	31.92	6.84	19.82	(0.10)
Other information				
Closing net asset value (£000)	9,957	6,253	15,548	–
Closing number of shares	1,608,741	1,332,667	3,540,678	–
Operating charges (%)**	1.66	1.67	1.64	–
Performance fee (%)	–	–	–	–
Direct transaction costs (%)***	0.01	0.02	0.04	–
Prices				
Highest share price (p)	618.70	523.80	440.53	427.87
Lowest share price (p)	449.32	374.98	353.61	353.61
	Class 1 USD – Accumulation shares		Class 1 EUR Hedged – Accumulation shares	
	25/01/2019 ¹		25/01/2019 ²	
Change in net assets per share				
Opening net asset value per share (p)	393.81		318.33	
Return before operating charges (p)	4.23		(0.88)	
Operating charges (p)	(4.61)		(3.96)	
Return after operating charges (p)*	(0.38)		(4.84)	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	393.43		313.49	
*after direct transaction costs of (p)	0.11		0.10	
Performance				
Return after charges (%)	(0.10)		(1.52)	
Other information				
Closing net asset value (£000)	–		–	
Closing number of shares	–		–	
Operating charges (%)**	–		–	
Performance fee (%)	–		–	
Direct transaction costs (%)***	–		–	
Prices				
Highest share price (p)	427.87		352.69	
Lowest share price (p)	353.61		283.85	

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	30/04/2021	30/04/2020	30/04/2019	25/01/2019¹
Change in net assets per share				
Opening net asset value per share (p)	508.69	470.48	394.75	424.83
Return before operating charges (p)	172.89	42.39	79.26	2.51
Operating charges (p)	(4.97)	(4.18)	(3.53)	(2.50)
Return after operating charges (p)*	167.92	38.21	75.73	0.01
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	676.61	508.69	470.48	424.84
*after direct transaction costs of (p)	0.08	0.11	0.20	0.12
Performance				
Return after charges (%)	33.01	8.12	19.18	0.00
Other information				
Closing net asset value (£000)	52,147	43,948	54,710	–
Closing number of shares	7,707,012	8,639,575	11,628,437	–
Operating charges (%)**	0.85	0.85	0.82	–
Performance fee (%)	–	–	1.11	–
Direct transaction costs (%)***	0.01	0.02	0.04	–
Prices				
Highest share price (p)	676.36	567.01	472.59	461.24
Lowest share price (p)	487.21	406.16	384.08	382.73
	Class 2 USD – Accumulation shares			Class 2 EUR Hedged – Gross income shares
	25/01/2019¹			25/01/2019²
Change in net assets per share				
Opening net asset value per share (p)	424.83			100.00
Return before operating charges (p)	(0.09)			(2.22)
Operating charges (p)	(2.50)			(0.57)
Return after operating charges (p)*	(2.59)			(2.79)
Distributions (p)	–			–
Retained distributions on accumulation shares (p)	–			–
Closing net asset value per share (p)	422.24			97.21
*after direct transaction costs of (p)	0.12			0.03
Performance				
Return after charges (%)	(0.61)			(2.79)
Other information				
Closing net asset value (£000)	–			–
Closing number of shares	–			–
Operating charges (%)**	–			–
Performance fee (%)	–			–
Direct transaction costs (%)***	–			–
Prices				
Highest share price (p)	460.99			108.28
Lowest share price (p)	383.96			94.52

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares ⁵		Class Z – Accumulation shares		
	30/04/2021	30/04/2020 ⁶	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share					
Opening net asset value per share (p)	113.05	100.00	263.13	244.00	201.13
Return before operating charges (p)	38.57	13.06	89.38	21.45	44.84
Operating charges (p)	(0.01)	(0.01)	(2.78)	(2.32)	(1.97)
Return after operating charges (p)*	38.56	13.05	86.60	19.13	42.87
Distributions (p)	(0.27)	(0.45)	–	–	–
Retained distributions on accumulation shares (p)	0.27	0.45	–	–	–
Closing net asset value per share (p)	151.61	113.05	349.73	263.13	244.00
*after direct transaction costs of (p)	0.02	0.02	0.04	0.06	0.10
Performance					
Return after charges (%)	34.11	13.05	32.91	7.84	21.31
Other information					
Closing net asset value (£000)	1	1	5,876	2,618	2,320
Closing number of shares	1,000	1,000	1,680,152	994,907	950,897
Operating charges (%)**	0.01	0.01 [†]	0.92	0.92	0.89
Performance fee (%)	–	–	–	–	–
Direct transaction costs (%)***	0.01	0.02	0.01	0.02	0.04
Prices					
Highest share price (p)	151.55	125.81	349.61	293.35	244.90
Lowest share price (p)	108.29	90.17	252.02	210.12	197.97
	Class Z USD – Accumulation shares		Class Z EUR Hedged – Gross accumulation shares		
	25/01/2019 ¹		25/01/2019 ³		
Change in net assets per share					
Opening net asset value per share (p)	218.01		100.00		
Return before operating charges (p)	1.02		(1.87)		
Operating charges (p)	(1.45)		(0.58)		
Return after operating charges (p)*	(0.43)		(2.45)		
Distributions (p)	–		–		
Retained distributions on accumulation shares (p)	–		–		
Closing net asset value per share (p)	217.58		97.55		
*after direct transaction costs of (p)	0.06		0.03		
Performance					
Return after charges (%)	(0.20)		(2.45)		
Other information					
Closing net asset value (£000)	–		–		
Closing number of shares	–		–		
Operating charges (%)**	–		–		
Performance fee (%)	–		–		
Direct transaction costs (%)***	–		–		
Prices					
Highest share price (p)	236.64		108.27		
Lowest share price (p)	196.98		94.51		

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross accumulation shares
	25/01/2019 ¹
Change in net assets per share	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	(1.94)
Operating charges (p)	(0.59)
Return after operating charges (p)*	(2.53)
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	97.47
*after direct transaction costs of (p)	0.03
Performance	
Return after charges (%)	(2.53)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Performance fee (%)	–
Direct transaction costs (%)***	–
Prices	
Highest share price (p)	110.34
Lowest share price (p)	95.31

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

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

¹Only available to eligible investors.

¹Commenced 15 June 2018 and closed 25 January 2019.

²Closed 25 January 2019.

³Commenced 5 June 2018 and closed 25 January 2019.

⁴Commenced 9 May 2019.

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

Threadneedle American Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	17,614	1,765
Derivative contracts	404	1,370
Forward currency contracts	(38)	(360)
Other gains	67	207
Transaction costs	(1)	(1)
Net capital gains	18,046	2,981

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	389	547
Interest on short term investments	—	19
Derivative revenue	—	29
Bank interest	3	62
Total revenue	392	657

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(521)	(584)
Performance fees*	—	102
Registration fees	(32)	(33)
	(553)	(515)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depository fees	(7)	(8)
Safe custody fees	(10)	(10)
	(17)	(18)
Other expenses:		
Regulatory fees	(5)	(7)
Audit fees	(12)	(12)
	(17)	(19)
Total expenses**	(587)	(552)

*With effect from 1 January 2020, the application of performance fees has been discontinued on the Fund. The ACD was entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the S&P 500 Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% was multiplied by the Excess Return. Performance fees were calculated on a calendar basis and may have varied substantially from year to year depending on how a fund had performed against its benchmark. As the accounting period fell during the calculation period of the performance fee, the performance fees were accrued at that point in time, but may not have represented the actual amount that was paid. Therefore, previously accrued amounts may have been required to be reversed. The performance fee by nature was a capital charge, and was therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2020 (2019: £769,486).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Dividends payable on short positions	(202)	(243)
Total interest payable and similar charges	(202)	(243)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Overseas taxes	(60)	(88)
Total current tax (note 6b)	(60)	(88)
Total tax charge for the period	(60)	(88)
b) Factors affecting taxation charge for period		
Net expense before taxation	(397)	(138)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	79	28
Effects of:		
Revenue not subject to taxation	80	118
Overseas taxes	(60)	(88)
Excess expenses	(159)	(146)
Current tax charge for period (note 6a)	(60)	(88)

The fund has not recognised a deferred tax asset of £2,432,154 (2020: £2,273,073) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	2020 £000
Net distribution for the period	—	—
Net expense after taxation	(457)	(226)
Performance fee charged to capital	—	(102)
Shortfall transfer from capital to revenue	457	328
Total distributions	—	—

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 70 to 71.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	1,715	74
Sales awaiting settlement	—	24
Accrued revenue	11	18
Foreign withholding tax recoverable	—	1
Total debtors	1,726	117

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	443	496
Cash and bank balances	2,402	1,992
	2,845	2,488
Cash overdrafts at broker	(421)	(309)
Total cash and bank balances	2,424	2,179

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(283)	(149)
Accrued expenses	(9)	(12)
Amounts payable to ACD	(48)	(36)
Total other creditors	(340)	(197)

11 DILUTION ADJUSTMENT

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

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 72 to 75. The distribution per share class is given in the distribution table on pages 70 to 71.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	1,332,667
Shares issued	4,120,659
Shares redeemed	(3,813,942)
Net conversions	(30,643)
Closing shares	1,608,741
Class 2 – Accumulation shares	
Opening shares	8,639,575
Shares issued	885,514
Shares redeemed	(1,826,652)
Net conversions	8,575
Closing shares	7,707,012
Class X – Gross accumulation shares	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	1,000
Class Z – Accumulation shares	
Opening shares	994,907
Shares issued	1,953,189
Shares redeemed	(1,305,702)
Net conversions	37,758
Closing shares	1,680,152

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Value at Risk (VaR) disclosure

Ex ante risk forecasts are generated using factor models provided by BlackRock Solutions. The risk model is updated daily. VaR is used to evaluate the level of Global Exposure undertaken by the fund. VaR is defined using two variables – a time period and a probability of loss. For example, a 99%, 1 month VaR estimate would imply there is a 99% probability that the fund will lose no more than this VaR amount over a one month period. The figure is calculated using a covariance model with 2 years of data, weighted with a 6 month half-life. All risk figures are estimates.

The fund's VaR limit is 1.6x benchmark¹.

As at year end the fund's VaR was 13.9% (2020: 21.2%). This means that there is estimated to be a 1% chance that the fund could lose more than 13.9% (2020: 21.2%) of its value in a month.

At 30 April, 2021 the VaR utilisation was 60% (2020: 58%) (actual VaR/VaR limit). During the year ended 30 April, 2021 the lowest VaR utilisation was 56% (2020: 58%), the highest VaR utilisation was 73% (2020: 75%) and the average utilisation was 63% (2020: 70%).

¹The benchmark of fund is shown on page 187.

Currency exposures

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

	Total
Currency 2021	£000
US Dollar	66,908
Currency 2020	£000
Australian Dollar	1
Euro	1
US Dollar	52,375

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
US Dollar	11.21	11.03
Currency 2020	%	%
US Dollar	3.85	3.81

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure	Portfolio Swaps Exposure	Collateral Pledged
2021	£000	£000	£000
Counterparty			
Bank of Scotland	2	–	–
Merrill Lynch	–	121	–
UBS	–	–	22
2020	£000	£000	£000
Counterparty			
Merrill Lynch	–	–	184

The fund held £22,000 (2020: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Interest rate risk

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

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	466	—	1,769	2,235
US Dollar	2,379	3,456	61,548	67,383
Currency 2020	£000	£000	£000	£000
Australian Dollar	1	—	—	1
Euro	1	—	—	1
UK Sterling	523	—	160	683
US Dollar	1,963	44	51,039	53,046

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	—	—	(1,162)	(1,162)
US Dollar	(421)	—	(54)	(475)
Currency 2020	£000	£000	£000	£000
UK Sterling	—	—	(240)	(240)
US Dollar	(309)	—	(362)	(671)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

Derivatives including forward foreign exchange contracts and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. At 30 April 2021, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £123,000 (2020: £Nil) and a liability value of £4,000 (2020: £276,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	64,052	—	50,997	—
Level 2	123	(4)	—	(276)
	64,175	(4)	50,997	(276)

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	24,258	2	0.01	—	—
Collective investment schemes	11,672	—	—	—	—
Total	35,930	2	—	—	—

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	32,538	6	0.02	1	—
Collective investment schemes	7,962	—	—	—	—
Total	40,500	6	—	1	—

Total sales net of transaction costs:

40,493

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.00%

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	24,662	5	0.02	—	—
Collective investment schemes	4,004	—	—	—	—
Total	28,666	5	—	—	—

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	45,968	10	0.02	1	—
Collective investment schemes	7,453	—	—	—	—
Total	53,421	10	—	1	—

Total sales net of transaction costs:

53,410

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.00%

Commissions £000

1

Futures and Options

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.03% (30 April 2020: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Accumulation shares	(30.44)

Threadneedle US Equity Income Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the S&P 500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in the shares of companies domiciled in the United States of America (US), or which have significant US business operations.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the S&P 500 Index.

The S&P 500 Index is a US stock market index, the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time.

The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. In addition, the Fund may commence using derivatives with the aim of achieving an investment gain, providing 60 days' notice is given to shareholders.

Performance of Net Income Class 1 Shares*

Over the twelve months to 30 April 2021 the published share price of Class 1 – Income shares in the Threadneedle US Equity Income Fund has risen from 144.45p to 173.43p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +23.00% and +23.67% for the Class 2.

For information purposes, using global close prices, the total return of the S&P 500 Index was +32.99%.

Market Overview and Portfolio Activity

US equities registered strong double-digit gains over the 12 months to 30 April 2021. The year in review was a turbulent period in terms of both

world events and financial-market movements, as the coronavirus outbreak in China spread around the world, and measures to control the spread of the virus brought cities, regions, and even entire countries to a near-standstill. However, unprecedented stimulus measures from central banks and governments helped risk assets rally from May until September: in the US, the Federal Reserve cut rates back to near zero and pledged to provide unlimited monetary stimulus. After some shocking data releases in April, better-than-expected economic data and corporate earnings reinforced positive sentiment, while declining coronavirus caseloads and the resulting easing of lockdown restrictions later boosted markets.

In September, however, profit-taking in US tech stocks heralded a change of mood, as investors refocused on more worrying elements of the backdrop, including resurgent coronavirus infection rates in many countries and the reimposition of control measures to contain the virus. Meanwhile, political uncertainty also mounted, in relation to the US presidential election and Brexit. Yet the mood turned markedly positive in the last two months of 2020. Investors were encouraged by Joe Biden's triumph in the US election and hopes for further fiscal stimulus. Sentiment was also boosted by landmark results in coronavirus vaccine trials, the subsequent approval of the first vaccines for use in Western democracies and, towards the end of the year, news of the last-minute trade agreement between the UK and the EU. These developments pushed up bond yields and sparked a surge in oil prices and stocks in beaten-down sectors that were perceived to be major beneficiaries of a resumption of 'normal' economic activity.

The 'reflation trade' prevailed over the early months of 2021, helping US equities post gains. Encouraging corporate earnings bolstered sentiment, and optimism grew that progress in COVID-19 vaccinations and further US stimulus spending, in the form of a \$2.3tn infrastructure plan, would drive a revival of economic growth. However, this also spawned concerns about potential inflationary effects, leading to a sharp rise in Treasury yields, which in turn triggered bouts of weakness. Technology stocks were impacted the most as investors rotated away from highly valued growth names in favour of value stocks, but the dips proved short lived.

In terms of activity, new exposures included TJX Cos (discount retailer), Raytheon Technologies (aerospace/defence) and Fidelity National Information Services (payments/financial services).

The largest and most diverse US discount retailer, TJX is building price momentum in terms of its geography, category and channel, resulting in accelerating market share. With management offering conservative forward guidance to reflect cost headwinds, such as wage and supply chain investments, there is the potential for upwards earnings revisions driven by better than expected revenue growth.

The addition of Raytheon Technologies to the portfolio – and the

simultaneous sale of Lockheed Martin – reflects our view that the former is better positioned for a slow recovery in commercial aerospace after the vaccine rollout. Given the outlook for a flatter US defence budget, we feel that Lockheed is likely over earning, while Raytheon appears to be under-earning, at least within commercial aerospace.

Fidelity National Information Services (FIS) provides much of the background software on which the US banking system runs. Once embedded with a client, FIS tends to layer additional services on top and consequently experiences a low churn rate. The company is also active in payment processing, placing it well to capitalise on trends toward cashless transactions and e-commerce.

As well as the above-mentioned Lockheed Martin, sales included Costco, Citigroup and Citizens Financial Group.

Two key themes will affect the recovery's shape and our portfolio positioning in 2021. The first is consumer spending. Household finances are emerging from this recession in much better shape than after prior downturns, but the pattern of consumer spending will differ from before the pandemic. The "experience economy" should see the best growth, benefiting tourism, out-of-home entertainment and leisure spending. However, a significant part of business travel is unlikely to return.

The second theme is how changes in corporate costs will feed into increased operational leverage and improved profitability as revenues rebound. Firms have cut costs aggressively during this crisis to protect profits and liquidity. Some will add back expenses as revenues grow, while others may maintain lower costs, leveraging the workforce reorganisation, use of technology to optimise operations, and changes in supply chains made necessary by the COVID-19 pandemic. This provides an opportunity to invest in firms that have reduced costs permanently, giving additional leverage to drive sustained improvements in profitability through the next business cycle.

With the Democrats now holding the presidency and in full control of Congress, we are keen to see how Biden progresses in enacting his policy initiatives. A new round of stimulus has been approved, with small-business support and further direct payments to households included as part of the package. Further stimulus has also arrived in the form of a proposed infrastructure plan amounting to more than \$2tn. These packages, together with an acceleration in the pace of vaccine rollouts, has brightened the economic outlook for the second half of 2021 – and the bond market has responded by signalling higher expected inflation. However, we view this positively, as it indicates strength in the US economy, and we are mindful that the Fed has maintained its accommodative policy stance and is looking through temporary bouts of inflation in its pursuit of full employment.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains/(losses)	2	18,983	(523)
Revenue	3	2,183	2,118
Expenses	4	(623)	(569)
Net revenue before taxation		1,560	1,549
Taxation	5	(299)	(290)
Net revenue after taxation		1,261	1,259
Total return before distributions		20,244	736
Distributions	6	(1,884)	(1,828)
Change in net assets attributable to shareholders from investment activities		18,360	(1,092)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		89,386	71,809
Current assets:			
Debtors	7	191	598
Cash and bank balances		496	1,334
Total assets		90,073	73,741
Liabilities:			
Investment liabilities		(1)	–
Creditors:			
Distribution payable		(157)	(180)
Other creditors	8	(424)	(1,414)
Total liabilities		(582)	(1,594)
Net assets attributable to shareholders		89,491	72,147

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	72,147	67,182
Amounts receivable on the issue of shares	11,145	14,579
Amounts payable on the cancellation of shares	(13,336)	(9,726)
	(2,191)	4,853
Dilution adjustment	2	2
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,360	(1,092)
Retained distribution on accumulation shares	1,173	1,202
Closing net assets attributable to shareholders	89,491	72,147

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	0.9109	–	0.9109	0.9612
01/08/20 to 31/10/20	0.8474	–	0.8474	0.9195
01/11/20 to 31/01/21	0.8730	–	0.8730	0.9101
01/02/21 to 30/04/21	0.8914	–	0.8914	0.9632
Group 2				
01/05/20 to 31/07/20	0.1711	0.7398	0.9109	0.9612
01/08/20 to 31/10/20	0.4239	0.4235	0.8474	0.9195
01/11/20 to 31/01/21	0.2130	0.6600	0.8730	0.9101
01/02/21 to 30/04/21	0.2322	0.6592	0.8914	0.9632
Total distributions in the period			3.5227	3.7600

*In pound Sterling and against UK peer group (See Performance summary on page 187).

Threadneedle US Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.8528	–	0.8528	0.8770
01/08/20 to 31/10/20	0.7956	–	0.7956	0.8447
01/11/20 to 31/01/21	0.8291	–	0.8291	0.8407
01/02/21 to 30/04/21	0.8488	–	0.8488	0.9009
Group 2				
01/05/20 to 31/07/20	0.8528	–	0.8528	0.8770
01/08/20 to 31/10/20	0.3456	0.4500	0.7956	0.8447
01/11/20 to 31/01/21	0.8291	–	0.8291	0.8407
01/02/21 to 30/04/21	0.8488	–	0.8488	0.9009
Total distributions in the period			3.3263	3.4633

Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.7776	–	0.7776	0.8245
01/08/20 to 31/10/20	0.7671	–	0.7671	0.7758
01/11/20 to 31/01/21	0.8156	–	0.8156	0.7689
01/02/21 to 30/04/21	0.8252	–	0.8252	0.8109
Group 2				
01/05/20 to 31/07/20	0.7776	–	0.7776	0.8245
01/08/20 to 31/10/20	0.7671	–	0.7671	0.7758
01/11/20 to 31/01/21	0.2756	0.5400	0.8156	0.7689
01/02/21 to 30/04/21	0.8252	–	0.8252	0.8109
Total distributions in the period			3.1855	3.1801

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	0.9303	–	0.9303	0.9760
01/08/20 to 31/10/20	0.8680	–	0.8680	0.9326
01/11/20 to 31/01/21	0.8976	–	0.8976	0.9250
01/02/21 to 30/04/21	0.9126	–	0.9126	0.9920
Group 2				
01/05/20 to 31/07/20	0.9303	–	0.9303	0.9760
01/08/20 to 31/10/20	0.8680	–	0.8680	0.9326
01/11/20 to 31/01/21	0.8976	–	0.8976	0.9250
01/02/21 to 30/04/21	0.9126	–	0.9126	0.9920
Total distributions in the period			3.6085	3.8256

Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	0.8400	–	0.8400	0.9098
01/08/20 to 31/10/20	0.8281	–	0.8281	0.8517
01/11/20 to 31/01/21	0.8722	–	0.8722	0.8402
01/02/21 to 30/04/21	0.8821	–	0.8821	0.8844
Group 2				
01/05/20 to 31/07/20	0.5877	0.2523	0.8400	0.9098
01/08/20 to 31/10/20	0.5066	0.3215	0.8281	0.8517
01/11/20 to 31/01/21	0.8722	–	0.8722	0.8402
01/02/21 to 30/04/21	0.8821	–	0.8821	0.8844
Total distributions in the period			3.4224	3.4861

Class 2 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.7933	–	0.7933	0.8363
01/08/20 to 31/10/20	0.7849	–	0.7849	0.7883
01/11/20 to 31/01/21	0.8322	–	0.8322	0.7827
01/02/21 to 30/04/21	0.8455	–	0.8455	0.8259
Group 2				
01/05/20 to 31/07/20	0.7933	–	0.7933	0.8363
01/08/20 to 31/10/20	0.7849	–	0.7849	0.7883
01/11/20 to 31/01/21	0.8322	–	0.8322	0.7827
01/02/21 to 30/04/21	0.8455	–	0.8455	0.8259
Total distributions in the period			3.2559	3.2332

Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	1.5438	–	1.5438	1.6125
01/08/20 to 31/10/20	1.4394	–	1.4394	1.5467
01/11/20 to 31/01/21	1.4901	–	1.4901	1.5344
01/02/21 to 30/04/21	1.5211	–	1.5211	1.6369
Group 2				
01/05/20 to 31/07/20	0.4578	1.0860	1.5438	1.6125
01/08/20 to 31/10/20	0.7726	0.6668	1.4394	1.5467
01/11/20 to 31/01/21	0.7636	0.7265	1.4901	1.5344
01/02/21 to 30/04/21	0.4064	1.1147	1.5211	1.6369
Total distributions in the period			5.9944	6.3305

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	1.6249	–	1.6249	1.6878
01/08/20 to 31/10/20	1.5175	–	1.5175	1.6210
01/11/20 to 31/01/21	1.5684	–	1.5684	1.6107
01/02/21 to 30/04/21	1.6005	–	1.6005	1.7033
Group 2				
01/05/20 to 31/07/20	0.5426	1.0823	1.6249	1.6878
01/08/20 to 31/10/20	0.4975	1.0200	1.5175	1.6210
01/11/20 to 31/01/21	1.5684	–	1.5684	1.6107
01/02/21 to 30/04/21	1.6005	–	1.6005	1.7033
Total distributions in the period			6.3113	6.6228

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	0.9371	–	0.9371	0.9815
01/08/20 to 31/10/20	0.8737	–	0.8737	0.9408
01/11/20 to 31/01/21	0.9041	–	0.9041	0.9328
01/02/21 to 30/04/21	0.9220	–	0.9220	0.9948
Group 2				
01/05/20 to 31/07/20	0.4714	0.4657	0.9371	0.9815
01/08/20 to 31/10/20	0.4877	0.3860	0.8737	0.9408
01/11/20 to 31/01/21	0.4508	0.4533	0.9041	0.9328
01/02/21 to 30/04/21	0.3796	0.5424	0.9220	0.9948
Total distributions in the period			3.6369	3.8499

Class Z CHF Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	0.7391	–	0.7391	0.7580
01/08/20 to 31/10/20	0.7188	–	0.7188	0.7294
01/11/20 to 31/01/21	0.7540	–	0.7540	0.7195
01/02/21 to 30/04/21	0.7509	–	0.7509	0.7784
Group 2				
01/05/20 to 31/07/20	0.7391	–	0.7391	0.7580
01/08/20 to 31/10/20	0.7188	–	0.7188	0.7294
01/11/20 to 31/01/21	0.7540	–	0.7540	0.7195
01/02/21 to 30/04/21	0.7509	–	0.7509	0.7784
Total distributions in the period			2.9628	2.9853

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.8751	–	0.8751	0.8941
01/08/20 to 31/10/20	0.8210	–	0.8210	0.8623
01/11/20 to 31/01/21	0.8541	–	0.8541	0.8602
01/02/21 to 30/04/21	0.8761	–	0.8761	0.9226
Group 2				
01/05/20 to 31/07/20	0.0551	0.8200	0.8751	0.8941
01/08/20 to 31/10/20	0.0715	0.7495	0.8210	0.8623
01/11/20 to 31/01/21	0.0041	0.8500	0.8541	0.8602
01/02/21 to 30/04/21	0.0702	0.8059	0.8761	0.9226
Total distributions in the period			3.4263	3.5392

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.7161	–	0.7161	0.7172
01/08/20 to 31/10/20	0.7009	–	0.7009	0.6949
01/11/20 to 31/01/21	0.7395	–	0.7395	0.6890
01/02/21 to 30/04/21	0.7397	–	0.7397	0.7490
Group 2				
01/05/20 to 31/07/20	0.7161	–	0.7161	0.7172
01/08/20 to 31/10/20	0.7009	–	0.7009	0.6949
01/11/20 to 31/01/21	0.7395	–	0.7395	0.6890
01/02/21 to 30/04/21	0.7397	–	0.7397	0.7490
Total distributions in the period			2.8962	2.8501

Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.7979	–	0.7979	0.8393
01/08/20 to 31/10/20	0.7893	–	0.7893	0.7922
01/11/20 to 31/01/21	0.8384	–	0.8384	0.7865
01/02/21 to 30/04/21	0.8518	–	0.8518	0.8310
Group 2				
01/05/20 to 31/07/20	0.7979	–	0.7979	0.8393
01/08/20 to 31/10/20	0.7893	–	0.7893	0.7922
01/11/20 to 31/01/21	0.8384	–	0.8384	0.7865
01/02/21 to 30/04/21	0.8518	–	0.8518	0.8310
Total distributions in the period			3.2774	3.2490

Group 2: shares purchased during a distribution period.

Threadneedle US Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	140.40	142.52	126.66	131.36	130.09	112.65
Return before operating charges (p)	39.13	4.16	21.66	37.03	3.57	19.49
Operating charges (p)	(2.48)	(2.52)	(2.26)	(2.34)	(2.30)	(2.05)
Return after operating charges (p)*	36.65	1.64	19.40	34.69	1.27	17.44
Distributions (p)	(3.52)	(3.76)	(3.54)	(3.33)	(3.46)	(3.18)
Retained distributions on accumulation shares (p)	–	–	–	3.33	3.46	3.18
Closing net asset value per share (p)	173.53	140.40	142.52	166.05	131.36	130.09
*after direct transaction costs of (p)	0.01	0.04	0.04	0.01	0.03	0.04
Performance						
Return after charges (%)	26.10	1.15	15.32	26.41	0.98	15.48
Other information						
Closing net asset value (£000)	53	62	287	34	13	18
Closing number of shares	30,534	44,038	201,309	20,675	9,902	13,687
Operating charges (%)**	1.59	1.67	1.66	1.56	1.67	1.67
Direct transaction costs (%)***	0.01	0.02	0.03	0.01	0.02	0.03
Prices						
Highest share price (p)	175.05	160.98	145.77	166.65	149.62	130.93
Lowest share price (p)	138.15	120.18	123.77	129.25	111.69	111.50
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Income shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	117.00	122.55	118.09	143.71	144.99	128.04
Return before operating charges (p)	47.55	(3.46)	6.45	40.18	4.13	21.97
Operating charges (p)	(2.28)	(2.09)	(1.99)	(1.69)	(1.58)	(1.44)
Return after operating charges (p)*	45.27	(5.55)	4.46	38.49	2.55	20.53
Distributions (p)	(3.19)	(3.18)	(3.13)	(3.61)	(3.83)	(3.58)
Retained distributions on accumulation shares (p)	3.19	3.18	3.13	–	–	–
Closing net asset value per share (p)	162.27	117.00	122.55	178.59	143.71	144.99
*after direct transaction costs of (p)	0.01	0.03	0.03	0.01	0.04	0.04
Performance						
Return after charges (%)	38.69	(4.53)	3.78	26.78	1.76	16.03
Other information						
Closing net asset value (£000)	36	12	12	5	4	4
Closing number of shares	22,171	10,000	10,000	3,000	3,000	3,000
Operating charges (%)**	1.57	1.66	1.66	1.05	1.04	1.04
Direct transaction costs (%)***	0.01	0.02	0.03	0.01	0.02	0.03
Prices						
Highest share price (p)	162.94	135.03	130.07	180.16	164.59	147.68
Lowest share price (p)	115.74	98.22	107.81	141.42	122.94	125.64

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Income shares			Class 2 EUR Hedged – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	126.67	135.21	133.00	119.35	124.29	119.06
Return before operating charges (p)	51.10	(3.60)	7.17	48.51	(3.56)	6.54
Operating charges (p)	(1.66)	(1.45)	(1.46)	(1.57)	(1.38)	(1.31)
Return after operating charges (p)*	49.44	(5.05)	5.71	46.94	(4.94)	5.23
Distributions (p)	(3.42)	(3.49)	(3.50)	(3.26)	(3.23)	(3.16)
Retained distributions on accumulation shares (p)	–	–	–	3.26	3.23	3.16
Closing net asset value per share (p)	172.69	126.67	135.21	166.29	119.35	124.29
*after direct transaction costs of (p)	0.01	0.03	0.04	0.01	0.03	0.04
Performance						
Return after charges (%)	39.03	(3.73)	4.29	39.33	(3.97)	4.39
Other information						
Closing net asset value (£000)	357	303	14	17	12	12
Closing number of shares	206,464	239,074	10,000	10,000	10,000	10,000
Operating charges (%)**	1.09	1.07	1.09	1.08	1.08	1.08
Direct transaction costs (%)***	0.01	0.02	0.03	0.01	0.02	0.03
Prices						
Highest share price (p)	174.28	147.79	145.77	166.97	137.51	131.39
Lowest share price (p)	125.35	106.99	120.27	118.08	100.13	109.12

	Class L – Income shares			Class X – Income shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	237.63	238.89	210.24	250.02	249.84	218.62
Return before operating charges (p)	66.57	6.82	36.12	70.23	7.04	37.62
Operating charges (p)	(1.84)	(1.75)	(1.56)	(0.25)	(0.24)	(0.24)
Return after operating charges (p)*	64.73	5.07	34.56	69.98	6.80	37.38
Distributions (p)	(5.99)	(6.33)	(5.91)	(6.31)	(6.62)	(6.16)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	296.37	237.63	238.89	313.69	250.02	249.84
*after direct transaction costs of (p)	0.02	0.06	0.07	0.02	0.06	0.07
Performance						
Return after charges (%)	27.24	2.12	16.44	27.99	2.72	17.10
Other information						
Closing net asset value (£000)	16,857	15,136	16,207	10,848	8,936	4,604
Closing number of shares	5,687,950	6,369,465	6,784,256	3,458,259	3,574,203	1,842,894
Operating charges (%)**	0.69	0.70	0.69	0.09	0.09	0.10
Direct transaction costs (%)***	0.01	0.02	0.03	0.01	0.02	0.03
Prices						
Highest share price (p)	298.96	271.98	242.76	316.43	285.83	252.98
Lowest share price (p)	233.85	203.21	206.77	246.07	213.66	215.80

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z CHF Hedged – Income shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	144.33	145.43	128.28	112.03	110.57	104.13
Return before operating charges (p)	40.39	4.15	22.00	38.77	5.52	10.30
Operating charges (p)	(1.48)	(1.40)	(1.24)	(1.19)	(1.07)	(1.00)
Return after operating charges (p)*	38.91	2.75	20.76	37.58	4.45	9.30
Distributions (p)	(3.64)	(3.85)	(3.61)	(2.96)	(2.99)	(2.86)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	179.60	144.33	145.43	146.65	112.03	110.57
*after direct transaction costs of (p)	0.01	0.04	0.04	0.01	0.03	0.03
Performance						
Return after charges (%)	26.96	1.89	16.18	33.54	4.02	8.93
Other information						
Closing net asset value (£000)	2,449	1,771	1,249	15	11	11
Closing number of shares	1,363,797	1,226,701	858,517	10,000	10,000	10,000
Operating charges (%)**	0.91	0.92	0.90	0.90	0.91	0.91
Direct transaction costs (%)***	0.01	0.02	0.03	0.01	0.02	0.03
Prices						
Highest share price (p)	181.18	165.27	148.02	147.52	128.45	120.74
Lowest share price (p)	142.04	123.46	125.97	110.94	94.69	99.59
	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	134.78	132.48	113.87	108.64	104.64	95.99
Return before operating charges (p)	38.14	3.59	19.74	37.84	5.03	9.56
Operating charges (p)	(1.39)	(1.29)	(1.13)	(1.16)	(1.03)	(0.91)
Return after operating charges (p)*	36.75	2.30	18.61	36.68	4.00	8.65
Distributions (p)	(3.43)	(3.54)	(3.23)	(2.90)	(2.85)	(2.67)
Retained distributions on accumulation shares (p)	3.43	3.54	3.23	2.90	2.85	2.67
Closing net asset value per share (p)	171.53	134.78	132.48	145.32	108.64	104.64
*after direct transaction costs of (p)	0.01	0.03	0.04	0.01	0.03	0.03
Performance						
Return after charges (%)	27.27	1.74	16.34	33.76	3.82	9.01
Other information						
Closing net asset value (£000)	58,789	45,864	44,741	14	11	10
Closing number of shares	34,273,012	34,029,026	33,772,380	10,001	10,001	10,001
Operating charges (%)**	0.91	0.92	0.91	0.90	0.91	0.89
Direct transaction costs (%)***	0.01	0.02	0.03	0.01	0.02	0.03
Prices						
Highest share price (p)	172.15	153.29	133.33	145.43	123.02	112.02
Lowest share price (p)	132.63	114.51	113.26	107.56	91.20	93.01

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share			
Opening net asset value per share (p)	120.05	124.80	119.36
Return before operating charges (p)	48.83	(3.58)	6.55
Operating charges (p)	(1.33)	(1.17)	(1.11)
Return after operating charges (p)*	47.50	(4.75)	5.44
Distributions (p)	(3.28)	(3.25)	(3.17)
Retained distributions on accumulation shares (p)	3.28	3.25	3.17
Closing net asset value per share (p)	167.55	120.05	124.80
*after direct transaction costs of (p)	0.01	0.03	0.04
Performance			
Return after charges (%)	39.57	(3.81)	4.56
Other information			
Closing net asset value (£000)	17	12	13
Closing number of shares	10,000	10,000	10,000
Operating charges (%)**	0.91	0.91	0.91
Direct transaction costs (%)***	0.01	0.02	0.03
Prices			
Highest share price (p)	168.23	138.25	131.79
Lowest share price (p)	118.77	100.70	109.51

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

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

Threadneedle US Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	19,066	(629)
Forward currency contracts	99	(13)
Other (losses)/gains	(180)	121
Transaction costs	(2)	(2)
Net capital gains/(losses)	18,983	(523)

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	2,170	2,108
Interest on debt securities	13	—
Bank interest	—	10
Total revenue	2,183	2,118

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(514)	(469)
Registration fees	(70)	(62)
	(584)	(531)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(10)	(9)
Safe custody fees	(10)	(10)
	(20)	(19)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(12)	(13)
	(19)	(19)
Total expenses*	(623)	(569)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Overseas taxes	(299)	(290)
Total current tax (note 5b)	(299)	(290)
Total tax charge for the period	(299)	(290)
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,560	1,549
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(312)	(310)
Effects of:		
Revenue not subject to taxation	417	397
Overseas taxes	(299)	(290)
Overseas tax expensed	3	4
Excess expenses	(108)	(91)
Current tax charge for period (note 5a)	(299)	(290)

The fund has not recognised a deferred tax asset of £371,931 (2020: £263,845) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

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

	2021 £000	2020 £000
Interim	1,428	1,353
Final	458	494
	1,886	1,847
Add: Revenue deducted on the cancellation of shares	41	37
Deduct: Revenue received on the creation of shares	(43)	(56)
Net distribution for the period	1,884	1,828
Net revenue after taxation	1,261	1,259
All fees charged to capital	623	569
Total distributions	1,884	1,828

Details of the distribution per share are set out in the table on pages 80 to 81.

7 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	117	509
Accrued revenue	74	89
Total debtors	191	598

8 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(367)	(25)
Purchases awaiting settlement	—	(1,343)
Accrued expenses	(4)	(5)
Amounts payable to ACD	(53)	(41)
Total other creditors	(424)	(1,414)

9 DILUTION ADJUSTMENT

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

10 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

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

11 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.40%
Class 2 shares	1.00%
Class L shares	0.60%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class L shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

Threadneedle US Equity Income Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 82 to 85. The distribution per share class is given in the distribution table on pages 80 to 81.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	44,038
Shares issued	3,527
Shares redeemed	(17,031)
Net conversions	–
Closing shares	30,534
Class 1 – Accumulation shares	
Opening shares	9,902
Shares issued	10,773
Shares redeemed	–
Net conversions	–
Closing shares	20,675
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	12,171
Shares redeemed	–
Net conversions	–
Closing shares	22,171
Class 2 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class 2 EUR Hedged – Income shares	
Opening shares	239,074
Shares issued	71,182
Shares redeemed	(103,792)
Net conversions	–
Closing shares	206,464
Class 2 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class L – Income shares	
Opening shares	6,369,465
Shares issued	2,302,476
Shares redeemed	(2,983,991)
Net conversions	–
Closing shares	5,687,950
Class X – Income shares	
Opening shares	3,574,203
Shares issued	1,591,228
Shares redeemed	(1,707,172)
Net conversions	–
Closing shares	3,458,259
Class Z – Income shares	
Opening shares	1,226,701
Shares issued	275,076
Shares redeemed	(137,980)
Net conversions	–
Closing shares	1,363,797

	2021
Class Z CHF Hedged – Income shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class Z – Accumulation shares	
Opening shares	34,029,026
Shares issued	243,986
Shares redeemed	–
Net conversions	–
Closing shares	34,273,012
Class Z CHF Hedged – Accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,001
Class Z EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.96% and vice versa (2020: 4.90%).

Currency exposures

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

	Total
Currency 2021	£000
Euro	425
Swiss Franc	29
US Dollar	89,262
Currency 2020	£000
Euro	344
Swiss Franc	22
US Dollar	71,525

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
US Dollar	11.21	11.18
Currency 2020	%	%
US Dollar	3.85	3.81

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

Threadneedle US Equity Income Fund

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Euro	–	–	425	425
Swiss Franc	–	–	29	29
UK Sterling	12	–	388	400
US Dollar	484	539	88,964	89,987
Currency 2020	£000	£000	£000	£000
Euro	–	–	344	344
Swiss Franc	–	–	22	22
UK Sterling	18	–	509	527
US Dollar	1,316	1,881	70,033	73,230

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(625)	(625)
US Dollar	–	–	(725)	(725)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(271)	(271)
US Dollar	–	–	(1,705)	(1,705)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £3,000) and a liability value of £1,000 (2020: £Nil).

13 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	88,847	–	71,806	–
Level 2	539	(1)	3	–
	89,386	(1)	71,809	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Bonds	541	–	–	–	–
Equities	18,316	4	0.02	–	–
Total	18,857	4		–	
Gross purchases total:	18,861				
	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Bonds	56	–	–	–	–
Equities	20,281	3	0.01	–	–
Total	20,337	3		–	
Total sales net of transaction costs:	20,334				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.01%				
Taxes:	0.00%				

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	31,235	7	0.02	–	–
Total	31,235	7		–	
Gross purchases total:	31,242				
	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	26,046	10	0.04	1	0.00
Total	26,046	10		1	
Total sales net of transaction costs:	26,035				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.02%				
Taxes:	0.00%				

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.03% (30 April 2020: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

16 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Accumulation shares	(34.75)

Threadneedle China Opportunities Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI China 10/40 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in equities and equity-related securities of companies domiciled in the People's Republic of China, or which have significant business operations there.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI China 10/40 Index.

The MSCI China 10/40 Index is designed to measure the performance of shares across large and medium-sized Chinese companies. The Index currently includes over 450 companies, and is constructed to reflect the regulatory framework applicable to the Fund. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund is permitted to invest up to 70% of its value in China A-Shares through the China-Hong Kong Stock Connect Programme. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. In exceptional circumstances these holdings could become substantial, temporarily.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. In addition, the Fund may commence using derivatives with the aim of achieving an investment gain, providing 60 days' notice is given to shareholders.

Performance of Net Accumulation Class 1 shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle China Opportunities Fund has risen from 378.77p to 469.18p.

For comparison, using noon prices, the performance of the Class 1 share class was 23.87% and +24.56% for the Class 2 share class compared to a return of +31.56% for the Morningstar UK Unit Trusts/OEICs – IA 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 10/40 Index was +27.14%.

Market Overview and Portfolio Activity

Chinese equities performed particularly well over the 12 months under review. Investors were encouraged by the country's successful containment of COVID-19 after the lockdowns during the first quarter of 2020. The subsequent lifting of these restrictions and the reopening of shops, offices and factories led to a strong rebound in economic activity. For 2020 as a whole, China's GDP expanded by 2.3%, and it was one of the only major global economies to exhibit growth. The People's Bank of China implemented numerous stimulus measures to support economic activity. These included lowering the reserve requirement ratio (RRR) for commercial banks to encourage lending to Chinese businesses.

GDP in the first quarter of 2021 grew by a record 18.3% compared with a contraction of 6.8% for the same period last year, when lockdowns were in place. While the rate of growth has eased quarter on quarter, GDP was still up over the first three months of 2021. At the National People's Congress in early March, the government announced a GDP growth target of above 6% for 2021.

Other data has also pointed to a continuing recovery in economic activity. In March, retail sales rose by 34.2% year on year, well above market expectations, as consumer demand has continued to increase. April's data from the National Bureau of Statistics revealed that the manufacturing purchasing managers' index (PMI) stood at 51.1 (a level of 50 or more signifies expansion). Meanwhile, the non-manufacturing PMI recorded another month of growth for the service sector. Both monthly indicators have remained above 50 since recovering in March last year.

Within the equity market, recent months have witnessed a rotation from growth to value stocks. As the global economic recovery continues to gain momentum, investors have begun to anticipate an end to the extremely accommodative monetary conditions, prompting a revival in demand for value stocks.

Early in the review period, we established a new holding in Beijing Oriental Yuhong, China's leading waterproofing solutions provider, which has performed particularly well. Another addition was Alibaba Health, the largest online healthcare platform in China, which has encouraging growth opportunities.

New holdings added during the autumn included Huazhu and Gree Electric Appliances. Huazhu is China's biggest hotel group by market value, and has seen a sharp recovery in demand following the easing of lockdowns. Domestic tourists are now holidaying in China, given

the surge in coronavirus infections overseas. Coupled with a revival in business travel, the hotel group is enjoying high occupancy rates. Gree Electric Appliances is one of China's leading manufacturers of air conditioners, and could achieve a strong turnaround once it has completed the reform of its distribution channel.

To help finance these purchases, we sold out of CRRC, Greentown Service Group, China Gas and Sun Art Retail Group. Another sale was China Tower, where growth in the core tower business appeared to be easing.

During the second half of the reporting period, we purchased new holdings in Yageo, Pinduoduo and Taiwan Semiconductor Manufacturing Company (TSMC). Yageo produces multi-layered ceramic capacitors (MLCCs), which should see sustained demand growth and an improvement in pricing. Pinduoduo is a highly successful e-commerce platform, while TSMC is a major semiconductor manufacturer with a particularly encouraging earnings outlook.

We later added holdings in Baidu and Contemporary Amperex Technology. Internet company Baidu is expanding into autonomous driving solutions. Contemporary Amperex Technology is a world leader in the manufacture of batteries for EVs and plans to expand capacity further to meet the continued rise in demand.

Other new positions included Zhejiang Sanhua Intelligent Controls and Shanghai Jin Jiang International Hotels. Zhejiang Sanhua is expanding its business from home appliance parts to EV components. Shanghai Jin Jiang International Hotels is one of the largest hotel groups in China, and should gain from the revival of domestic tourism and travel.

To help finance the fund's purchases in the second half, we sold out of oil company CNOOC, Zhuzhou CRRC Times Electric, China Mobile, China Resources Cement, CSPC Pharmaceutical, China Life Insurance, China Overseas Land & Investment and Luxshare Precision Industry.

After the COVID-19 production shutdowns and social distancing measures introduced early in 2020, the Chinese economy has since enjoyed a V-shaped recovery. Growth stability remains a policy priority for the Chinese authorities, and they have further levers at their disposal to support economic activity.

Within the manufacturing sector, there are some concerns over the impact of the global shortage of microchips on a number of Chinese companies, such as the car manufacturers. The shortage of chips will cause some short-term slowdown, but we believe the EV transformation trend will continue over the long term.

The fund currently favours domestically oriented stocks in China, particularly those in the services and consumption spaces that can tap into the structural growth of China's middle class.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	2020 £000
Income			
Net capital gains	2	13,030	994
Revenue	3	961	1,688
Expenses	4	(715)	(779)
Interest payable and similar charges	5	(1)	–
Net revenue before taxation		245	909
Taxation	6	(70)	(121)
Net revenue after taxation		175	788
Total return before distributions		13,205	1,782
Distributions	7	(210)	(791)
Change in net assets attributable to shareholders from investment activities		12,995	991

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		56,634	50,456
Current assets:			
Debtors	8	363	18
Cash and bank balances		1,540	1,433
Total assets		58,537	51,907
Liabilities:			
Creditors:			
Other creditors	9	(172)	(348)
Total liabilities		(172)	(348)
Net assets attributable to shareholders		58,365	51,559

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	51,559	82,184
Amounts receivable on the issue of shares	27,678	38,366
Amounts payable on the cancellation of shares	(34,090)	(70,565)
	(6,412)	(32,199)
Dilution adjustment	34	110
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	12,995	991
Retained distribution on accumulation shares	189	473
Closing net assets attributable to shareholders	58,365	51,559

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 1.7730).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	1.8007	–	1.8007	4.0771
Group 2				
01/05/20 to 30/04/21	–	1.8007	1.8007	4.0771
Total distributions in the period			1.8007	4.0771

*In pound Sterling and against UK peer group (See Performance summary on page 187).

Threadneedle China Opportunities Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	1.9560	–	1.9560	2.2110
Group 2				
01/05/20 to 30/04/21	1.9560	–	1.9560	2.2110
Total distributions in the period			1.9560	2.2110

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	1.6804	–	1.6804	3.0106
Group 2				
01/05/20 to 30/04/21	–	1.6804	1.6804	3.0106
Total distributions in the period			1.6804	3.0106

Group 2: shares purchased during a distribution period.

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

Threadneedle China Opportunities Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	374.81	357.91	366.75	403.64	383.23	390.45
Return before operating charges (p)	101.62	22.81	(3.13)	109.54	24.56	(3.17)
Operating charges (p)	(7.55)	(5.91)	(5.71)	(5.35)	(4.15)	(4.05)
Return after operating charges (p)*	94.07	16.90	(8.84)	104.19	20.41	(7.22)
Distributions (p)	–	(1.77)	(1.03)	(1.80)	(4.08)	(3.20)
Retained distributions on accumulation shares (p)	–	1.77	1.03	1.80	4.08	3.20
Closing net asset value per share (p)	468.88	374.81	357.91	507.83	403.64	383.23
*after direct transaction costs of (p)	0.93	0.67	0.84	1.00	0.72	0.91
Performance						
Return after charges (%)	25.10	4.72	(2.41)	25.81	5.33	(1.85)
Other information						
Closing net asset value (£000)	15,919	14,730	36,298	18,027	15,760	21,816
Closing number of shares	3,395,057	3,930,031	10,141,625	3,549,761	3,904,500	5,692,771
Operating charges (%)**	1.66	1.67	1.66	1.09	1.09	1.09
Direct transaction costs (%)***	0.20	0.19	0.25	0.20	0.19	0.25
Prices						
Highest share price (p)	545.85	389.74	399.92	590.50	419.06	426.05
Lowest share price (p)	362.01	327.74	300.64	389.95	351.87	321.32

	Class X – Gross accumulation shares		Class Z – Accumulation shares		
	30/04/2021	30/04/2020 ¹	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share					
Opening net asset value per share (p)	112.26	100.00	259.62	246.10	250.28
Return before operating charges (p)	30.54	12.27	70.46	15.77	(2.02)
Operating charges (p)	(0.03)	(0.01)	(2.91)	(2.25)	(2.16)
Return after operating charges (p)*	30.51	12.26	67.55	13.52	(4.18)
Distributions (p)	(1.96)	(2.21)	(1.68)	(3.01)	(2.47)
Retained distributions on accumulation shares (p)	1.96	2.21	1.68	3.01	2.47
Closing net asset value per share (p)	142.77	112.26	327.17	259.62	246.10
*after direct transaction costs of (p)	0.28	0.20	0.64	0.46	0.58
Performance					
Return after charges (%)	27.18	12.26	26.02	5.49	(1.67)
Other information					
Closing net asset value (£000)	1	1	24,418	21,068	24,070
Closing number of shares	1,000	1,000	7,463,224	8,114,840	9,780,611
Operating charges (%)**	0.02	0.01 [†]	0.92	0.92	0.91
Direct transaction costs (%)***	0.20	0.19	0.20	0.19	0.25
Prices					
Highest share price (p)	165.66	116.20	380.32	269.42	273.16
Lowest share price (p)	108.46	96.94	250.82	226.00	206.22

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

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

¹Commenced 9 May 2019.

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

Threadneedle China Opportunities Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	13,243	842
Forward currency contracts	46	(111)
Other (losses)/gains	(256)	267
Transaction costs	(3)	(4)
Net capital gains	13,030	994

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	960	1,657
Bank interest	1	31
Total revenue	961	1,688

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(631)	(691)
Registration fees	(52)	(56)
	(683)	(747)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(7)	(7)
Safe custody fees	(20)	(19)
	(27)	(26)
Other expenses:		
Regulatory fees	(7)	(8)
Audit fees	(8)	(9)
Expenses cap*	10	11
	(5)	(6)
Total expenses**	(715)	(779)

*Excess expenses are paid by the ACD.

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(1)	–
Total interest payable and similar charges	(1)	–

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Overseas taxes	(70)	(121)
Total current tax (note 6b)	(70)	(121)
Total tax charge for the period	(70)	(121)
b) Factors affecting taxation charge for period		
Net revenue before taxation	245	909
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(49)	(182)
Effects of:		
Revenue not subject to taxation	194	329
Overseas taxes	(70)	(121)
Excess expenses	(145)	(146)
Retail Distribution Review (RDR) conversion transfer from capital	–	(1)
Current tax charge for period (note 6a)	(70)	(121)

The fund has not recognised a deferred tax asset of £2,102,404 (2020: £1,957,578) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	2020 £000
Final	189	473
	189	473
Add: Revenue deducted on the cancellation of shares	134	572
Deduct: Revenue received on the creation of shares	(113)	(254)
Net distribution for the period	210	791
Net revenue after taxation	175	788
Equalisation on conversion	–	3
Shortfall transfer from capital to revenue	35	–
Total distributions	210	791

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 89 to 90.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	19	18
Sales awaiting settlement	293	–
Accrued revenue	51	–
Total debtors	363	18

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(97)	(151)
Purchases awaiting settlement	–	(129)
Accrued expenses	–	(2)
Amounts payable to ACD	(55)	(46)
Corporation tax payable	(20)	(20)
Total other creditors	(172)	(348)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

12 SHAREHOLDER FUNDS

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

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

Threadneedle China Opportunities Fund

Notes to the financial statements

(continued)

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 90. The distribution per share class is given in the distribution table on pages 89 to 90. All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	3,930,031
Shares issued	5,253,093
Shares redeemed	(5,646,723)
Net conversions	(141,344)
Closing shares	3,395,057
Class 2 – Accumulation shares	
Opening shares	3,904,500
Shares issued	152,710
Shares redeemed	(492,193)
Net conversions	(15,256)
Closing shares	3,549,761
Class X – Gross accumulation shares	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	1,000
Class Z – Accumulation shares	
Opening shares	8,114,840
Shares issued	998,526
Shares redeemed	(1,877,783)
Net conversions	227,641
Closing shares	7,463,224

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.65% and vice versa (2020: 4.75%).

Currency exposures

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

	Total
Currency 2021	£000
China Renminbi	7,198
Hong Kong Dollar	40,611
Taiwan Dollar	2,443
US Dollar	8,168
Currency 2020	£000
China Renminbi	2,813
Euro	1
Hong Kong Dollar	35,474
Taiwan Dollar	645
US Dollar	12,778

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
Hong Kong Dollar	11.41	7.94
US Dollar	11.21	1.57

	Currency movement	Fund movement
Currency 2020	%	%
Hong Kong Dollar	5.00	3.44
US Dollar	3.85	0.95

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
China Renminbi	–	–	7,198	7,198
Hong Kong Dollar	–	–	40,611	40,611
Taiwan Dollar	9	–	2,434	2,443
UK Sterling	2	–	115	117
US Dollar	1,529	–	6,734	8,263
Currency 2020	£000	£000	£000	£000
China Renminbi	–	–	2,813	2,813
Euro	1	–	–	1
Hong Kong Dollar	–	–	35,474	35,474
Taiwan Dollar	9	–	636	645
UK Sterling	11	–	56	67
US Dollar	1,412	–	11,532	12,944

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(172)	(172)
US Dollar	–	–	(95)	(95)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(219)	(219)
US Dollar	–	–	(166)	(166)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £Nil) and a liability value of £Nil (2020: £Nil).

Threadneedle China Opportunities Fund

Notes to the financial statements

(continued)

14 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	56,634	–	50,456	–
	56,634	–	50,456	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2021

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	44,171	24	0.05	32	0.07
Total	44,171	24		32	

Gross purchases total:

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	51,332	21	0.04	46	0.09
Total	51,332	21		46	

Total sales net of transaction costs: 51,265

Transaction costs as a percentage of average Net Assets

Commissions: 0.07%
Taxes: 0.13%

30 April 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	30,900	15	0.05	25	0.08
Total	30,900	15		25	

Gross purchases total:

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	62,319	26	0.04	52	0.08
Corporate actions	31	–	–	–	–
Total	62,350	26		52	

Total sales net of transaction costs: 62,272

Transaction costs as a percentage of average Net Assets

Commissions: 0.07%
Taxes: 0.12%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.10% (30 April 2020: 0.13%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 28 July 2021, the net asset value of the Fund decreased by 19.15%. This decrease is primarily driven by market movements and the Chinese stock exchange fall on 27 July 2021. The net asset value was reviewed again on 4 August with no material movements noted since 28 July.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 28 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April 2021	28 July 2021	% Movement
Class 1 - Accumulation shares	469.18	395.82	(15.64)
Class 2 - Accumulation shares	508.15	429.37	(15.50)
Class X - Gross accumulation shares	142.86	121.02	(15.29)
Class Z - Accumulation shares	327.38	276.74	(15.47)

Threadneedle Global Emerging Markets Equity Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI Emerging Markets Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in equities and equity-related securities of Emerging Market companies.

The Fund considers Emerging Market companies to be those domiciled in Emerging Market countries, or which have significant business operations in such countries. Emerging Market countries are those characterised as developing or emerging by the World Bank, the United Nations, or the MSCI Emerging Markets Index.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI Emerging Markets Index.

The MSCI Emerging Markets Index is designed to capture the share performance of large and medium-sized companies across Emerging Markets worldwide, and is currently comprised of more than 1,000 companies. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 100 companies, which may include the shares of some companies not within the Index. The Fund may invest up to 30% of its value in China A-Shares through the China-Hong Kong Stock Connect Programme. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk, or managing the Fund more efficiently.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Emerging Markets Equity Fund has risen from 110.63p to 166.82p.

For comparison, using noon prices, the performance of the Class 1 share class was +50.79% and +51.66% for the Class 2 share class compared to a return of +38.44% for the Morningstar UK Unit Trusts/OEICs – IA 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 +35.93%.

Market Overview and Portfolio Activity

The MSCI Emerging Markets (EM) index posted a strong return over the period. Sentiment was supported by accommodative central-bank policy, hopes of further US fiscal stimulus measures and the ongoing economic recovery amid optimism over vaccine rollouts. Towards the end of the period, a rise in US government bond yields and a resurgence of coronavirus infections in several EMs weighed on markets, amid a style rotation out of growth.

Chinese equities delivered healthy absolute returns over the period despite underperforming the benchmark. Investors were encouraged by the country's successful early containment of COVID-19, which led to a strong rebound in economic activity. China's GDP expanded by 2.3% in 2020, making it one of the only major global economies to exhibit growth. Helped by the People's Bank of China's decision to lower the reserve requirement ratio (RRR) to encourage lending, first-quarter (Q1) 2021 GDP grew by a record 18.3%. Other data also pointed to a continuing recovery. In March, retail sales rose by a better-than-expected 34.2% year on year, while the manufacturing and service-sector purchasing managers' indices (PMI) moved further into expansionary territory in April. US-China relations remained in the spotlight. In the US, Joe Biden's election victory buoyed hopes that Washington would take a less antagonistic policy stance towards Beijing.

Taiwan and Korea were the benchmark's top performers, helped by solid corporate results and a broad-based rally in technology stocks. Global stimulus measures and vaccine optimism proved further tailwinds for these markets, given their sensitivity to the world economy. Indian equities also fared well for much of the period, rallying after the negative impact of lockdown restrictions early in the period as global sentiment improved and hopes for further domestic fiscal stimulus grew. However, as the period ended, the emergence of a more infectious COVID-19 variant contributed to a spike in cases, which stoked concern about the economic outlook.

In Latin America, Brazilian equities recorded robust returns, despite significant volatility early in the period amid rapid community transmission of the virus and weaker-than-expected Q2 GDP. The subsequent record increase in Q3 activity, alongside recovering industrial production and retail sales data, allowed equities to rebound before the government's decision in February to replace the CEO of energy company Petrobras caused major policy uncertainty. However, assisted by the improving global economic backdrop, Brazilian equities ended the 12 months on a robust footing, supported by particular strength in the large energy and materials sectors. Argentina was the top-performing nation in Latin America, aided by the recovery in commodity prices and optimism surrounding negotiations with the IMF over the terms of the country's debt.

In EMEA, South Africa outperformed as its heavy exposure to mining industries was beneficial amid the deflation trade that characterised the final months of the review period. Russian equities posted solid absolute gains but lagged the benchmark as a difficult government-spending outlook and geopolitical concerns combined to cap the market's upside.

Fund activity included participating in electric-vehicle manufacturer XPeng's initial public offering (IPO). Increasing demand for electric vehicles and the backing of Chinese e-commerce giant Alibaba should help the company to realise its growth potential. The fund also purchased shares in Ozon Holdings, a Russian online retailing platform. While still a young business, awareness is spreading and Ozon should profit from the country's expanding online-retailing market. We also bought Songcheng Performance Development, a Chinese theme park operator, given the firm's strong market position and recovering tourist traffic.

Sales included Indonesian retailer Pakuwon Jati, based on our concerns about weaker consumer sentiment and slowing sales, while Mail.ru Group also exited the fund. The Russian e-commerce firm is facing pressure from several fast-growing competitors looking to gain market share in its particular areas of activity. Elsewhere, we sold BK Brasil, a fast-food franchise operator. Ongoing difficulties in limiting the spread of COVID-19 in Brazil mean the company is likely to suffer from sub-par demand for the foreseeable future, in our view.

As restrictions on social distancing measures continue to ease in EMs, we have witnessed economic activity picking up to pre-COVID-19 levels and earnings revisions improving substantially, while political risk has been reduced.

Recent vaccine optimism has fuelled positive investor sentiment globally, although we can still envisage distribution challenges in the near term. Meanwhile, amid the rollout of vaccinations, the debate over inflation and cyclical rotation has been gaining traction as the market moves into an upcycle and economies reopen. While we certainly see the merits for a cyclical rebound as restrictions on social distancing ease, it is crucial to evaluate how long it will last and the best way to gain exposure.

In the current environment, we believe that structural growth opportunities should remain the core of the portfolio, and we are taking a barbell approach with the "opening up" trade. We certainly see inflationary pressure with a cyclical recovery. However, such pressure tends to be subdued in EMs and we would frame it more appropriately as 'less deflationary'.

In terms of US-China relations, political risk has been reduced with a Biden administration. We do not expect any material changes in the near term, given the bipartisan support in Washington for its policy towards Beijing, and Biden is also likely to have the support of allied countries. We can, however, expect more pragmatic and diplomatic discussions.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	186,384	(11,425)
Revenue	3	4,619	5,739
Expenses	4	(1,672)	(1,419)
Interest payable and similar charges	5	–	(16)
Net revenue before taxation		2,947	4,304
Taxation	6	(2,210)	(630)
Net revenue after taxation		737	3,674
Total return before distributions		187,121	(7,751)
Distributions**	7	(2,741)	(3,768)
Change in net assets attributable to shareholders from investment activities		184,380	(11,519)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		493,539	340,135
Current assets:			
Debtors	8	243	7,263
Cash and bank balances		1,083	2,259
Cash equivalents***		9,419	11,268
Total assets		504,284	360,925
Liabilities:			
Investment liabilities		–	(29)
Creditors:			
Bank overdrafts		(1,455)	–
Other creditors	9	(7,954)	(4,356)
Total liabilities		(9,409)	(4,385)
Net assets attributable to shareholders		494,875	356,540

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	356,540	276,935
Amounts receivable on the issue of shares**	164,103	260,654
Amounts payable on the cancellation of shares**	(212,777)	(174,444)
	(48,674)	86,210
Dilution adjustment**	108	313
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	184,380	(11,519)
Retained distribution on accumulation shares	2,521	4,601
Closing net assets attributable to shareholders	494,875	356,540

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 17.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 0.2434).

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 0.6840).

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

Threadneedle Global Emerging Markets Equity Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 30/04/21	1.4116	–	1.4116	1.9963
Group 2				
01/05/20 to 30/04/21	1.4116	–	1.4116	1.9963
Total distributions in the period			1.4116	1.9963

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	1.2305	–	1.2305	1.7279
Group 2				
01/05/20 to 30/04/21	0.6556	0.5749	1.2305	1.7279
Total distributions in the period			1.2305	1.7279

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	0.0329	–	0.0329	1.0708
Group 2				
01/05/20 to 30/04/21	–	0.0329	0.0329	1.0708
Total distributions in the period			0.0329	1.0708

Group 2: shares purchased during a distribution period.

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	30/04/2021	30/04/2020	30/04/2019	23/11/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	110.54	113.43	113.76	115.00	
Return before operating charges (p)	58.54	(1.00)	1.46	(15.59)	
Operating charges (p)	(2.34)	(1.89)	(1.79)	(0.88)	
Return after operating charges (p)*	56.20	(2.89)	(0.33)	(16.47)	
Distributions (p)	–	(0.24)	–	(0.16)	
Retained distributions on accumulation shares (p)	–	0.24	–	0.16	
Closing net asset value per share (p)	166.74	110.54	113.43	98.53	
*after direct transaction costs of (p)	0.16	0.19	0.25	0.12	
Performance					
Return after charges (%)	50.84	(2.55)	(0.29)	(14.32)	
Other information					
Closing net asset value (£000)	2,158	4,145	56,074	–	
Closing number of shares	1,294,131	3,750,253	49,434,505	–	
Operating charges (%)**	1.63	1.68	1.67	–	
Direct transaction costs (%)***	0.11	0.17	0.23	–	
Prices					
Highest share price (p)	182.53	131.67	117.44	114.32	
Lowest share price (p)	106.07	95.58	94.05	94.05	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	23/11/2018 ¹		30/04/2021	30/04/2020	30/04/2019
Change in net assets per share					
Opening net asset value per share (p)	115.00		119.94	122.59	122.25
Return before operating charges (p)	(15.58)		63.78	(1.28)	1.61
Operating charges (p)	(0.89)		(1.73)	(1.37)	(1.27)
Return after operating charges (p)*	(16.47)		62.05	(2.65)	0.34
Distributions (p)	(0.17)		–	(0.68)	(0.65)
Retained distributions on accumulation shares (p)	0.17		–	0.68	0.65
Closing net asset value per share (p)	98.53		181.99	119.94	122.59
*after direct transaction costs of (p)	0.12		0.17	0.21	0.26
Performance					
Return after charges (%)	(14.32)		51.73	(2.16)	0.28
Other information					
Closing net asset value (£000)	–		116,152	86,857	84,341
Closing number of shares	–		63,821,778	72,416,241	68,800,040
Operating charges (%)**	–		1.08	1.09	1.10
Direct transaction costs (%)***	–		0.11	0.17	0.23
Prices					
Highest share price (p)	114.32		198.99	142.74	126.27
Lowest share price (p)	94.05		115.11	103.42	101.36

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	23/11/2018 ¹			23/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	123.67			123.67		
Return before operating charges (p)	(16.82)			(16.79)		
Operating charges (p)	(0.63)			(0.65)		
Return after operating charges (p)*	(17.45)			(17.44)		
Distributions (p)	(0.56)			(0.58)		
Retained distributions on accumulation shares (p)	0.56			0.58		
Closing net asset value per share (p)	106.22			106.23		
*after direct transaction costs of (p)	0.12			0.12		
Performance						
Return after charges (%)	(14.11)			(14.10)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Performance fee (%)	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	122.94			122.94		
Lowest share price (p)	101.36			101.37		

	Class X – Income shares			Class X – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	121.27	124.72	124.94	108.70	110.02	108.67
Return before operating charges (p)	64.72	(1.41)	1.66	57.97	(1.22)	1.45
Operating charges (p)	(0.08)	(0.04)	(0.06)	(0.12)	(0.10)	(0.10)
Return after operating charges (p)*	64.64	(1.45)	1.60	57.85	(1.32)	1.35
Distributions (p)	(1.41)	(2.00)	(1.82)	(1.23)	(1.73)	(1.55)
Retained distributions on accumulation shares (p)	–	–	–	1.23	1.73	1.55
Closing net asset value per share (p)	184.50	121.27	124.72	166.55	108.70	110.02
*after direct transaction costs of (p)	0.18	0.22	0.27	0.16	0.19	0.24
Performance						
Return after charges (%)	53.30	(1.16)	1.28	53.22	(1.20)	1.24
Other information						
Closing net asset value (£000)	6	4	4	340,537	250,672	117,798
Closing number of shares	3,000	3,000	3,000	204,466,093	230,603,742	107,070,910
Operating charges (%)**	0.05	0.03	0.05	0.08	0.09	0.10
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.11	0.17	0.23	0.11	0.17	0.23
Prices						
Highest share price (p)	202.87	146.29	129.18	181.79	129.01	112.35
Lowest share price (p)	116.40	106.15	104.12	104.33	93.61	90.54

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share			
Opening net asset value per share (p)	142.79	145.69	145.03
Return before operating charges (p)	75.98	(1.54)	1.92
Operating charges (p)	(1.75)	(1.36)	(1.26)
Return after operating charges (p)*	74.23	(2.90)	0.66
Distributions (p)	(0.03)	(1.07)	(0.99)
Retained distributions on accumulation shares (p)	0.03	1.07	0.99
Closing net asset value per share (p)	217.02	142.79	145.69
*after direct transaction costs of (p)	0.21	0.25	0.31
Performance			
Return after charges (%)	51.99	(1.99)	0.46
Other information			
Closing net asset value (£000)	36,022	14,862	18,718
Closing number of shares	16,598,146	10,408,662	12,847,884
Operating charges (%)**	0.90	0.91	0.92
Direct transaction costs (%)***	0.11	0.17	0.23
Prices			
Highest share price (p)	237.22	169.85	149.83
Lowest share price (p)	137.03	123.09	120.35

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

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

¹Commenced 15 June 2018 and closed 23 November 2018.

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	186,647	(11,127)
Forward currency contracts	60	(342)
Other (losses)/gains	(314)	55
Transaction costs	(9)	(11)
Net capital gains/(losses)	186,384	(11,425)

3 REVENUE

	2021 £000	2020 £000
Overseas dividends	4,606	5,637
Interest on short term investments	—	5
Bank interest	13	97
Total revenue	4,619	5,739

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,296)	(1,142)
Registration fees	(185)	(135)
	(1,481)	(1,277)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(55)	(39)
Safe custody fees	(103)	(77)
	(158)	(116)
Other expenses:		
Regulatory fees	(10)	(5)
Audit fees	(11)	(12)
Non-audit service fees payable to auditors	(12)	(9)
	(33)	(26)
Total expenses*	(1,672)	(1,419)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	—	(16)
Total interest payable and similar charges	—	(16)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Capital Gains tax charge in the statement of total return for the period	(1,822)	—
Overseas taxes	(388)	(630)
Total current tax (note 6b)	(2,210)	(630)
Total tax charge for the period	(2,210)	(630)
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,947	4,304
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(589)	(861)

	2021 £000	Restated 2020* £000
Effects of:		
Revenue not subject to taxation	883	1,052
Overseas taxes	(388)	(630)
Overseas tax expensed	6	12
Excess expenses*	(300)	(184)
Conversion transfer from capital*	—	(19)
Overseas capital gains tax	(1,822)	—
Current tax charge for period (note 6a)	(2,210)	(630)

*For details on restatement please refer to note 17.

The fund has not recognised a deferred tax asset of £3,255,910 (2020: £2,955,865) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Final	2,521	4,601
	2,521	4,601
Add: Revenue deducted on the cancellation of shares*	429	798
Deduct: Revenue received on the creation of shares*	(209)	(1,631)
Net distribution for the period	2,741	3,768
Net revenue after taxation	737	3,674
Equalisation on conversion*	—	94
Capital gains tax	1,822	—
Shortfall transfer from capital to revenue	182	—
Total distributions	2,741	3,768

*For details on restatement please refer to note 17.

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 95 to 96.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	68	5,543
Sales awaiting settlement	—	1,072
Accrued revenue	170	643
Foreign withholding tax recoverable	5	5
Total debtors	243	7,263

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(5,593)	(44)
Purchases awaiting settlement	(876)	(4,212)
Accrued expenses	(18)	(15)
Amounts payable to ACD	(136)	(85)
Deferred tax Indian capital gains tax payable	(1,331)	—
Total other creditors	(7,954)	(4,356)

10 DILUTION ADJUSTMENT

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

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

12 SHAREHOLDER FUNDS

Threadneedle Global Emerging Markets Equity Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 97 to 99. The distribution per share class is given in the distribution table on pages 95 to 96.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Accumulation shares	
Opening shares	3,750,253
Shares issued	29,294,862
Shares redeemed	(31,550,569)
Net conversions	(200,415)
Closing shares	1,294,131
Class 2 – Accumulation shares	
Opening shares	72,416,241
Shares issued	35,301,033
Shares redeemed	(43,873,442)
Net conversions	(22,054)
Closing shares	63,821,778
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class X – Accumulation shares	
Opening shares	230,603,742
Shares issued	36,517,870
Shares redeemed	(62,655,519)
Net conversions	–
Closing shares	204,466,093
Class Z – Accumulation shares	
Opening shares	10,408,662
Shares issued	10,834,955
Shares redeemed	(4,819,008)
Net conversions	173,537
Closing shares	16,598,146

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.30% and vice versa (2020: 5.00%).

Currency exposures

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

	Total
Currency 2021	£000
Brazilian Real	26,947
Canadian Dollar	1,997
China Renminbi	16,184
Hong Kong Dollar	97,910
Hungarian Forint	5,977
Indian Rupee	35,812
Indonesian Rupiah	19,759
Philippines Peso	4,615
Polish Zloty	5,047
Russian Ruble	3,109
South Africa Rand	9,301
South Korean Won	67,206
Taiwan Dollar	17,582
Thai Baht	5,387
UAE Dirham	66
US Dollar	180,464
Currency 2020	£000
Brazilian Real	10,614
Canadian Dollar	1,369
China Renminbi	9,531
Hong Kong Dollar	78,233
Hungarian Forint	4,299
Indian Rupee	26,191
Indonesian Rupiah	15,591
Philippines Peso	6,937
Polish Zloty	2,143
South Africa Rand	11,553
South Korean Won	39,781
Taiwan Dollar	4,212
Thai Baht	8,988
UAE Dirham	73
US Dollar	136,048

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
Hong Kong Dollar	11.41	2.26
South Korean Won	1.52	0.21
US Dollar	11.21	4.09
Currency 2020	%	%
Hong Kong Dollar	5.00	1.10
South Korean Won	0.29	0.03
US Dollar	3.85	1.47

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
2021	£000
Counterparty	
Bank of Scotland	10
As at the prior balance sheet date there was no derivative exposure or collateral to disclose.	
The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.	
Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.	

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Brazilian Real	—	—	27,532	27,532
Canadian Dollar	—	—	1,997	1,997
China Renminbi	—	—	16,184	16,184
Hong Kong Dollar	—	—	97,910	97,910
Hungarian Forint	—	—	5,977	5,977
Indian Rupee	76	—	35,736	35,812
Indonesian Rupiah	223	—	19,536	19,759
Philippines Peso	—	—	4,615	4,615
Polish Zloty	—	—	5,047	5,047
Russian Ruble	—	—	3,109	3,109
South Africa Rand	—	—	9,301	9,301
South Korean Won	1	—	67,205	67,206
Taiwan Dollar	597	—	16,985	17,582
Thai Baht	63	—	5,324	5,387
UK Sterling	57	—	4,558	4,615
UAE Dirham	66	—	—	66
US Dollar	—	9,419	177,271	186,690
Currency 2020	£000	£000	£000	£000
Brazilian Real	—	—	10,614	10,614
Canadian Dollar	—	—	1,369	1,369
China Renminbi	—	—	9,531	9,531
Hong Kong Dollar	—	—	78,233	78,233
Hungarian Forint	—	—	4,299	4,299
Indian Rupee	83	—	28,338	28,421
Indonesian Rupiah	—	—	16,225	16,225
Philippines Peso	—	—	7,013	7,013
Polish Zloty	—	—	2,143	2,143
South Africa Rand	—	—	11,553	11,553
South Korean Won	—	—	39,781	39,781
Taiwan Dollar	1,387	—	4,005	5,392
Thai Baht	68	—	9,013	9,081
UK Sterling	49	—	5,544	5,593
UAE Dirham	73	—	—	73
US Dollar	599	—	135,449	136,048

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Brazilian Real	—	—	(585)	(585)
UK Sterling	—	—	(7,103)	(7,103)
US Dollar	(1,455)	—	(4,771)	(6,226)
Currency 2020	£000	£000	£000	£000
Indian Rupee	—	—	(2,230)	(2,230)
Indonesian Rupiah	—	—	(634)	(634)
Philippines Peso	—	—	(76)	(76)
Taiwan Dollar	—	—	(1,180)	(1,180)
Thai Baht	—	—	(93)	(93)
UK Sterling	—	—	(4,616)	(4,616)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £10,000 (2020: £Nil) and a liability value of £Nil (2020: £29,000).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	502,948	—	351,403	—
Level 2	10	—	—	(29)
	502,958	—	351,403	(29)

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	176,935	121	0.07	67	0.04
Collective investment schemes	122,017	—	—	—	—
Total	298,952	121		67	

Gross purchases total:

299,140

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	211,054	133	0.06	174	0.08
Collective investment schemes	123,497	—	—	—	—
Total	334,551	133		174	

Total sales net of transaction costs:

334,244

Transaction costs as a percentage of average Net Assets

Commissions: 0.06%
Taxes: 0.05%

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	270,338	139	0.05	117	0.04
Collective investment schemes	81,269	—	—	—	—
Corporate actions	9	—	—	—	—
Total	351,616	139		117	

Gross purchases total:

351,872

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	190,554	149	0.08	140	0.07
Collective investment schemes	73,943	—	—	—	—
Total	264,497	149		140	

Total sales net of transaction costs:

264,208

Transaction costs as a percentage of average Net Assets

Commissions: 0.09%
Taxes: 0.08%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.11% (30 April 2020: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

STATEMENT OF TOTAL RETURN

Distributions

Net impact

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Amounts receivable on the issue of shares
Amounts payable on the cancellation of shares

Dilution adjustment

Change in net assets attributable to shareholders from investment activities (see statement of total return above)

Impact on net assets attributable to shareholders

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
(3,674)	(94)	(3,768)
	(94)	

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
306,797	(46,143)	260,654
(220,682)	46,238	(174,444)
86,115	95	86,210
314	(1)	313
(11,425)	(94)	(11,519)
	—	

Note 6 TAXATION

Excess expenses
Conversion transfer from capital
Net impact

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
(203)	19	(184)
—	(19)	(19)
	—	

Note 7 DISTRIBUTIONS

Add: Revenue deducted on the cancellation of shares
Deduct: Revenue received on the creation of shares
Net impact

Equalisation on conversion

Previously reported 2020	Adjustments	Restated 2020
£'000	£'000	£'000
889	(91)	798
(1,816)	185	(1,631)
	94	
—	94	94

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Accumulation shares	(21.45)
Class 2 – Accumulation shares	(12.43)

Threadneedle Emerging Market Local Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the J.P. Morgan Government Bond Index – Emerging Markets (GBI-EM) Global Diversified over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least two-thirds of its investment exposure to emerging market local currencies and local currency denominated debt securities issued either by governments of Emerging Market countries, or companies which are domiciled or have significant business operations in such countries.

The Fund considers Emerging Markets countries to mean those characterised as developing or emerging by the MSCI Emerging Markets Index or those not listed in the OECD country list.

The Fund may also gain exposure to non-emerging market currencies and debt securities, as well as emerging market debt denominated in non-local currencies, if considered appropriate to achieve its investment objectives.

The Fund may invest in government and corporate bonds of any credit quality (including those rated below investment grade, or unrated), as well as treasury bills, and securitised notes. The Fund may also obtain investment exposure indirectly using derivatives, including foreign exchange forward transactions and swaps (such as cross currency interest rate and credit default swaps). Derivatives may be used to allow the Fund to profit from the fall in the price of an asset (shorting), as well as extending market exposure beyond the value of its assets (leverage). In addition, derivatives may be used with the aim of reducing risk, or managing the Fund more efficiently.

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The GBI-EM Global Diversified Index is regarded as an appropriate performance measure of local currency bonds issued by emerging market governments. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Net Income Class 1 Shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Income shares in the Threadneedle Emerging Market Local Fund has fallen from 74.15p to 70.42p.

For comparison, using noon prices, the performance of the Class 1 share class was +0.87%. The performance of the Class 1 gross accumulation

share class was +0.83% and +1.61% for the Class 2 gross accumulation share class compared to a return of +1.88% for the Morningstar Category Global Emerging Markets Bond – Local Currency 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 JPM GBI-EM Global Diversified Index was +1.33%.

Market Overview and Portfolio Activity

Emerging-market (EM) bonds registered modest gains over the 12 months to 30 April 2021. The asset class endured a turbulent start to the period as the coronavirus outbreak in China spread around the world, and measures to control the spread of the virus brought cities, regions, and even entire countries to a near-standstill. The asset class then found support as central banks responded with an unprecedented wave of monetary and fiscal stimulus, helping to maintain financial-system liquidity and boosting investor confidence. Sentiment further improved as lockdowns were lifted and economies reopened, and EMs benefited from the dual tailwinds of a weakening dollar and rising commodity prices. Risk appetite weakened in early autumn amid concerns around a resurgence in global COVID-19 infections, but rebounded in November, as investors were encouraged by positive vaccine news, Joe Biden's success in the US election and further stimulus measures, with a \$900bn US stimulus package signed into law in December. President Biden also unveiled details of a \$2.3tn infrastructure plan and proposed an additional \$1.8tn package focused on childcare and education towards the end of the review period.

Central banks were very much in focus. The US Federal Reserve lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus, causing the dollar to weaken – a tailwind for EMs. Policymakers across EM countries also responded with a wave of rate cuts to help cushion the blow from the pandemic, while governments announced fiscal stimulus measures. These, together with the easing in lockdown restrictions in many countries as virus infection rates slowed, helped commodities to rally. However, later in the review period there were signs that the market was nearing the end of its easing cycle, with central banks in some EM countries introducing a wave of rate hikes to fight inflation. However, countries including South Africa, Poland, Malaysia, Mexico and Colombia left rates unchanged.

Sino-American tensions continued to simmer throughout the period, and hopes for a rapprochement between the two countries under the Biden administration were dampened after the first meeting between the new US Secretary of State (Antony Blinken) and China's senior foreign policy official (Yang Jiechi) ended in acrimony.

The first few months of 2021 were more challenging for the asset class as EMs were impacted by risk-off sentiment driven by concerns over rising cases, the uneven pace of mass vaccinations, and the emergence of new coronavirus variants, particularly in India. Additionally, as hopes for a global economic recovery grew, increasing concern about potential rising inflation pushed global government bond yields markedly higher. The US dollar strengthened towards the end of the review period, posing another headwind for EMs, but the ongoing rise in commodities was supportive, with crude oil and copper registering significant gains.

Turning to activity, China and Egypt were new positions within sovereign bonds. We added to the holdings of Brazil, Malaysia and the Dominican Republic. The fund trimmed allocations including South Africa, Russia, Mexico, Indonesia and Turkey, and sold out of Nigeria, Poland, Ukraine and Georgia. Among corporate issues, we bought more Thai Ministry of Finance debt and reduced the exposure to Eskom. The positions in Press Metal, Greenko Group, Pemex (Petroleos Mexicanos) and ChemChina (China National Chemical Corp.) were exited.

EM fixed-income valuations still appear slightly cheap relative to historical ranges – especially when concerning sovereigns and lower-quality bonds. Fund flows into EM debt have recovered as much of the market distortion in 2020 caused by central bank interventions has now corrected, and global risk sentiment has stabilised. Primary markets are being accessed by a broad section of the issuer community, and international financial institutions have so far been generous in providing loans without onerous conditions.

Central bank policies have remained extremely accommodative to date, but as advanced economies begin to normalise their interest rate policies, EM assets face the risk of a moderation in US monetary policy. In this event, investors may fear a repeat of 2013's 'taper tantrum'. While the fiscal response to COVID-19 has left many EM balance sheets looking stretched, relatively modest expansions in access to credit, benign core inflation and improved external positions should insulate local-currency assets to a degree.

Rising US real yields do carry risks, not least for borrowers unable to shift liabilities either into local currency or further out along the yield curve. High debt levels pose financing risks, especially among smaller, more vulnerable borrowers.

We continue to believe that a focus on the best risk-adjusted opportunities across EMs, coupled with appropriate portfolio risk management, is key to success when investing in EM bonds.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital losses	2	(2,833)	(6,536)
Revenue	3	4,161	5,831
Expenses	4	(132)	(201)
Interest payable and similar charges	5	(2)	(2)
Net revenue before taxation		4,027	5,628
Taxation	6	(187)	(237)
Net revenue after taxation		3,840	5,391
Total return before distributions		1,007	(1,145)
Distributions**	7	(3,904)	(5,510)
Change in net assets attributable to shareholders from investment activities		(2,897)	(6,655)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		62,427	80,569
Current assets:			
Debtors	8	1,069	1,531
Cash and bank balances	9	6,516	2,023
Cash equivalents***		4,578	928
Total assets		74,590	85,051
Liabilities:			
Investment liabilities		(813)	(3,562)
Creditors:			
Bank overdrafts	9	–	(2)
Distribution payable		(141)	(194)
Other creditors	10	(16)	(22)
Total liabilities		(970)	(3,780)
Net assets attributable to shareholders		73,620	81,271

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	2020 £000
Opening net assets attributable to shareholders	81,271	78,053
Amounts receivable on the issue of shares**	12,210	18,537
Amounts payable on the cancellation of shares**	(20,831)	(13,768)
	(8,621)	4,769
Dilution adjustment	189	119
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	(2,897)	(6,655)
Retained distribution on accumulation shares	3,678	4,985
Closing net assets attributable to shareholders	73,620	81,271

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 18.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Interest distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	2.0905	–	2.0905	2.8174
01/11/20 to 30/04/21	1.9338	–	1.9338	2.3121
Group 2				
01/05/20 to 31/10/20	1.5468	0.5437	2.0905	2.8174
01/11/20 to 30/04/21	0.9453	0.9885	1.9338	2.3121
Total distributions in the period			4.0243	5.1295

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

Threadneedle Emerging Market Local Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	4.2497	–	4.2497	5.3812
01/11/20 to 30/04/21	4.0451	–	4.0451	4.5556
Group 2				
01/05/20 to 31/10/20	3.4836	0.7561	4.2497	5.3812
01/11/20 to 30/04/21	3.4859	0.5592	4.0451	4.5556
Total distributions in the period			8.2948	9.9368

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	5.1026	–	5.1026	6.3908
01/11/20 to 30/04/21	4.8780	–	4.8780	5.4530
Group 2				
01/05/20 to 31/10/20	4.4626	0.6400	5.1026	6.3908
01/11/20 to 30/04/21	1.1680	3.7100	4.8780	5.4530
Total distributions in the period			9.9806	11.8438

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	2.3606	–	2.3606	3.1352
01/11/20 to 30/04/21	2.2086	–	2.2086	2.5964
Group 2				
01/05/20 to 31/10/20	1.7006	0.6600	2.3606	3.1352
01/11/20 to 30/04/21	2.2086	–	2.2086	2.5964
Total distributions in the period			4.5692	5.7316

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	6.3972	–	6.3972	7.9484
01/11/20 to 30/04/21	6.1545	–	6.1545	6.8122
Group 2				
01/05/20 to 31/10/20	5.0077	1.3895	6.3972	7.9484
01/11/20 to 30/04/21	3.2635	2.8910	6.1545	6.8122
Total distributions in the period			12.5517	14.7606

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/10/20	1.9143	–	1.9143	2.5603
01/11/20 to 30/04/21	1.7804	–	1.7804	2.1103
Group 2				
01/05/20 to 31/10/20	0.7740	1.1403	1.9143	2.5603
01/11/20 to 30/04/21	0.6327	1.1477	1.7804	2.1103
Total distributions in the period			3.6947	4.6706

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/10/20	3.1711	–	3.1711	3.9718
01/11/20 to 30/04/21	3.0343	–	3.0343	3.3899
Group 2				
01/05/20 to 31/10/20	1.3296	1.8415	3.1711	3.9718
01/11/20 to 30/04/21	1.1040	1.9303	3.0343	3.3899
Total distributions in the period			6.2054	7.3617

Group 2: shares purchased during a distribution period.

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	71.66	77.81	84.76	145.70	147.93	150.12
Return before operating charges (p)	2.00	0.31	(0.04)	3.94	0.25	0.19
Operating charges (p)	(1.21)	(1.33)	(1.33)	(2.50)	(2.48)	(2.38)
Return after operating charges (p)*	0.79	(1.02)	(1.37)	1.44	(2.23)	(2.19)
Distributions (p)	(4.02)	(5.13)	(5.58)	(8.29)	(9.94)	(10.06)
Retained distributions on accumulation shares (p)	–	–	–	8.29	9.94	10.06
Closing net asset value per share (p)	68.43	71.66	77.81	147.14	145.70	147.93
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.10	(1.31)	(1.62)	0.99	(1.51)	(1.46)
Other information						
Closing net asset value (£000)	691	855	1,051	358	369	10,776
Closing number of shares	1,009,661	1,192,896	1,350,534	243,005	253,460	7,284,076
Operating charges (%)**	1.62	1.62	1.65	1.62	1.62	1.65
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	78.48	89.31	84.32	163.03	169.78	152.47
Lowest share price (p)	69.13	70.19	76.69	144.16	138.27	136.29
	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	172.43	173.83	175.06	79.53	85.11	91.34
Return before operating charges (p)	4.60	0.13	0.26	2.18	0.23	0.01
Operating charges (p)	(1.55)	(1.53)	(1.49)	(0.08)	(0.08)	(0.11)
Return after operating charges (p)*	3.05	(1.40)	(1.23)	2.10	0.15	(0.10)
Distributions (p)	(9.98)	(11.84)	(11.91)	(4.57)	(5.73)	(6.13)
Retained distributions on accumulation shares (p)	9.98	11.84	11.91	–	–	–
Closing net asset value per share (p)	175.48	172.43	173.83	77.06	79.53	85.11
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.77	(0.81)	(0.70)	2.64	0.18	(0.11)
Other information						
Closing net asset value (£000)	5,272	3,167	33,752	1,717	2,254	466
Closing number of shares	3,003,995	1,836,662	19,416,519	2,228,324	2,834,327	548,047
Operating charges (%)**	0.85	0.84	0.88	0.10	0.09	0.12
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	193.87	199.88	178.85	87.33	98.05	90.87
Lowest share price (p)	170.63	163.54	159.39	77.79	77.84	83.27

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	215.52	215.80	215.71	65.54	70.56	76.19
Return before operating charges (p)	5.71	(0.07)	0.36	1.81	0.22	(0.01)
Operating charges (p)	(0.23)	(0.21)	(0.27)	(0.53)	(0.57)	(0.58)
Return after operating charges (p)*	5.48	(0.28)	0.09	1.28	(0.35)	(0.59)
Distributions (p)	(12.55)	(14.76)	(14.73)	(3.69)	(4.67)	(5.04)
Retained distributions on accumulation shares (p)	12.55	14.76	14.73	–	–	–
Closing net asset value per share (p)	221.00	215.52	215.80	63.13	65.54	70.56
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.54	(0.13)	0.04	1.95	(0.51)	(0.77)
Other information						
Closing net asset value (£000)	62,670	71,404	28,731	2,579	2,885	2,872
Closing number of shares	28,357,671	33,130,482	13,313,339	4,085,913	4,402,120	4,069,786
Operating charges (%)**	0.10	0.09	0.13	0.77	0.77	0.80
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	243.44	248.61	221.66	71.88	81.15	75.80
Lowest share price (p)	213.29	204.28	196.93	63.73	64.15	69.24
	Class Z – Gross accumulation shares [§]					
	30/04/2021	30/04/2020	30/04/2019			
Change in net assets per share						
Opening net asset value per share (p)	108.58	109.46	110.16			
Return before operating charges (p)	2.90	0.03	0.16			
Operating charges (p)	(0.89)	(0.91)	(0.86)			
Return after operating charges (p)*	2.01	(0.88)	(0.70)			
Distributions (p)	(6.21)	(7.36)	(7.42)			
Retained distributions on accumulation shares (p)	6.21	7.36	7.42			
Closing net asset value per share (p)	110.59	108.58	109.46			
*after direct transaction costs of (p)	–	–	–			
Performance						
Return after charges (%)	1.85	(0.80)	(0.64)			
Other information						
Closing net asset value (£000)	333	337	405			
Closing number of shares	301,181	310,425	370,208			
Operating charges (%)**	0.77	0.77	0.80			
Direct transaction costs (%)***	–	–	–			
Prices						
Highest share price (p)	122.13	125.89	112.61			
Lowest share price (p)	107.45	102.97	100.33			

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

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

[§]Only available to eligible investors.

Threadneedle Emerging Market Local Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	(3,351)	(6,625)
Derivative contracts	(849)	1,052
Forward currency contracts	1,265	(1,283)
Other gains	103	321
Transaction costs	(1)	(1)
Net capital losses	(2,833)	(6,536)

3 REVENUE

	2021 £000	2020 £000
Interest on debt securities	3,806	5,677
Interest on short term investments	–	5
Derivative revenue	326	77
Bank interest	29	72
Total revenue	4,161	5,831

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(64)	(121)
Registration fees	(28)	(35)
	(92)	(156)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(9)	(10)
Safe custody fees	(22)	(24)
Revenue collection expenses	(2)	(4)
	(33)	(38)
Other expenses:		
Regulatory fees	(7)	(8)
Audit fees	(14)	(14)
Non-audit service fees payable to auditors	(1)	(1)
Expenses cap*	15	16
	(7)	(7)
Total expenses**	(132)	(201)

*Excess expenses are paid by the ACD.

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(2)	(2)
Total interest payable and similar charges	(2)	(2)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Corporation tax	(37)	(8)
Double taxation relief	37	8
Overseas taxes	(187)	(237)
Total current tax (note 6b)	(187)	(237)
Total tax charge for the period	(187)	(237)
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,027	5,628
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(805)	(1,126)

	2021 £000	2020 £000
Effects of:		
Overseas taxes	(187)	(237)
Overseas tax expensed	–	40
Double taxation relief	37	8
Distributions treated as tax deductible	768	1,078
Current tax charge for period (note 6a)	(187)	(237)

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

7 DISTRIBUTIONS

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

	2021 £000	2020* £000
Interim	1,939	2,776
Final	2,052	2,573
	3,991	5,349
Add: Revenue deducted on the cancellation of shares*	73	369
Deduct: Revenue received on the creation of shares*	(160)	(208)
Net distribution for the period	3,904	5,510
Net revenue after taxation	3,840	5,391
Annual management charge to capital	64	118
Equalisation on conversion*	–	1
Total distributions	3,904	5,510

*For details on restatement please refer to note 18.

Details of the distribution per share are set out in the table on pages 104 to 105.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	28	24
Sales awaiting settlement	3	–
Accrued revenue	1,028	1,496
Foreign withholding tax recoverable	10	11
Total debtors	1,069	1,531

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	364	1,263
Cash and bank balances	6,152	760
	6,516	2,023
Cash overdrafts at broker	–	(2)
Total cash and bank balances	6,516	2,021

10 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(6)	(8)
Accrued expenses	(2)	(7)
Amounts payable to ACD	(8)	(7)
Total other creditors	(16)	(22)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.45%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 106 to 107. The distribution per share class is given in the distribution table on pages 104 to 105.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	1,192,896
Shares issued	70,534
Shares redeemed	(217,906)
Net conversions	(35,863)
Closing shares	1,009,661
Class 1 – Gross accumulation shares	
Opening shares	253,460
Shares issued	3,633
Shares redeemed	(14,088)
Net conversions	–
Closing shares	243,005
Class 2 – Gross accumulation shares	
Opening shares	1,836,662
Shares issued	1,169,598
Shares redeemed	(2,265)
Net conversions	–
Closing shares	3,003,995
Class X – Gross income shares	
Opening shares	2,834,327
Shares issued	143,143
Shares redeemed	(749,146)
Net conversions	–
Closing shares	2,228,324
Class X – Gross accumulation shares	
Opening shares	33,130,482
Shares issued	3,988,150
Shares redeemed	(8,760,961)
Net conversions	–
Closing shares	28,357,671
Class Z – Income shares	
Opening shares	4,402,120
Shares issued	1,021,299
Shares redeemed	(1,383,738)
Net conversions	46,232
Closing shares	4,085,913

2021

Class Z – Gross accumulation shares

Opening shares	310,425
Shares issued	69,864
Shares redeemed	(74,986)
Net conversions	(4,122)
Closing shares	301,181

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Value at Risk (VaR) disclosure

Ex ante risk forecasts are generated using factor models provided by BlackRock Solutions. The risk model is updated daily. VaR is used to evaluate the level of Global Exposure undertaken by the fund. VaR is defined using two variables – a time period and a probability of loss. For example, a 99%, 1 month VaR estimate would imply there is a 99% probability that the fund will lose no more than this VaR amount over a one month period. The figure is calculated using a covariance model with 2 years of data, weighted with a 6 month half-life. All risk figures are estimates. The fund's VaR limit is 1.5x benchmark¹.

As at year end the fund's VaR was 7.1% (2020: 11.6%). This means that there is estimated to be a 1% chance that the fund could lose more than 7.1% (2020: 11.6%) of its value in a month.

At 30 April, 2021 the VaR utilisation was 69% (2020: 74%) (actual VaR/VaR limit). During the year ended 30 April, 2021 the lowest VaR utilisation was 60% (2020: 66%), the highest VaR utilisation was 79% (2020: 89%) and the average utilisation was 72% (2020: 74%).

¹The benchmark of fund is shown on page 187.

Currency exposures

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

	Total
Currency 2021	£000
Argentina Peso	54
Brazilian Real	6,250
Chilean Peso	1,746
China Renminbi	7,334
Colombian Peso	3,650
Czech Koruna	3,020
Dominican Republic Peso	2,651
Egyptian Pound	1,378
Euro	1,949
Hungarian Forint	2,877
Indonesian Rupiah	6,817
Israeli Shekel	18
Malaysian Ringgit	5,328
Mexican Peso	5,422
Peruvian New Sol	1,648
Polish Zloty	5,881
Romanian Leu	65
Russian Ruble	7,552
South Africa Rand	4,982
South Korean Won	(1,447)
Thai Baht	6,373
Turkish Lira	1,417
Uruguay Peso	201
US Dollar	(1,470)
Currency 2020	£000
Argentina Peso	80
Brazilian Real	8,174
Chilean Peso	2,067
China Renminbi	915
Colombian Peso	4,631

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

	Total
Currency 2020	£000
Czech Koruna	3,792
Dominican Republic Peso	1,997
Euro	2,127
Hungarian Forint	3,119
Indonesian Rupiah	8,593
Israeli Shekel	18
Malaysian Ringgit	5,660
Mexican Peso	7,103
Peruvian New Sol	3,372
Polish Zloty	7,668
Romanian Leu	41
Russian Ruble	9,896
South Africa Rand	3,922
Thai Baht	8,469
Turkish Lira	2,791
Uruguay Peso	184
US Dollar	(3,255)

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
Russian Ruble	13.95	1.43
Currency 2020	%	%
Brazilian Real	30.06	3.02
Indonesian Rupiah	0.37	0.04
Russian Ruble	9.39	1.14
Thai Baht	2.55	0.27

Credit/Counterparty exposure

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

	Interest Rate Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
2021	£000	£000	£000
Counterparty			
Bank of Scotland	—	1	—
Barclays	—	293	266
Citigroup	37	204	273
HSBC	153	6	201
J.P. Morgan	74	—	129
UBS	103	—	180
2020	£000	£000	£000
Counterparty			
Barclays	—	481	—
Citigroup	83	—	991
HSBC	585	—	192
J.P. Morgan	373	216	—
Lloyds	—	482	—
Morgan Stanley	202	—	—
RBS	—	—	96
UBS	81	97	—

The fund held £870,000 (2020: £2,094,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2021		2020	
	Value £000	% of Investment	Value £000	% of Investment
A	—	—	731	0.94
A-	2,982	4.50	4,716	6.05
A3	4,024	6.08	3,632	4.66
BBB+	1,534	2.32	3,239	4.16
Baa1	1,608	2.43	2,612	3.35
BBB	1,575	2.38	6,446	8.27
Baa2	2,019	3.05	2,966	3.81
BBB-	3,689	5.57	3,591	4.61
BB+	148	0.22	462	0.59
Ba1	—	—	880	1.13
BB	6,658	10.06	13,107	16.82
BB-	7,247	10.95	7,008	8.99
B+	1,007	1.52	1,485	1.90
B	—	—	621	0.80
B-	—	—	1,083	1.39
CCC+	—	—	1,283	1.65
Ca	30	0.05	61	0.08
Not Rated*	28,640	43.27	22,153	28.42
Liquidity Funds	4,578	6.92	928	1.19
Derivatives**	453	0.68	931	1.19
	66,192	100.00	77,935	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Argentina Peso	24	30	—	54
Brazilian Real	—	5,382	1,635	7,017
Chilean Peso	—	—	1,784	1,784
China Renminbi	—	10,833	222	11,055
Colombian Peso	—	3,689	4,769	8,458
Czech Koruna	—	1,949	2,858	4,807
Dominican Republic Peso	—	2,541	110	2,651
Egyptian Pound	—	1,378	—	1,378
Euro	—	—	1,949	1,949
Hungarian Forint	16	—	2,928	2,944
Indonesian Rupiah	—	5,754	1,063	6,817
Israeli Shekel	18	—	—	18
Malaysian Ringgit	—	4,024	1,688	5,712
Mexican Peso	162	3,142	2,203	5,507
Peruvian New Sol	—	2,982	41	3,023
Polish Zloty	43	—	5,930	5,973
Romanian Leu	65	—	—	65
Russian Ruble	17	5,629	4,050	9,696
South Africa Rand	226	8,264	2,476	10,966
South Korean Won	—	—	40	40
Thai Baht	—	3,536	2,837	6,373
Turkish Lira	97	672	648	1,417
UK Sterling	1	—	80	81
Uruguay Peso	—	201	—	201
US Dollar	5,847	5,733	22,447	34,027

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

Currency 2020	£000	£000	£000	£000
Argentina Peso	19	61	—	80
Brazilian Real	—	5,530	3,830	9,360
Chilean Peso	—	—	2,626	2,626
China Renminbi	—	—	915	915
Colombian Peso	—	3,590	1,405	4,995
Czech Koruna	—	2,401	3,288	5,689
Dominican Republic Peso	—	1,893	104	1,997
Euro	—	—	2,450	2,450
Hungarian Forint	—	—	3,447	3,447
Indonesian Rupiah	—	6,866	3,856	10,722
Israeli Shekel	2	—	16	18
Malaysian Ringgit	—	3,632	2,192	5,824
Mexican Peso	1	4,772	6,012	10,785
Peruvian New Sol	—	4,716	65	4,781
Polish Zloty	1	731	7,738	8,470
Romanian Leu	—	—	1,904	1,904
Russian Ruble	—	11,671	4,858	16,529
South Africa Rand	—	13,576	652	14,228
Thai Baht	—	6,331	3,283	9,614
Turkish Lira	—	1,844	1,153	2,997
UK Sterling	55	—	80	135
Uruguay Peso	—	183	1	184
US Dollar	1,945	9,206	33,709	44,860

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Brazilian Real	—	—	(767)	(767)
Chilean Peso	—	—	(38)	(38)
China Renminbi	—	—	(3,721)	(3,721)
Colombian Peso	—	—	(4,808)	(4,808)
Czech Koruna	—	—	(1,787)	(1,787)
Hungarian Forint	—	—	(67)	(67)
Malaysian Ringgit	—	—	(384)	(384)
Mexican Peso	—	—	(85)	(85)
Peruvian New Sol	—	—	(1,375)	(1,375)
Polish Zloty	—	—	(92)	(92)
Russian Ruble	—	—	(2,144)	(2,144)
South Africa Rand	—	—	(5,984)	(5,984)
South Korean Won	—	—	(1,487)	(1,487)
UK Sterling	—	—	(157)	(157)
US Dollar	—	—	(35,497)	(35,497)
Currency 2020	£000	£000	£000	£000
Brazilian Real	—	—	(1,186)	(1,186)
Chilean Peso	—	—	(559)	(559)
Colombian Peso	—	—	(364)	(364)
Czech Koruna	—	—	(1,897)	(1,897)
Euro	—	—	(323)	(323)
Hungarian Forint	—	—	(328)	(328)
Indonesian Rupiah	—	—	(2,129)	(2,129)
Malaysian Ringgit	—	—	(164)	(164)
Mexican Peso	—	—	(3,682)	(3,682)
Peruvian New Sol	—	—	(1,409)	(1,409)
Polish Zloty	(2)	—	(800)	(802)
Romanian Leu	—	—	(1,863)	(1,863)
Russian Ruble	—	—	(6,633)	(6,633)
South Africa Rand	—	—	(10,306)	(10,306)
Thai Baht	—	—	(1,145)	(1,145)
Turkish Lira	—	—	(206)	(206)
UK Sterling	—	—	(228)	(228)
US Dollar	—	—	(48,115)	(48,115)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts and interest rate swaps with an asset value of £1,266,000 (2020: £4,493,000) and a liability value of £813,000 (2020: £3,562,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	4,578	—	928	—
Level 2	62,427	(813)	80,569	(3,562)
	67,005	(813)	81,497	(3,562)

Included within Level 1, are debt securities of £4,578,000 (2020: £928,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £57,634,610 (2020: £84,981,689) and £69,314,679 (2020: £67,941,958) respectively. Collective investment schemes purchases and sales amounted to £22,237,827 (2020: £18,714,579) and £18,210,184 (2020: £22,037,701) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.20% (30 April 2020: 0.53%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Emerging Market Local Fund

Notes to the financial statements

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18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
STATEMENT OF TOTAL RETURN			
Distributions	(5,509)	(1)	(5,510)
Net impact		(1)	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS			
	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
Amounts receivable on the issue of shares	62,755	(44,218)	18,537
Amounts payable on the cancellation of shares	(57,987)	44,219	(13,768)
	4,768	1	4,769
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(6,654)	(1)	(6,655)
Impact on net assets attributable to shareholders		—	
	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	726	(357)	369
Deduct: Revenue received on the creation of shares	(566)	358	(208)
Net impact		1	
Equalisation on conversion	—	1	1

19 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Gross accumulation shares	(11.22)

Threadneedle Global Extended Alpha Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least 75% of its investment exposure to shares of companies worldwide.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions are taken by investing in company shares directly, as well as indirectly using derivatives, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 140 companies.

The Fund follows an "equity extension strategy", which allows proceeds from short positions to be used to extend long positions within the portfolio, to include more of the fund manager's strongest investment ideas. However, the Fund does not usually short more than 30% of its value, and long positions don't normally exceed 130% of the value of the Fund.

The Fund's extended long and short positions are usually, at least in part, obtained by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of a basket of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also hold other securities (including fixed interest securities), money market instruments, deposits, cash and near cash.

These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective. In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The MSCI ACWI Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies worldwide, currently with more than 2,700 companies included. It is representative of the type of company in which the Fund invests and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Net Accumulation Class 1 Shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Extended Alpha Fund has risen from 355.21p to 450.12p.

For comparison, using noon prices, the performance of the Class 1 share class was +26.72% and +27.77% for the Class 2 share class compared to a return of +32.75% for the Morningstar UK Unit Trusts/OEICs – IA Global 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 Index was +33.38%.

Market Overview and Portfolio Activity

Global equities rose during the 12 months to 30 April. Governments and central banks responded to the impact of COVID-19 with an unprecedented series of supportive policy measures. This then fuelled a subsequent rally in risk assets, as did declining COVID-19 infections and the easing of lockdown measures in some countries. The positive sentiment was reinforced by better-than-expected economic data and corporate earnings. Caution returned to equity markets in September and October, amid fears of a second wave of the virus and uncertainty surrounding November's US presidential election. Despite lockdowns and rising COVID-19 case numbers, risk appetite returned in the last two months of the year, thanks to Joe Biden's victory in the US election, positive news on coronavirus vaccines, and the signing of the long-awaited Brexit deal.

Markets were volatile at the start of 2021, as the expectation of more US fiscal stimulus was set against the slow pace of vaccinations in some countries and the threats posed by new strains of the virus. A rise in global bond yields led to some volatility in equities, as investors mulled the prospect of inflationary pressures. This led to profit taking in high-valuation growth sectors and a rotation into more value-oriented cyclical.

US equities were helped by strong gains from the market's sizeable technology sector, which benefited from the pandemic-driven shift towards online services. Gains by Europe ex UK stocks were capped by concerns about the toll of slowing global growth on the region's export-dependent economy. UK equities were hurt by the market's high exposure to energy and financial stocks, which underperformed, as well as jitters about a no-deal Brexit. More positively, the UK has led the way in vaccinating its population, which fuelled hopes of a swifter economic rebound in 2021.

Japanese stocks fared better than global markets, given the relative success of its containment measures. The period was notable for the resignation of Prime Minister Shinzo Abe in August. However, the swift election of Yoshihide Suga – an ally of Abe and prominent figure in the "Abenomics" reform initiatives – allayed market concerns. Elsewhere, emerging-market stocks were supported by US dollar weakness and rising commodity prices over the period. The strong performance of index heavyweight China was also beneficial, though the escalation in geopolitical tensions was a headwind.

In the long book, new additions over the period included T-Mobile US, Micron Technology and NextEra Energy.

T-Mobile US is the leading challenger brand in US wireless. The company boasts a resilient business model and a strong reputation. T-Mobile US is in a strong market position to benefit and gain market share post-pandemic, and as the demand for cloud computing and the development of 5G increases.

Micron Technology's increasingly strong competitive position should ensure that it capitalises on both a cyclical upturn in memory demand, and structural industry developments linked to data growth and related memory content. Micron has made substantial operational improvements, and is a leader in process technology, power-efficient products and performance reliability.

NextEra is already the largest owner of renewable assets in the US, and we feel that market share is likely to increase further. The company has multiple avenues for growth and is well-positioned to capitalise on a constructive regulatory framework. NextEra dominates the renewable energy segment and is well placed to benefit from attractive trends within electricity generation, as renewable energy and battery storage become more cost-effective for consumers, and increasingly replace conventional sources of energy such as nuclear, coal and gas.

To help fund these purchases, we profitably sold our positions in Vertex Pharmaceuticals and Nintendo, following both stocks' strong performance.

In the short book, new additions included a machinery manufacturer, a telecommunications company and a medical technology business. We closed our short positions in a media and communications business, a manufacturing firm and a software company.

The beginning of 2021 saw a rotation into value stocks, as equity markets priced in an economic recovery at a faster rate than previously expected. This type of sentiment-driven market tends to prove challenging for the strategy, given our quality-growth bias. However, we would question whether this value rotation is sustainable. We believe that the ongoing global responses to the coronavirus have accelerated certain structural trends and created an environment in which companies with a sustainable edge can thrive. We feel that the market will increasingly come to recognise the long-term merits of these businesses.

We remain firmly of the view that companies with the ability to sustain above-average growth rates will be attractive for investors. In the long book, we therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to continue delivering high returns and earnings growth across a range of market conditions. By contrast, we continue to seek businesses experiencing secular declines or deteriorations in their competitive positions for the short book.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	54,039	15,614
Revenue	3	2,356	2,287
Expenses	4	(1,302)	(879)
Interest payable and similar charges	5	(1,299)	(1,219)
Net (expense)/revenue before taxation		(245)	189
Taxation	6	(385)	(189)
Net expense after taxation		(630)	–
Total return before distributions		53,409	15,614
Distributions**	7	(259)	(368)
Change in net assets attributable to shareholders from investment activities		53,150	15,246

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		217,047	161,779
Current assets:			
Debtors	8	2,722	4,688
Cash and bank balances	9	244	16,113
Cash equivalents***		12,864	7,412
Total assets		232,877	189,992
Liabilities:			
Investment liabilities		(13)	(188)
Creditors:			
Bank overdrafts	9	(1,044)	–
Other creditors	10	(2,031)	(7,942)
Total liabilities		(3,088)	(8,130)
Net assets attributable to shareholders		229,789	181,862

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	181,862	145,026
Amounts receivable on the issue of shares**	105,247	115,790
Amounts payable on the cancellation of shares**	(110,717)	(94,633)
	(5,470)	21,157
Dilution adjustment	23	53
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	53,150	15,246
Retained distribution on accumulation shares	224	380
Closing net assets attributable to shareholders	229,789	181,862

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 18.

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class A – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class A SGD Hedged – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

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

Threadneedle Global Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class P – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	0.6524	—	0.6524	0.8347
Group 2				
01/05/20 to 30/04/21	0.6524	—	0.6524	0.8347
Total distributions in the period			0.6524	0.8347

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: Nil).

Class Z – Gross income shares*

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 0.0090).

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	181.58	166.97	145.82	354.87	326.86	284.81
Return before operating charges (p)	52.07	17.45	23.64	101.79	33.64	46.91
Operating charges (p)	(3.40)	(2.84)	(2.49)	(6.71)	(5.63)	(4.86)
Return after operating charges (p)*	48.67	14.61	21.15	95.08	28.01	42.05
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	230.25	181.58	166.97	449.95	354.87	326.86
*after direct transaction costs of (p)	0.10	0.15	0.09	0.20	0.28	0.18
Performance						
Return after charges (%)	26.80	8.75	14.50	26.79	8.57	14.76
Other information						
Closing net asset value (£000)	7	5	13	8,812	1,791	10,419
Closing number of shares	3,000	3,000	7,485	1,958,406	504,715	3,187,685
Operating charges (%)**	1.63	1.61	1.63	1.62	1.65	1.63
Performance fee (%)	–	0.60	0.42	–	0.53	0.10
Direct transaction costs (%)***	0.05	0.08	0.06	0.05	0.08	0.06
Prices						
Highest share price (p)	232.77	196.66	167.34	454.88	384.36	327.71
Lowest share price (p)	176.49	153.92	132.36	344.92	300.84	258.47
	Class 1 EUR – Accumulation shares			Class 1 USD – Accumulation shares		
	25/01/2019 ¹			25/01/2019 ¹		
Change in net assets per share						
Opening net asset value per share (p)	306.01			306.01		
Return before operating charges (p)	(20.79)			(20.77)		
Operating charges (p)	(3.43)			(3.44)		
Return after operating charges (p)*	(24.22)			(24.21)		
Distributions (p)	–			–		
Retained distributions on accumulation shares (p)	–			–		
Closing net asset value per share (p)	281.79			281.80		
*after direct transaction costs of (p)	0.13			0.12		
Performance						
Return after charges (%)	(7.91)			(7.91)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Performance fee (%)	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	322.21			322.22		
Lowest share price (p)	258.47			258.48		

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class A – Accumulation shares			Class A SGD Hedged – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019 ²	30/04/2021	30/04/2020	30/04/2019 ²
Change in net assets per share						
Opening net asset value per share (p)	118.95	109.10	100.00	110.61	106.32	100.00
Return before operating charges (p)	34.13	11.89	10.86	38.39	6.26	8.04
Operating charges (p)	(2.27)	(2.04)	(1.76)	(2.21)	(1.97)	(1.72)
Return after operating charges (p)*	31.86	9.85	9.10	36.18	4.29	6.32
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	150.81	118.95	109.10	146.79	110.61	106.32
*after direct transaction costs of (p)	0.07	0.10	0.06	0.07	0.09	0.06
Performance						
Return after charges (%)	26.78	9.03	9.10	32.71	4.03	6.32
Other information						
Closing net asset value (£000)	13,749	5,671	507	7,097	1,353	290
Closing number of shares	9,116,604	4,767,439	464,605	4,834,503	1,223,548	272,390
Operating charges (%)**	1.64	1.76	1.95 ¹	1.64	1.78	1.97 ¹
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.05	0.08	0.06	0.05	0.08	0.06
Prices						
Highest share price (p)	152.47	128.83	109.25	147.86	124.15	106.39
Lowest share price (p)	115.61	100.84	86.21	106.94	90.64	83.61
	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	25/01/2019 ¹		
Change in net assets per share						
Opening net asset value per share (p)	386.99	353.58	306.94	329.84		
Return before operating charges (p)	111.37	36.42	49.29	(22.42)		
Operating charges (p)	(3.66)	(3.01)	(2.65)	(1.86)		
Return after operating charges (p)*	107.71	33.41	46.64	(24.28)		
Distributions (p)	–	–	–	–		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	494.70	386.99	353.58	305.56		
*after direct transaction costs of (p)	0.22	0.31	0.19	0.14		
Performance						
Return after charges (%)	27.83	9.45	15.20	(7.36)		
Other information						
Closing net asset value (£000)	76,116	52,692	75,569	–		
Closing number of shares	15,386,197	13,615,876	21,372,674	–		
Operating charges (%)**	0.82	0.81	0.82	–		
Performance fee (%)	–	0.66	0.70	–		
Direct transaction costs (%)***	0.05	0.08	0.06	–		
Prices						
Highest share price (p)	499.96	418.46	354.35	347.35		
Lowest share price (p)	376.16	327.73	280.07	280.08		

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares			Class P – Accumulation shares		
	25/01/2019 ¹			30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	329.84			136.43	124.27	107.76
Return before operating charges (p)	(22.44)			39.26	13.61	18.01
Operating charges (p)	(1.85)			(1.28)	(1.45)	(1.50)
Return after operating charges (p)*	(24.29)			37.98	12.16	16.51
Distributions (p)	–			–	–	–
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	305.55			174.41	136.43	124.27
*after direct transaction costs of (p)	0.14			0.08	0.11	0.07
Performance						
Return after charges (%)	(7.36)			27.84	9.79	15.32
Other information						
Closing net asset value (£000)	–			21,524	21,338	3,005
Closing number of shares	–			12,341,112	15,639,516	2,418,553
Operating charges (%)**	–			0.82	1.10	1.31
Performance fee (%)	–			–	–	–
Direct transaction costs (%)***	–			0.05	0.08	0.06
Prices						
Highest share price (p)	347.34			176.26	147.53	124.45
Lowest share price (p)	280.06			132.62	115.54	98.00
	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	186.93	167.22	144.38	178.29	163.35	142.24
Return before operating charges (p)	53.98	19.82	22.95	51.29	16.45	22.44
Operating charges (p)	(0.15)	(0.11)	(0.11)	(1.83)	(1.51)	(1.33)
Return after operating charges (p)*	53.83	19.71	22.84	49.46	14.94	21.11
Distributions (p)	(0.65)	(0.83)	(0.13)	–	–	–
Retained distributions on accumulation shares (p)	0.65	0.83	0.13	–	–	–
Closing net asset value per share (p)	240.76	186.93	167.22	227.75	178.29	163.35
*after direct transaction costs of (p)	0.11	0.15	0.09	0.10	0.14	0.09
Performance						
Return after charges (%)	28.80	11.79	15.82	27.74	9.15	14.84
Other information						
Closing net asset value (£000)	82,497	85,073	41,275	19,956	13,938	13,948
Closing number of shares	34,264,729	45,509,588	24,683,479	8,762,387	7,817,326	8,538,631
Operating charges (%)**	0.07	0.06	0.07	0.89	0.88	0.89
Performance fee (%)	–	–	0.97	–	0.94	0.88
Direct transaction costs (%)***	0.05	0.08	0.06	0.05	0.08	0.06
Prices						
Highest share price (p)	243.25	201.85	167.58	230.18	192.82	163.76
Lowest share price (p)	181.72	158.17	132.38	173.31	151.01	129.73

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares	
	30/04/2021	30/04/2020 ³
Change in net assets per share		
Opening net asset value per share (p)	94.31	100.00
Return before operating charges (p)	27.24	(5.53)
Operating charges (p)	(0.99)	(0.15)
Return after operating charges (p)*	26.25	(5.68)
Distributions (p)	–	(0.01)
Retained distributions on accumulation shares (p)	–	–
Closing net asset value per share (p)	120.56	94.31
*after direct transaction costs of (p)	0.06	0.07
Performance		
Return after charges (%)	27.83	(5.68)
Other information		
Closing net asset value (£000)	31	1
Closing number of shares	25,976	1,000
Operating charges (%)**	0.86	0.87 [†]
Direct transaction costs (%)***	0.05	0.08
Prices		
Highest share price (p)	121.84	102.01
Lowest share price (p)	91.66	79.88

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

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

¹Commenced 15 June 2018 and closed 25 January 2019.

²Commenced 1 June 2018.

³Commenced 18 February 2020.

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

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	49,111	6,095
Derivative contracts	5,097	9,406
Forward currency contracts	239	(66)
Other (losses)/gains	(406)	182
Transaction costs	(2)	(3)
Net capital gains	54,039	15,614

3 REVENUE

	2021 £000	2020 £000
UK dividends	153	188
Overseas dividends	2,163	1,773
Interest on short term investments	–	81
Derivative revenue	20	–
Bank interest	20	245
Total revenue	2,356	2,287

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,128)	(773)
Performance fees*	–	25
Registration fees	(106)	(74)
	(1,234)	(822)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(26)	(20)
Safe custody fees	(21)	(15)
	(47)	(35)
Other expenses:		
Regulatory fees	(5)	(7)
Audit fees	(13)	(14)
Non-audit service fees payable to auditors	(3)	(1)
	(21)	(22)
Total expenses**	(1,302)	(879)

*With effect from 1 January 2020, the application of performance fees has been discontinued on the Funds mentioned above. The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the MSCI All Countries World Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2020 (2019: £917,049).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Dividends payable on short positions	(1,299)	(1,064)
Derivative expense	–	(155)
Total interest payable and similar charges	(1,299)	(1,219)

6 TAXATION

a) Analysis of charge in period

	2021 £000	Restated 2020* £000
Capital gains tax charge in the statement of total return for the period	(121)	–
Overseas taxes	(264)	(189)
Total current tax (note 6b)	(385)	(189)
Total tax charge for the period	(385)	(189)

b) Factors affecting taxation charge for period

	2021 £000	Restated 2020* £000
Net (expense)/revenue before taxation*	(245)	189
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	49	(38)
Effects of:		
Revenue not subject to taxation*	464	400
Overseas taxes	(264)	(189)
Overseas tax expensed	1	2
Excess expenses*	(514)	(358)
Conversion transfer from capital*	–	(6)
Overseas capital gains tax	(121)	–
Current tax charge for period (note 6a)	(385)	(189)

*For details on restatement please refer to note 18.

The fund has not recognised a deferred tax asset of £2,278,580 (2020: £1,764,934) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Final	224	380
	224	380
Add: Revenue deducted on the cancellation of shares*	37	18
Deduct: Revenue received on the creation of shares*	(2)	(30)
Net distribution for the period	259	368
Net expense after taxation	(630)	–
Performance fee charged to capital	–	(25)
Equalisation on conversion*	–	32
Capital gains tax	121	–
Shortfall transfer from capital to revenue	768	361
Total distributions	259	368

*For details on restatement please refer to note 18.

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 113 to 114.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	2,321	378
Sales awaiting settlement	3	3,934
Accrued revenue	253	265
Foreign withholding tax recoverable	145	111
Total debtors	2,722	4,688

9 CASH AND BANK BALANCES

	2021 £000	2020 £000
Amounts held at futures clearing houses and brokers	4	415
Cash and bank balances	240	15,698
	244	16,113
Bank overdrafts	(1,044)	–
Total cash and bank balances	(800)	16,113

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2021	2020
	£000	£000
Amounts payable for the cancellation of shares	(1,736)	(493)
Purchases awaiting settlement	—	(7,279)
Accrued expenses	(174)	(102)
Amounts payable to ACD	(121)	(68)
Total other creditors	(2,031)	(7,942)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

13 SHAREHOLDER FUNDS

Threadneedle Global Extended Alpha Fund currently has six share classes; Class 1, Class A, Class 2, Class P, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class A shares	1.50%
Class 2 shares	0.75%
Class P shares	0.75%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class A shares	0.110%
Class 2 shares	0.035%
Class P shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 115 to 118. The distribution per share class is given in the distribution table on pages 113 to 114.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	3,000
Shares issued	—
Shares redeemed	—
Net conversions	—
Closing shares	3,000
Class 1 – Accumulation shares	
Opening shares	504,715
Shares issued	14,199,906
Shares redeemed	(12,652,934)
Net conversions	(93,281)
Closing shares	1,958,406

2021

Class A – Accumulation shares

Opening shares	4,767,439
Shares issued	11,437,086
Shares redeemed	(7,087,921)
Net conversions	—
Closing shares	9,116,604

Class A SGD Hedged – Accumulation shares

Opening shares	1,223,548
Shares issued	6,633,323
Shares redeemed	(3,022,368)
Net conversions	—
Closing shares	4,834,503

Class 2 – Accumulation shares

Opening shares	13,615,876
Shares issued	3,082,946
Shares redeemed	(1,310,060)
Net conversions	(2,565)
Closing shares	15,386,197

Class P – Accumulation shares

Opening shares	15,639,516
Shares issued	4,034,984
Shares redeemed	(7,333,388)
Net conversions	—
Closing shares	12,341,112

Class X – Accumulation shares

Opening shares	45,509,588
Shares issued	—
Shares redeemed	(11,244,859)
Net conversions	—
Closing shares	34,264,729

Class Z – Accumulation shares

Opening shares	7,817,326
Shares issued	1,527,718
Shares redeemed	(773,845)
Net conversions	191,188
Closing shares	8,762,387

Class Z – Gross income shares

Opening shares	1,000
Shares issued	24,976
Shares redeemed	—
Net conversions	—
Closing shares	25,976

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Value at Risk (VaR) disclosure

Ex ante risk forecasts are generated using factor models provided by BlackRock Solutions. The risk model is updated daily. VaR is used to evaluate the level of Global Exposure undertaken by the fund. VaR is defined using two variables – a time period and a probability of loss. For example, a 99%, 1 month VaR estimate would imply there is a 99% probability that the fund will lose no more than this VaR amount over a one month period. The figure is calculated using a covariance model with 2 years of data, weighted with a 6 month half-life. All risk figures are estimates. The fund's VaR limit is 1.6x benchmark¹.

As at year end the fund's VaR was 11.5% (2020: 15.4%). This means that there is estimated to be a 1% chance that the fund could lose more than 11.5% (2020: 15.4%) of its value in a month.

At 30 April, 2021 the VaR utilisation was 63% (2020: 58%) (actual VaR/VaR limit). During the year ended 30 April, 2021 the lowest VaR utilisation was 57% (2020: 55%), the highest VaR utilisation was 68% (2020: 80%) and the average utilisation was 62% (2020: 71%).

¹The benchmark of fund is shown on page 186.

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

Currency exposures

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

	Total
Currency 2021	£000
Australian Dollar	(1)
Danish Krone	8,091
Euro	16,665
Hong Kong Dollar	6,201
Indian Rupee	2,242
Indonesian Rupiah	1,811
Japanese Yen	13,109
Singapore Dollar	6,960
South Korean Won	8,989
Swiss Franc	2,779
Taiwan Dollar	3,567
US Dollar	149,648
Currency 2020	£000
Australian Dollar	(5)
Danish Krone	3,248
Euro	11,902
Hong Kong Dollar	8,638
Indian Rupee	4,915
Japanese Yen	9,224
Singapore Dollar	1,389
South Korean Won	5,118
Taiwan Dollar	1,875
US Dollar	127,942

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
US Dollar	11.21	7.30
Currency 2020	%	%
US Dollar	3.85	2.71

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure	Portfolio Swaps Exposure	Collateral Pledged
2021	£000	£000	£000
Counterparty			
Bank of Scotland	3	—	—
UBS	—	1,251	712
2020	£000	£000	£000
Counterparty			
J.P. Morgan	13	—	—
UBS	—	—	415

The fund held £827,000 (2020: £200,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Danish Krone	—	—	8,091	8,091
Euro	—	—	16,667	16,667
Hong Kong Dollar	—	—	6,202	6,202
Indian Rupee	185	—	2,057	2,242
Indonesian Rupiah	35	—	1,776	1,811
Japanese Yen	—	—	13,109	13,109
Singapore Dollar	1	—	7,324	7,325
South Korean Won	—	—	8,989	8,989
Swiss Franc	—	—	2,724	2,724
Taiwan Dollar	—	—	3,567	3,567
UK Sterling	19	—	11,549	11,568
US Dollar	4	12,864	146,779	159,647
Currency 2020	£000	£000	£000	£000
Danish Krone	—	—	3,248	3,248
Euro	56	—	12,061	12,117
Hong Kong Dollar	—	—	8,638	8,638
Indian Rupee	260	—	4,655	4,915
Japanese Yen	—	—	9,688	9,688
Singapore Dollar	—	—	1,389	1,389
South Korean Won	—	—	5,118	5,118
Taiwan Dollar	—	—	1,875	1,875
UK Sterling	22	—	10,203	10,225
US Dollar	15,775	7,412	115,993	139,180
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Australian Dollar	—	—	(1)	(1)
Euro	—	—	(2)	(2)
Hong Kong Dollar	—	—	(1)	(1)
Singapore Dollar	—	—	(365)	(365)
Swiss Franc	—	—	55	55
UK Sterling	—	—	(1,840)	(1,840)
US Dollar	(1,044)	—	(8,955)	(9,999)
Currency 2020	£000	£000	£000	£000
Australian Dollar	—	—	(5)	(5)
Euro	—	—	(215)	(215)
Japanese Yen	—	—	(464)	(464)
UK Sterling	—	—	(2,609)	(2,609)
US Dollar	—	—	(11,238)	(11,238)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

Derivatives including forward foreign exchange contracts and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. At 30 April 2021, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £1,254,000 (2020: £14,000) and a liability value of £13,000 (2020: £188,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	228,657	–	169,177	–
Level 2	1,254	(13)	14	(188)
	229,911	(13)	169,191	(188)

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	97,524	27	0.03	27	0.03
Collective investment schemes	61,565	–	–	–	–
Corporate actions	135	–	–	–	–
Total	159,224	27		27	

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	93,398	29	0.03	25	0.03
Collective investment schemes	55,514	–	–	–	–
Total	148,912	29		25	

Total sales net of transaction costs:

148,858

Transaction costs as a percentage of average Net Assets

Commissions: 0.03%

Taxes: 0.02%

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	121,977	35	0.03	58	0.05
Collective investment schemes	16,473	–	–	–	–
Total	138,450	35		58	

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	91,510	30	0.03	13	0.01
Collective investment schemes	13,545	–	–	–	–
Total	105,055	30		13	

Total sales net of transaction costs:

105,012

Transaction costs as a percentage of average Net Assets

Commissions: 0.04%

Taxes: 0.04%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (30 April 2020: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

18 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
Distributions	(336)	(32)	(368)
Net impact		(32)	

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
Amounts receivable on the issue of shares	146,905	(31,115)	115,790
Amounts payable on the cancellation of shares	(125,780)	31,147	(94,633)
	21,125	32	21,157

Change in net assets attributable to shareholders from investment activities (see statement of total return above)

15,278 (32) 15,246

Impact on net assets attributable to shareholders

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000

Note 6 TAXATION

Revenue not subject to taxation	401	(1)	400
Excess expenses	(365)	7	(358)
Conversion transfer from capital	–	(6)	(6)
Net impact		–	

	Previously reported 2020	Adjustments	Restated 2020
	£'000	£'000	£'000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	50	(32)	18
Deduct: Revenue received on the creation of shares	(94)	64	(30)
Net impact		32	
Equalisation on conversion	–	32	32

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

19 POST BALANCE SHEET EVENT

During the period from the balance sheet date to 28 July 2021, the net asset value of the Fund decreased by 18.03%. This decrease is primarily driven by overall levels of net redemptions within the Fund. The net asset value was reviewed again on 4 August with no material movements noted since 28 July.

The table below shows net redemptions between the year-ended 30 April 2021 and 4 August 2021 as a percentage of the closing NAV for share classes with significant movements. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Accumulation shares	(77.17)
Class A – Accumulation shares	(13.07)
Class A SGD Hedged – Accumulation shares	(17.86)

Threadneedle Global Equity Income Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in the shares of companies worldwide.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI ACWI Index.

The MSCI ACWI Index is regarded as an appropriate representation of the share performance of large and medium-sized companies worldwide, with more than 2,700 companies currently included. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time. The Fund will typically invest in fewer than 90 companies, which may include shares of some companies not within the MSCI ACWI Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. In addition, the Fund may commence using derivatives with the aim of achieving an investment gain, providing 60 days' notice is given to shareholders.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2021, the published share price of Class 1 – Income shares in the Threadneedle Global Equity Income Fund has risen from 124.77p to 151.45p.

For comparison, using noon prices, the performance of the Class 1 share class was +25.07% and +25.79% for the Class 2 share class compared to a return of +23.83% for the Morningstar UK Unit Trusts/OEICs – IA Global 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 MSCI AC World Index was +33.38%.

Market Overview and Portfolio Activity

Global equities rose during the 12 months to 30 April. Governments and central banks responded to the impact of COVID-19 with an unprecedented series of supportive policy measures. This fuelled a subsequent rally in risk assets, as did declining COVID-19 infections and the easing of lockdown measures in some countries. The positive sentiment was reinforced by better-than-expected economic data and corporate earnings. Caution returned to equity markets in September and October, amid fears of a second wave of the virus and uncertainty surrounding November's US presidential election. Despite lockdowns and rising COVID-19 case numbers, risk appetite returned in the last two months of the year, thanks to Joe Biden's victory in the US election, positive news on coronavirus vaccines, and the signing of the long-awaited Brexit deal.

Markets were volatile at the start of 2021, as the expectation of more US fiscal stimulus was set against the slow pace of vaccinations in some countries and the threats posed by new strains of the virus. A rise in global bond yields led to some volatility in equities, as investors mulled the prospect of inflationary pressures. This led to profit-taking in high-valuation growth sectors and a rotation into more value-oriented cyclical US equities were helped by strong gains from the market's sizeable technology sector, which benefited from the pandemic-driven shift towards online services. Gains by Europe ex UK stocks were capped by concerns about the toll of slowing global growth on the region's export-dependent economy. UK equities were hurt by the market's high exposure to energy and financial stocks, which underperformed, as well as jitters about a no-deal Brexit. More positively, the UK has led the way in vaccinating its population, which fuelled hopes of a swifter economic rebound in 2021.

Japanese stocks fared better than global markets, given the relative success of its containment measures. The period was notable for the resignation of Prime Minister Shinzo Abe in August. However, the swift election of Yoshihide Suga – an ally of Abe and prominent figure in the "Abenomics" reform initiatives – allayed market concerns. Elsewhere, emerging-market stocks were supported by US dollar weakness and rising commodity prices over the period. The strong performance of index heavyweight China was also beneficial, though the escalation in geopolitical tensions was a headwind. In terms of activity, we established positions in Microsoft, Fidelity National Information Services (FIS) and DBS Group over the period.

Major growth drivers for Microsoft have been its Office 365 software – a subscription package which promotes recurring revenues – and its Azure cloud-computing platform. Because cloud computing is one of the strongest trends driving markets, Microsoft's platform should ensure that it remains a long-term beneficiary of generational business migration into this space. Microsoft was able to quickly pivot both its operations and technology to adjust to increasing demand for several of its cloud services, due to COVID-19. The company also boasts large distribution channels and an installed customer base, which serve as durable competitive advantages.

FIS is a world leader in global e-commerce and integrated payment services. The company's market position has been strengthened by the acquisition of Worldpay. We also believe that FIS's scale leaves it well placed to capitalise on trends such as cashless transactions, e-commerce and EM wealth creation.

DBS Group is Singapore's largest bank and a "best in class" financial services provider. We feel the company is well placed to capitalise on the growing use of technology. DBS operates predominantly in Singapore and Hong Kong, two of the world's most profitable markets, characterised by oligopolistic structures, high geographic concentration and wealthy customers. DBS enjoys stable high returns, has invested heavily in its digital offering and appears to be at the forefront of leveraging technology to shape the future of banking.

To help fund these purchases, we sold holdings including Pfizer and Johnson & Johnson.

Prospects for the global economy are looking more positive for 2021. The virus has accelerated certain structural trends, such as digitisation and decarbonisation, and created an environment in which companies with a sustainable edge can thrive. The post-COVID-19 world is likely to be more indebted, with low economic growth and low interest rates. After a challenging year for dividends in 2020, the outlook for 2021 is positive. Many of the sectors that were most impacted in 2020, such as autos, should see a good rebound in dividends. But this is not universal, with some areas likely to struggle in 2021. Focusing on sustainable dividends and capital return in this environment is even more important. To manage risk, the portfolio has balanced exposure to different sources of yield to support a stable income profile across market cycles.

We reiterate our view that disciplined capital allocators offering a compelling blend of income and growth should remain attractive to investors, and that dividends are an underappreciated signal of investment quality. Overall, we retain our focus on quality income.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains/(losses)	2	53,306	(26,791)
Revenue	3	7,510	11,968
Expenses	4	(2,032)	(2,664)
Interest payable and similar charges	5	–	(2)
Net revenue before taxation		5,478	9,302
Taxation	6	134	(1,187)
Net revenue after taxation		5,612	8,115
Total return before distributions		58,918	(18,676)
Distributions**	7	(7,346)	(10,372)
Change in net assets attributable to shareholders from investment activities		51,572	(29,048)

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		235,703	216,936
Current assets:			
Debtors	8	3,562	3,528
Cash and bank balances		18,845	2,403
Cash equivalents***		1,014	5,600
Total assets		259,124	228,467
Liabilities:			
Creditors:			
Bank overdrafts		(2,145)	–
Distribution payable		(1,938)	(1,596)
Other creditors	9	(17,363)	(469)
Total liabilities		(21,446)	(2,065)
Net assets attributable to shareholders		237,678	226,402

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	226,402	395,698
Amounts receivable on the issue of shares**	58,358	29,595
Amounts payable on the cancellation of shares**	(84,004)	(172,105)
Amounts payable on inspecie transfers	(16,676)	–
	(42,322)	(142,510)
Dilution adjustment	42	38
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	51,572	(29,048)
Retained distribution on accumulation shares	1,984	2,224
Closing net assets attributable to shareholders	237,678	226,402

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	1.1299	–	1.1299	1.4063
01/08/20 to 31/10/20	0.8273	–	0.8273	1.0496
01/11/20 to 31/01/21	0.6093	–	0.6093	0.8460
01/02/21 to 30/04/21	1.7572	–	1.7572	1.1853
Group 2				
01/05/20 to 31/07/20	0.5549	0.5750	1.1299	1.4063
01/08/20 to 31/10/20	0.4048	0.4225	0.8273	1.0496
01/11/20 to 31/01/21	0.3256	0.2637	0.6093	0.8460
01/02/21 to 30/04/21	0.9597	0.7975	1.7572	1.1853
Total distributions in the period			4.3237	4.4872

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 17.

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

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Monthly Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/05/20	0.4002	–	0.4002	0.6364
01/06/20 to 30/06/20	0.3786	–	0.3786	0.4885
01/07/20 to 31/07/20	0.1934	–	0.1934	0.0862
01/08/20 to 31/08/20	0.2912	–	0.2912	0.4725
01/09/20 to 30/09/20	0.2575	–	0.2575	0.3147
01/10/20 to 31/10/20	0.1638	–	0.1638	0.1170
01/11/20 to 30/11/20	0.1918	–	0.1918	0.2399
01/12/20 to 31/12/20	0.1876	–	0.1876	0.4157
01/01/21 to 31/01/21	0.1406	–	0.1406	0.0736
01/02/21 to 28/02/21	0.1585	–	0.1585	0.2459
01/03/21 to 31/03/21	0.9120	–	0.9120	0.5256
01/04/21 to 30/04/21	0.4415	–	0.4415	0.2534
Group 2				
01/05/20 to 31/05/20	0.0018	0.3984	0.4002	0.6364
01/06/20 to 30/06/20	–	0.3786	0.3786	0.4885
01/07/20 to 31/07/20	0.0533	0.1401	0.1934	0.0862
01/08/20 to 31/08/20	0.0021	0.2891	0.2912	0.4725
01/09/20 to 30/09/20	–	0.2575	0.2575	0.3147
01/10/20 to 31/10/20	0.0040	0.1598	0.1638	0.1170
01/11/20 to 30/11/20	0.0029	0.1889	0.1918	0.2399
01/12/20 to 31/12/20	–	0.1876	0.1876	0.4157
01/01/21 to 31/01/21	0.0308	0.1098	0.1406	0.0736
01/02/21 to 28/02/21	–	0.1585	0.1585	0.2459
01/03/21 to 31/03/21	0.0032	0.9088	0.9120	0.5256
01/04/21 to 30/04/21	0.0019	0.4396	0.4415	0.2534
Total distributions in the period			3.7167	3.8694

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	1.9393	–	1.9393	2.3374
01/08/20 to 31/10/20	1.4331	–	1.4331	1.7598
01/11/20 to 31/01/21	1.0569	–	1.0569	1.4276
01/02/21 to 30/04/21	3.0779	–	3.0779	2.0173
Group 2				
01/05/20 to 31/07/20	0.9393	1.0000	1.9393	2.3374
01/08/20 to 31/10/20	1.0771	0.3560	1.4331	1.7598
01/11/20 to 31/01/21	1.0432	0.0137	1.0569	1.4276
01/02/21 to 30/04/21	2.0249	1.0530	3.0779	2.0173
Total distributions in the period			7.5072	7.5421

Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	0.9936	–	0.9936	1.1715
01/08/20 to 31/10/20	0.7642	–	0.7642	0.8862
01/11/20 to 31/01/21	0.5718	–	0.5718	0.7141
01/02/21 to 30/04/21	1.6075	–	1.6075	1.0227
Group 2				
01/05/20 to 31/07/20	0.9936	–	0.9936	1.1715
01/08/20 to 31/10/20	0.7642	–	0.7642	0.8862
01/11/20 to 31/01/21	0.5718	–	0.5718	0.7141
01/02/21 to 30/04/21	1.6075	–	1.6075	1.0227
Total distributions in the period			3.9371	3.7945

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	1.2249	–	1.2249	1.5132
01/08/20 to 31/10/20	0.9047	–	0.9047	1.1384
01/11/20 to 31/01/21	0.6690	–	0.6690	0.9244
01/02/21 to 30/04/21	1.9017	–	1.9017	1.2816
Group 2				
01/05/20 to 31/07/20	0.1120	1.1129	1.2249	1.5132
01/08/20 to 31/10/20	0.1335	0.7712	0.9047	1.1384
01/11/20 to 31/01/21	0.1313	0.5377	0.6690	0.9244
01/02/21 to 30/04/21	1.1438	0.7579	1.9017	1.2816
Total distributions in the period			4.7003	4.8576

Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	0.7748	–	0.7748	0.9872
01/08/20 to 31/10/20	0.6057	–	0.6057	0.7298
01/11/20 to 31/01/21	0.4552	–	0.4552	0.5884
01/02/21 to 30/04/21	1.2811	–	1.2811	0.8043
Group 2				
01/05/20 to 31/07/20	0.7748	–	0.7748	0.9872
01/08/20 to 31/10/20	0.6057	–	0.6057	0.7298
01/11/20 to 31/01/21	0.4552	–	0.4552	0.5884
01/02/21 to 30/04/21	1.2811	–	1.2811	0.8043
Total distributions in the period			3.1168	3.1097

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	2.1222	–	2.1222	2.5414
01/08/20 to 31/10/20	1.5833	–	1.5833	1.9252
01/11/20 to 31/01/21	1.1781	–	1.1781	1.5749
01/02/21 to 30/04/21	3.3635	–	3.3635	2.2120
Group 2				
01/05/20 to 31/07/20	0.6864	1.4358	2.1222	2.5414
01/08/20 to 31/10/20	1.1403	0.4430	1.5833	1.9252
01/11/20 to 31/01/21	1.0801	0.0980	1.1781	1.5749
01/02/21 to 30/04/21	1.6407	1.7228	3.3635	2.2120
Total distributions in the period			8.2471	8.2535

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	1.1309	–	1.1309	1.3548
01/08/20 to 31/10/20	0.8384	–	0.8384	1.0362
01/11/20 to 31/01/21	0.6235	–	0.6235	0.8351
01/02/21 to 30/04/21	1.7736	–	1.7736	1.1607
Group 2				
01/05/20 to 31/07/20	0.6592	0.4717	1.1309	1.3548
01/08/20 to 31/10/20	0.8384	–	0.8384	1.0362
01/11/20 to 31/01/21	0.6235	–	0.6235	0.8351
01/02/21 to 30/04/21	1.7736	–	1.7736	1.1607
Total distributions in the period			4.3664	4.3868

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	1.4389	–	1.4389	1.6593
01/08/20 to 31/10/20	1.0829	–	1.0829	1.2899
01/11/20 to 31/01/21	0.8023	–	0.8023	1.0363
01/02/21 to 30/04/21	2.2273	–	2.2273	1.4709
Group 2				
01/05/20 to 31/07/20	1.4389	–	1.4389	1.6593
01/08/20 to 31/10/20	1.0829	–	1.0829	1.2899
01/11/20 to 31/01/21	0.8023	–	0.8023	1.0363
01/02/21 to 30/04/21	1.0655	1.1618	2.2273	1.4709
Total distributions in the period			5.5514	5.4564

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2020/2021	Distribution Paid 2019/2020
Group 1				
01/05/20 to 31/07/20	1.2431	–	1.2431	1.5353
01/08/20 to 31/10/20	0.9117	–	0.9117	1.1479
01/11/20 to 31/01/21	0.6661	–	0.6661	0.9271
01/02/21 to 30/04/21	1.9446	–	1.9446	1.3018
Group 2				
01/05/20 to 31/07/20	0.5361	0.7070	1.2431	1.5353
01/08/20 to 31/10/20	0.3372	0.5745	0.9117	1.1479
01/11/20 to 31/01/21	0.2741	0.3920	0.6661	0.9271
01/02/21 to 30/04/21	0.9900	0.9546	1.9446	1.3018
Total distributions in the period			4.7655	4.9121

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	1.3670	–	1.3670	1.6351
01/08/20 to 31/10/20	1.0118	–	1.0118	1.2338
01/11/20 to 31/01/21	0.7439	–	0.7439	1.0040
01/02/21 to 30/04/21	2.1821	–	2.1821	1.4183
Group 2				
01/05/20 to 31/07/20	0.6039	0.7631	1.3670	1.6351
01/08/20 to 31/10/20	0.2616	0.7502	1.0118	1.2338
01/11/20 to 31/01/21	0.3929	0.3510	0.7439	1.0040
01/02/21 to 30/04/21	1.0649	1.1172	2.1821	1.4183
Total distributions in the period			5.3048	5.2912

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2020/2021	Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 31/07/20	1.0294	–	1.0294	1.2072
01/08/20 to 31/10/20	0.7954	–	0.7954	0.9137
01/11/20 to 31/01/21	0.5956	–	0.5956	0.7395
01/02/21 to 30/04/21	1.6793	–	1.6793	1.0594
Group 2				
01/05/20 to 31/07/20	1.0294	–	1.0294	1.2072
01/08/20 to 31/10/20	0.7954	–	0.7954	0.9137
01/11/20 to 31/01/21	0.5956	–	0.5956	0.7395
01/02/21 to 30/04/21	1.6793	–	1.6793	1.0594
Total distributions in the period			4.0997	3.9198

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	30/04/2021	30/04/2020	30/04/2019	30/04/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	120.78	137.94	133.72	137.60
Return before operating charges (p)	35.40	(10.38)	11.08	(1.90)
Operating charges (p)	(2.21)	(2.29)	(2.19)	(1.13)
Return after operating charges (p)*	33.19	(12.67)	8.89	(3.03)
Distributions (p)	(4.32)	(4.49)	(4.67)	(2.92)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	149.65	120.78	137.94	131.65
*after direct transaction costs of (p)	0.18	0.14	0.10	0.05
Performance				
Return after charges (%)	27.48	(9.19)	6.65	(2.20)
Other information				
Closing net asset value (£000)	5,261	5,749	23,161	–
Closing number of shares	3,515,469	4,759,626	16,791,003	–
Operating charges (%)**	1.65	1.64	1.62	–
Direct transaction costs (%)***	0.14	0.10	0.07	–
Prices				
Highest share price (p)	152.17	149.51	142.52	142.52
Lowest share price (p)	118.39	107.12	123.61	130.39

	Class 1 USD – Income shares	Class 1 – Monthly Income shares		
	30/04/2019 ¹	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share				
Opening net asset value per share (p)	137.60	104.22	119.16	115.65
Return before operating charges (p)	(1.89)	30.54	(9.11)	9.55
Operating charges (p)	(1.13)	(1.91)	(1.96)	(1.88)
Return after operating charges (p)*	(3.02)	28.63	(11.07)	7.67
Distributions (p)	(2.92)	(3.72)	(3.87)	(4.16)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	131.66	129.13	104.22	119.16
*after direct transaction costs of (p)	0.05	0.15	0.12	0.08
Performance				
Return after charges (%)	(2.19)	27.47	(9.29)	6.63
Other information				
Closing net asset value (£000)	–	327	263	808
Closing number of shares	–	253,336	252,668	678,017
Operating charges (%)**	–	1.65	1.64	1.62
Direct transaction costs (%)***	–	0.14	0.10	0.07
Prices				
Highest share price (p)	142.52	130.22	127.92	123.21
Lowest share price (p)	130.39	102.16	92.25	106.53

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 SGD Hedged – Income shares	Class 1 AUD Hedged – Monthly Income shares
	23/11/2018 ²	23/11/2018 ²
Change in net assets per share		
Opening net asset value per share (p)	114.26	114.07
Return before operating charges (p)	(3.03)	(3.43)
Operating charges (p)	(1.05)	(1.04)
Return after operating charges (p)*	(4.08)	(4.47)
Distributions (p)	(2.43)	(2.43)
Retained distributions on accumulation shares (p)	—	—
Closing net asset value per share (p)	107.75	107.17
*after direct transaction costs of (p)	0.05	0.04
Performance		
Return after charges (%)	(3.57)	(3.92)
Other information		
Closing net asset value (£000)	—	—
Closing number of shares	—	—
Operating charges (%)**	—	—
Performance fee (%)	—	—
Direct transaction costs (%)***	—	—
Prices		
Highest share price (p)	117.86	119.13
Lowest share price (p)	106.15	102.73
	Class 1 SGD Hedged – Monthly Income shares	Class 1 – Accumulation shares
	23/11/2018 ²	30/04/2021 30/04/2020 30/04/2019
Change in net assets per share		
Opening net asset value per share (p)	118.53	207.31 229.25 214.77
Return before operating charges (p)	(3.13)	61.60 (18.14) 18.03
Operating charges (p)	(1.08)	(3.78) (3.80) (3.55)
Return after operating charges (p)*	(4.21)	57.82 (21.94) 14.48
Distributions (p)	(2.52)	(7.51) (7.54) (7.59)
Retained distributions on accumulation shares (p)	—	7.51 7.54 7.59
Closing net asset value per share (p)	111.80	265.13 207.31 229.25
*after direct transaction costs of (p)	(0.05)	0.31 0.23 0.16
Performance		
Return after charges (%)	(3.55)	27.89 (9.57) 6.74
Other information		
Closing net asset value (£000)	—	5,300 9,774 7,341
Closing number of shares	—	1,999,001 4,714,558 3,201,991
Operating charges (%)**	—	1.63 1.64 1.62
Performance fee (%)	—	— — —
Direct transaction costs (%)***	—	0.14 0.10 0.07
Prices		
Highest share price (p)	122.24	266.47 248.54 231.52
Lowest share price (p)	109.42	203.21 182.10 202.29

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 EUR – Accumulation shares	Class 1 USD – Accumulation shares
	23/11/2018 ¹	23/11/2018 ¹
Change in net assets per share		
Opening net asset value per share (p)	221.01	221.01
Return before operating charges (p)	(3.69)	(3.70)
Operating charges (p)	(1.83)	(1.83)
Return after operating charges (p)*	(5.52)	(5.53)
Distributions (p)	(4.72)	(4.72)
Retained distributions on accumulation shares (p)	4.72	4.72
Closing net asset value per share (p)	215.49	215.48
*after direct transaction costs of (p)	0.08	0.08
Performance		
Return after charges (%)	(2.50)	(2.50)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Performance fee (%)	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	231.52	231.52
Lowest share price (p)	211.81	211.80

	Class 1 CHF Hedged – Accumulation shares			Class 1 SGD Hedged – Accumulation shares
	30/04/2021	30/04/2020	30/04/2019	23/11/2018 ²
Change in net assets per share				
Opening net asset value per share (p)	104.01	112.67	112.70	135.40
Return before operating charges (p)	37.75	(6.78)	1.80	(3.98)
Operating charges (p)	(2.00)	(1.88)	(1.83)	(1.25)
Return after operating charges (p)*	35.75	(8.66)	(0.03)	(5.23)
Distributions (p)	(3.94)	(3.79)	(3.91)	(2.90)
Retained distributions on accumulation shares (p)	3.94	3.79	3.91	2.90
Closing net asset value per share (p)	139.76	104.01	112.67	130.17
*after direct transaction costs of (p)	0.16	0.12	0.08	0.05
Performance				
Return after charges (%)	34.37	(7.69)	(0.03)	(3.86)
Other information				
Closing net asset value (£000)	14	10	11	–
Closing number of shares	10,000	10,000	10,000	–
Operating charges (%)**	1.63	1.62	1.62	–
Performance fee (%)	–	–	–	–
Direct transaction costs (%)***	0.14	0.10	0.07	–
Prices				
Highest share price (p)	140.14	125.50	121.64	141.30
Lowest share price (p)	101.80	90.30	103.35	127.27

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 EUR – Income shares
	30/04/2021	30/04/2020	30/04/2019	23/11/2018¹
Change in net assets per share				
Opening net asset value per share (p)	128.14	145.67	140.60	144.77
Return before operating charges (p)	37.66	(11.11)	11.60	(2.08)
Operating charges (p)	(1.54)	(1.56)	(1.51)	(0.77)
Return after operating charges (p)*	36.12	(12.67)	10.09	(2.85)
Distributions (p)	(4.70)	(4.86)	(5.02)	(3.13)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	159.56	128.14	145.67	138.79
*after direct transaction costs of (p)	0.19	0.15	0.10	0.05
Performance				
Return after charges (%)	28.19	(8.70)	7.18	(1.97)
Other information				
Closing net asset value (£000)	15,402	13,429	16,022	–
Closing number of shares	9,652,284	10,479,986	10,998,425	–
Operating charges (%)**	1.08	1.07	1.05	–
Direct transaction costs (%)***	0.14	0.10	0.07	–
Prices				
Highest share price (p)	162.28	158.05	150.01	150.02
Lowest share price (p)	125.62	113.59	130.33	137.42

	Class 2 USD – Income shares		Class 2 EUR Hedged – Income shares		
	23/11/2018¹		30/04/2021	30/04/2020	30/04/2019
Change in net assets per share					
Opening net asset value per share (p)	144.77		79.41	95.63	102.95
Return before operating charges (p)	(2.07)		33.11	(12.11)	(2.84)
Operating charges (p)	(0.77)		(1.03)	(1.00)	(1.02)
Return after operating charges (p)*	(2.84)		32.08	(13.11)	(3.86)
Distributions (p)	(3.14)		(3.12)	(3.11)	(3.46)
Retained distributions on accumulation shares (p)	–		–	–	–
Closing net asset value per share (p)	138.79		108.37	79.41	95.63
*after direct transaction costs of (p)	0.05		0.13	0.09	0.07
Performance					
Return after charges (%)	(1.96)		40.40	(13.71)	(3.75)
Other information					
Closing net asset value (£000)	–		104	81	8
Closing number of shares	–		96,000	101,625	8,625
Operating charges (%)**	–		1.08	1.07	1.05
Direct transaction costs (%)***	–		0.14	0.10	0.07
Prices					
Highest share price (p)	150.02		110.32	102.24	104.99
Lowest share price (p)	137.42		77.44	69.53	87.83

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	30/04/2021	30/04/2020	30/04/2019	23/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	222.14	244.24	227.60	234.37
Return before operating charges (p)	66.31	(19.47)	19.10	(4.03)
Operating charges (p)	(2.71)	(2.63)	(2.46)	(1.27)
Return after operating charges (p)*	63.60	(22.10)	16.64	(5.30)
Distributions (p)	(8.25)	(8.25)	(8.24)	(5.11)
Retained distributions on accumulation shares (p)	8.25	8.25	8.24	5.11
Closing net asset value per share (p)	285.74	222.14	244.24	229.07
*after direct transaction costs of (p)	0.34	0.25	0.17	0.08
Performance				
Return after charges (%)	28.63	(9.05)	7.31	(2.26)
Other information				
Closing net asset value (£000)	12,042	6,188	9,052	–
Closing number of shares	4,214,344	2,785,890	3,706,334	–
Operating charges (%)**	1.07	1.07	1.06	–
Performance fee (%)	–	–	–	–
Direct transaction costs (%)***	0.14	0.10	0.07	–
Prices				
Highest share price (p)	287.18	265.88	246.23	245.71
Lowest share price (p)	217.76	195.01	215.12	225.06
	Class 2 USD – Accumulation shares			Class W – Accumulation shares
	23/11/2018 ¹			23/11/2018 ²
Change in net assets per share				
Opening net asset value per share (p)	234.37			101.91
Return before operating charges (p)	(4.04)			1.27
Operating charges (p)	(1.26)			(0.61)
Return after operating charges (p)*	(5.30)			0.66
Distributions (p)	(5.11)			(2.24)
Retained distributions on accumulation shares (p)	5.11			2.24
Closing net asset value per share (p)	229.07			102.57
*after direct transaction costs of (p)	0.08			0.04
Performance				
Return after charges (%)	(2.26)			0.65
Other information				
Closing net asset value (£000)	–			–
Closing number of shares	–			–
Operating charges (%)**	–			–
Performance fee (%)	–			–
Direct transaction costs (%)***	–			–
Prices				
Highest share price (p)	245.71			110.01
Lowest share price (p)	225.07			100.78

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	118.68	133.60	127.71	149.31	162.61	150.21
Return before operating charges (p)	35.06	(10.44)	10.43	44.85	(13.25)	12.49
Operating charges (p)	(0.09)	(0.09)	(0.08)	(0.13)	(0.05)	(0.09)
Return after operating charges (p)*	34.97	(10.53)	10.35	44.72	(13.30)	12.40
Distributions (p)	(4.37)	(4.39)	(4.46)	(5.55)	(5.46)	(5.33)
Retained distributions on accumulation shares (p)	–	–	–	5.55	5.46	5.33
Closing net asset value per share (p)	149.28	118.68	133.60	194.03	149.31	162.61
*after direct transaction costs of (p)	0.18	0.14	0.09	0.25	0.17	0.11
Performance						
Return after charges (%)	29.47	(7.88)	8.10	29.95	(8.18)	8.26
Other information						
Closing net asset value (£000)	10,850	13,799	91,619	999	4	5
Closing number of shares	7,268,515	11,626,817	68,576,811	514,702	3,000	3,000
Operating charges (%)**	0.07	0.07	0.06	0.07	0.03	0.06
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.14	0.10	0.07	0.14	0.10	0.07
Prices						
Highest share price (p)	151.80	145.29	136.66	194.99	178.23	163.89
Lowest share price (p)	116.36	105.08	119.11	146.38	130.94	142.75

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Income shares	Class Z – Accumulation shares		
	23/11/2018 ¹	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share				
Opening net asset value per share (p)	149.31	146.00	160.27	149.15
Return before operating charges (p)	(2.16)	43.61	(12.82)	12.46
Operating charges (p)	(0.66)	(1.48)	(1.45)	(1.34)
Return after operating charges (p)*	(2.82)	42.13	(14.27)	11.12
Distributions (p)	(3.17)	(5.30)	(5.29)	(5.28)
Retained distributions on accumulation shares (p)	–	5.30	5.29	5.28
Closing net asset value per share (p)	143.32	188.13	146.00	160.27
*after direct transaction costs of (p)	0.05	0.22	0.16	0.11
Performance				
Return after charges (%)	(1.89)	28.86	(8.90)	7.46
Other information				
Closing net asset value (£000)	–	54,313	47,669	57,889
Closing number of shares	–	28,869,327	32,649,408	36,119,333
Operating charges (%)**	–	0.90	0.89	0.88
Performance fee (%)	–	–	–	–
Direct transaction costs (%)***	–	0.14	0.10	0.07
Prices				
Highest share price (p)	154.81	189.08	174.68	161.58
Lowest share price (p)	141.86	143.13	128.15	141.07
	Class Z EUR – Accumulation shares	Class Z USD – Accumulation shares		
	23/11/2018 ¹	23/11/2018 ¹		
Change in net assets per share				
Opening net asset value per share (p)	153.62	153.62		
Return before operating charges (p)	(2.68)	(2.68)		
Operating charges (p)	(0.69)	(0.69)		
Return after operating charges (p)*	(3.37)	(3.37)		
Distributions (p)	(3.28)	(3.28)		
Retained distributions on accumulation shares (p)	3.28	3.28		
Closing net asset value per share (p)	150.25	150.25		
*after direct transaction costs of (p)	0.06	0.05		
Performance				
Return after charges (%)	(2.19)	(2.19)		
Other information				
Closing net asset value (£000)	–	–		
Closing number of shares	–	–		
Operating charges (%)**	–	–		
Performance fee (%)	–	–		
Direct transaction costs (%)***	–	–		
Prices				
Highest share price (p)	161.09	161.09		
Lowest share price (p)	147.60	147.60		

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares		
	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share			
Opening net asset value per share (p)	107.86	115.97	115.18
Return before operating charges (p)	39.30	(7.07)	1.80
Operating charges (p)	(1.13)	(1.04)	(1.01)
Return after operating charges (p)*	38.17	(8.11)	0.79
Distributions (p)	(4.10)	(3.92)	(4.01)
Retained distributions on accumulation shares (p)	4.10	3.92	4.01
Closing net asset value per share (p)	146.03	107.86	115.97
*after direct transaction costs of (p)	0.17	0.12	0.08
Performance			
Return after charges (%)	35.39	(6.99)	0.69
Other information			
Closing net asset value (£000)	14	11	12
Closing number of shares	10,000	10,000	10,000
Operating charges (%)**	0.88	0.87	0.87
Direct transaction costs (%)***	0.14	0.10	0.07
Prices			
Highest share price (p)	146.44	129.87	124.61
Lowest share price (p)	105.60	93.57	106.11

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

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

¹Commenced 15 June 2018 and closed 23 November 2018.

²Closed 23 November 2018.

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

Threadneedle Global Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2021 £000	2020 £000
Non-derivative securities	53,766	(26,804)
Forward currency contracts	1	50
Other losses	(455)	(30)
Transaction costs	(6)	(7)
Net capital gains/(losses)	53,306	(26,791)

3 REVENUE

	2021 £000	2020 £000
UK dividends	1,086	1,847
Overseas dividends	6,418	10,015
Interest on short term investments	–	20
Bank interest	6	86
Total revenue	7,510	11,968

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,734)	(2,284)
Registration fees	(224)	(296)
	(1,958)	(2,580)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(27)	(37)
Safe custody fees	(26)	(25)
	(53)	(62)
Other expenses:		
Regulatory fees	(5)	(5)
Audit fees	(15)	(15)
Non-audit service fees payable to auditors	(1)	(2)
	(21)	(22)
Total expenses*	(2,032)	(2,664)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	–	(2)
Total interest payable and similar charges	–	(2)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Overseas taxes	134	(1,187)
Total current tax (note 6b)	134	(1,187)
Total tax charge for the period	134	(1,187)
b) Factors affecting taxation charge for period		
Net revenue before taxation	5,478	9,302
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,096)	(1,860)
Effects of:		
Revenue not subject to taxation	1,444	2,146
Overseas taxes	134	(1,187)
Overseas tax expensed	9	23
Excess expenses	(357)	(309)
Current tax charge for period (note 6a)	134	(1,187)

The fund has not recognised a deferred tax asset of £3,334,072 (2020: £2,976,744) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	Restated 2020* £000
Interim	4,338	7,634
Final	2,783	2,216
	7,121	9,850
Add: Revenue deducted on the cancellation of shares*	482	628
Deduct: Revenue received on the creation of shares*	(257)	(106)
Net distribution for the period	7,346	10,372
Net revenue after taxation	5,612	8,115
Annual management charge to capital	1,734	2,284
Equalisation on conversion*	–	1
Tax relief on capitalised fees	–	(29)
Undistributed revenue brought forward	–	1
Total distributions	7,346	10,372

*For details on restatement please refer to note 17.

Details of the distribution per share are set out in the table on pages 124 to 125.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	59	2,397
Sales awaiting settlement	2,328	–
Accrued revenue	723	749
Foreign withholding tax recoverable	452	382
Total debtors	3,562	3,528

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(17,160)	(279)
Accrued expenses	(7)	(11)
Amounts payable to ACD	(172)	(155)
Corporation tax payable	(24)	(24)
Total other creditors	(17,363)	(469)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

A balance of £Nil (2020: £Nil), in respect of annual management rebates is receivable at the end of the accounting period.

The fund invests in other sub-funds managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

In addition this investment has produced a non-derivative security gain of £Nil (2020: £Nil).

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

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 126 to 133. The distribution per share class is given in the distribution table on pages 124 to 125.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 1 – Income shares	
Opening shares	4,759,626
Shares issued	107,743
Shares redeemed	(960,237)
Net conversions	(391,663)
Closing shares	3,515,469
Class 1 – Monthly Income shares	
Opening shares	252,668
Shares issued	2,884
Shares redeemed	(2,216)
Net conversions	–
Closing shares	253,336
Class 1 – Accumulation shares	
Opening shares	4,714,558
Shares issued	5,515,984
Shares redeemed	(8,064,312)
Net conversions	(167,229)
Closing shares	1,999,001
Class 1 CHF Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000
Class 2 – Income shares	
Opening shares	10,479,986
Shares issued	15,920
Shares redeemed	(725,671)
Net conversions	(117,951)
Closing shares	9,652,284
Class 2 EUR Hedged – Income shares	
Opening shares	101,625
Shares issued	–
Shares redeemed	(5,625)
Net conversions	–
Closing shares	96,000
Class 2 – Accumulation shares	
Opening shares	2,785,890
Shares issued	11,055,055
Shares redeemed	(9,622,021)
Net conversions	(4,580)
Closing shares	4,214,344

2021

Class X – Income shares

Opening shares	11,626,817
Shares issued	153,870
Shares redeemed	(4,512,172)
Net conversions	–
Closing shares	7,268,515

Class X – Accumulation shares

Opening shares	3,000
Shares issued	9,064,281
Shares redeemed	(8,552,579)
Net conversions	–
Closing shares	514,702

Class Z – Income shares

Opening shares	97,489,203
Shares issued	546,212
Shares redeemed	(18,213,186)
Net conversions	458,772
Closing shares	80,281,001

Class Z – Accumulation shares

Opening shares	32,649,408
Shares issued	756,368
Shares redeemed	(4,790,347)
Net conversions	253,898
Closing shares	28,869,327

Class Z CHF Hedged – Accumulation shares

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

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.89% and vice versa (2020: 4.75%).

Currency exposures

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

	Total £000
Currency 2021	
Australian Dollar	1,904
Brazilian Real	75
Canadian Dollar	10,497
Danish Krone	77
Euro	39,603
Hong Kong Dollar	4,015
Indonesian Rupiah	6,851
Japanese Yen	2,917
Norwegian Krone	3,756
Singapore Dollar	6,754
South Korean Won	7,445
Swedish Krona	2,153
Swiss Franc	5,945
Taiwan Dollar	11,167
Thai Baht	585
US Dollar	111,090

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

Currency 2020	£000
Australian Dollar	3,268
Brazilian Real	1,567
Canadian Dollar	5,808
Danish Krone	77
Euro	30,678
Hong Kong Dollar	5,803
Indonesian Rupiah	3,468
Japanese Yen	7,857
Norwegian Krone	107
South Korean Won	7,447
Swedish Krona	3,638
Swiss Franc	7,719
Taiwan Dollar	10,964
Thai Baht	626
US Dollar	107,615

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
Euro	0.11	0.02
US Dollar	11.21	5.24
Currency 2020	%	%
Euro	0.88	0.12
US Dollar	3.85	1.83

Credit/Counterparty exposure

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

2021	Forward Foreign Exchange Contracts Exposure
Counterparty	£000
J.P. Morgan	–

2020	Forward Foreign Exchange Contracts Exposure
Counterparty	£000
J.P. Morgan	1

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Australian Dollar	–	–	1,904	1,904
Brazilian Real	75	–	–	75
Canadian Dollar	–	–	10,497	10,497
Danish Krone	–	–	77	77
Euro	–	–	39,603	39,603
Hong Kong Dollar	–	–	4,015	4,015
Indonesian Rupiah	52	–	6,799	6,851
Japanese Yen	–	–	2,917	2,917
Norwegian Krone	–	–	3,756	3,756
Singapore Dollar	–	–	6,754	6,754

Currency 2021	£000	£000	£000	£000
South Korean Won	–	–	7,445	7,445
Swedish Krona	–	–	2,153	2,153
Swiss Franc	–	–	5,945	5,945
Taiwan Dollar	1,953	–	9,214	11,167
Thai Baht	585	–	–	585
UK Sterling	16,180	–	25,965	42,145
US Dollar	–	1,014	112,413	113,427
Currency 2020	£000	£000	£000	£000
Australian Dollar	–	–	3,268	3,268
Brazilian Real	83	–	1,484	1,567
Canadian Dollar	24	–	5,784	5,808
Danish Krone	–	–	77	77
Euro	–	–	30,678	30,678
Hong Kong Dollar	–	–	5,803	5,803
Indonesian Rupiah	–	–	3,468	3,468
Japanese Yen	–	–	7,857	7,857
Norwegian Krone	–	–	107	107
South Korean Won	–	–	7,447	7,447
Swedish Krona	–	–	3,638	3,638
Swiss Franc	–	–	7,719	7,719
Taiwan Dollar	584	–	10,380	10,964
Thai Baht	626	–	–	626
UK Sterling	–	–	31,825	31,825
US Dollar	1,086	–	106,633	107,719

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
UK Sterling	–	–	(19,301)	(19,301)
US Dollar	(2,145)	–	(192)	(2,337)
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(2,065)	(2,065)
US Dollar	–	–	(104)	(104)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

Derivative risks

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

At 30 April 2021, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2020: £1,000) and a liability value of £Nil (2020: £Nil).

14 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	236,717	–	222,535	–
Level 2	–	–	1	–
	236,717	–	222,536	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value	Commissions	Taxes	
	£000	£000	%	£000
Purchases				
Equities	161,439	61	0.04	113
Collective investment schemes	35,151	–	–	–
Total	196,590	61		113
Gross purchases total:	196,764			
	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	168,686	71	0.04	59
Collective investment schemes	39,615	–	–	–
In specie transactions	14,069	–	–	–
Total	222,370	71		59

Total sales net of transaction costs: 222,240

Transaction costs as a percentage of average Net Assets

Commissions: 0.06%
Taxes: 0.08%

30 April 2020

	Value	Commissions	Taxes	
	£000	£000	%	£000
Purchases				
Equities	120,052	56	0.05	97
Collective investment schemes	32,721	–	–	–
Total	152,773	56		97
Gross purchases total:	152,926			
	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	259,763	102	0.04	57
Collective investment schemes	30,730	–	–	–
Corporate actions	6,627	–	–	–
Total	297,120	102		57

Total sales net of transaction costs: 296,961

Transaction costs as a percentage of average Net Assets

Commissions: 0.05%
Taxes: 0.05%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.06% (30 April 2020: 0.10%), being the difference between the respective buying and selling prices for the fund's investments.

17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

STATEMENT OF TOTAL RETURN	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Distributions	(10,371)	(1)	(10,372)
Net impact		(1)	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Amounts receivable on the issue of shares	37,778	(8,183)	29,595
Amounts payable on the cancellation of shares	(180,289)	8,184	(172,105)
	(142,511)	1	(142,510)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(29,047)	(1)	(29,048)
Impact on net assets attributable to shareholders		–	
	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	664	(36)	628
Deduct: Revenue received on the creation of shares	(143)	37	(106)
Net impact		1	
Equalisation on conversion	–	1	1

18 POST BALANCE SHEET EVENT

The table below shows net redemptions between the year-ended 30 April 2021 and 28 July 2021 as a percentage of the closing NAV for share classes with significant movements. The net redemptions of shares were reviewed again on 4 August with no material movements noted since 28 July. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Class Name	% Movement
Class 1 – Income shares	(14.39)
Class X – Income shares	(14.65)

Threadneedle Global Focus Fund

Investment Report

Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies worldwide.

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any economic sector or geographic region, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI ACWI Index.

The MSCI ACWI Index is regarded as an appropriate representation of the share performance of large and medium-sized companies worldwide, currently with more than 2,700 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities, convertible securities, and warrants) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

Performance of Class Z – Accumulation shares*

Over the twelve months to 30 April 2021, the published share price of Class Z – Accumulation shares in the Threadneedle Global Focus Fund has risen from 139.28p to 176.95p.

For comparison, using noon prices, the performance of the Class Z share class was +27.05% compared to a return of +32.75% for the

Morningstar UK Unit Trusts/OEICs – IA Global 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 Index was +33.38%.

Market Overview and Portfolio Activity

Global equities rose during the 12 months to 30 April. Governments and central banks responded to the COVID-19 crisis with an unprecedented series of supportive policy measures. This fuelled a subsequent rally in risk assets, as did declining COVID-19 infections and the easing of lockdown measures in some countries. The positive sentiment was reinforced by better-than-expected economic data and corporate earnings. Caution returned to equity markets in September and October, amid fears of a second wave of the virus and uncertainty surrounding November's US presidential election. Despite lockdowns and rising COVID-19 case numbers, risk appetite returned in the last two months of the year, thanks to Joe Biden's victory in the US election, positive news on coronavirus vaccines, and the signing of the long-awaited Brexit deal.

Markets were volatile at the start of 2021, as the expectation of more US fiscal stimulus was set against the slow pace of vaccinations in some countries and the threats posed by new strains of the virus. A rise in global bond yields led to some volatility in equities, as investors mulled the prospect of inflationary pressures. This led to profit-taking in high-valuation growth sectors and a rotation into more value-oriented cyclical.

US equities were helped by strong gains from the market's sizeable technology sector, which benefited from the pandemic-driven shift towards online services. Gains by Europe ex UK stocks were capped by concerns about the toll of slowing global growth on the region's export-dependent economy. UK equities were hurt by the market's high exposure to energy and financial stocks, which underperformed, as well as jitters about a no-deal Brexit. More positively, the UK has led the way in vaccinating its population, which fuelled hopes of a swifter economic rebound in 2021.

Japanese stocks fared better than global markets, given the relative success of its containment measures. The period was notable for the resignation of Prime Minister Shinzo Abe in August. However, the swift election of Yoshihide Suga – an ally of Abe and prominent

figure in the "Abenomics" reform initiatives – allayed market concerns. Elsewhere, emerging-market stocks were supported by US dollar weakness and rising commodity prices over the period. The strong performance of index heavyweight China was also beneficial, though the escalation in geopolitical tensions was a headwind.

In terms of activity, we established positions in PayPal and Tryg over the period.

Leading digital payments firm PayPal offers exposure to the fast-growing area of e-commerce, which has benefited from the trend towards online transactions as a result of COVID-19. We favour the company for its strong brand recognition and global scale. Revenues should be further enhanced by an improving product portfolio and a well-established installed base of users.

Scandinavian insurer Tryg has a robust customer base and offers an innovative range of products. The company enjoys a strong position in an oligopolistic market with sustainable high margins. Tryg's market share should be further enhanced by new distribution agreements and the planned acquisition of RSA's Swedish and Norwegian's divisions.

To help fund these purchases, we sold holdings including Visa, UnitedHealth Group and Boston Scientific.

The beginning of 2021 saw a rotation into value stocks, as equity markets priced in an economic recovery at a faster rate than previously expected. This type of sentiment-driven market tends to prove challenging for the strategy, given our quality-growth bias. However, we would question whether this value rotation is sustainable. We believe that the ongoing global responses to the coronavirus have accelerated certain structural trends and created an environment in which companies with a sustainable edge can thrive. We feel that the market will increasingly come to recognise the long-term merits of these businesses.

We remain firmly of the view that companies with the ability to sustain above-average growth rates will be attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to continue delivering high returns and earnings growth across a range of market conditions.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2020 to 30 April 2021

	Notes	2021 £000	Restated 2020** £000
Income			
Net capital gains	2	34,717	7,289
Revenue	3	1,240	669
Expenses	4	(685)	(213)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		554	455
Taxation	6	(176)	(65)
Net revenue after taxation		378	390
Total return before distributions		35,095	7,679
Distributions**	7	(438)	(395)
Change in net assets attributable to shareholders from investment activities		34,657	7,284

BALANCE SHEET

as at 30 April 2021

	Notes	2021 £000	2020 £000
Assets:			
Fixed assets:			
Investments		173,012	82,971
Current assets:			
Debtors	8	1,578	1,296
Cash and bank balances		16,021	2,546
Total assets		190,611	86,813
Liabilities:			
Creditors:			
Other creditors	9	(15,701)	(731)
Total liabilities		(15,701)	(731)
Net assets attributable to shareholders		174,910	86,082

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2020 to 30 April 2021

	2021 £000	Restated 2020** £000
Opening net assets attributable to shareholders	86,082	29,780
Amounts receivable on the issue of shares**	97,764	52,878
Amounts payable on the cancellation of shares**	(28,980)	(4,411)
Amounts payable on inspecie transfers	(15,014)	–
	53,770	48,467
Dilution adjustment	34	29
Change in net assets attributable to shareholders from investment activities (see statement of total return above)**	34,657	7,284
Retained distribution on accumulation shares	367	522
Closing net assets attributable to shareholders	174,910	86,082

DISTRIBUTION TABLE

for the accounting period 1 May 2020 to 30 April 2021

Dividend distribution in pence per share

Class Z – Gross accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 0.3330).

Class Q – Gross accumulation shares

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	0.2284	–	0.2284	0.7424
Group 2				
01/05/20 to 30/04/21	0.1671	0.0613	0.2284	0.7424
Total distributions in the period			0.2284	0.7424

*In pound Sterling and against UK peer group (See Performance summary on page 187).

**For details on restatement please refer to note 17.

Threadneedle Global Focus Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2020/2021	Gross Revenue Accumulated 2019/2020
Group 1				
01/05/20 to 30/04/21	0.8453	–	0.8453	0.9407
Group 2				
01/05/20 to 30/04/21	0.6453	0.2000	0.8453	0.9407
Total distributions in the period			0.8453	0.9407

Class Z – Gross accumulation shares

There is no distribution for the accounting period 1 May 2020 to 30 April 2021, as expenses exceed revenue (2020: 0.3267).

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Focus Fund

Comparative Table Disclosure

	Class 2 – Gross accumulation shares			Class Q – Gross accumulation shares		
	30/04/2021	30/04/2020	30/04/2019	30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	139.54	120.41	102.05	140.13	120.66	102.07
Return before operating charges (p)	39.23	20.16	19.34	39.47	20.25	19.15
Operating charges (p)	(1.27)	(1.03)	(0.98)	(0.94)	(0.78)	(0.56)
Return after operating charges (p)*	37.96	19.13	18.36	38.53	19.47	18.59
Distributions (p)	–	(0.33)	(0.19)	(0.23)	(0.74)	(0.42)
Retained distributions on accumulation shares (p)	–	0.33	0.19	0.23	0.74	0.42
Closing net asset value per share (p)	177.50	139.54	120.41	178.66	140.13	120.66
*after direct transaction costs of (p)	0.12	0.11	0.35	0.12	0.12	0.33
Performance						
Return after charges (%)	27.20	15.89	17.99	27.50	16.14	18.21
Other information						
Closing net asset value (£000)	2	1	27,845	76,104	15,056	1
Closing number of shares	1,000	1,000	23,124,875	42,596,853	10,744,005	1,000
Operating charges (%)**	0.79	0.81	0.83	0.58	0.58	0.51
Direct transaction costs (%)***	0.07	0.09	0.30	0.07	0.09	0.30
Prices						
Highest share price (p)	179.55	149.50	120.75	180.71	150.07	121.00
Lowest share price (p)	135.18	116.39	101.33	135.76	116.64	101.47
	Class X – Gross accumulation shares			Class Z – Gross accumulation shares		
	30/04/2021	30/04/2020 ¹		30/04/2021	30/04/2020	30/04/2019
Change in net assets per share						
Opening net asset value per share (p)	115.77	100.00		139.21	120.23	102.06
Return before operating charges (p)	32.68	15.85		39.15	20.16	19.12
Operating charges (p)	(0.11)	(0.08)		(1.45)	(1.18)	(0.95)
Return after operating charges (p)*	32.57	15.77		37.70	18.98	18.17
Distributions (p)	(0.85)	(0.94)		–	(0.33)	(0.04)
Retained distributions on accumulation shares (p)	0.85	0.94		–	0.33	0.04
Closing net asset value per share (p)	148.34	115.77		176.91	139.21	120.23
*after direct transaction costs of (p)	0.10	0.10		0.12	0.12	0.33
Performance						
Return after charges (%)	28.13	15.77		27.08	15.79	17.80
Other information						
Closing net asset value (£000)	47,247	47,612		51,557	23,413	1,934
Closing number of shares	31,849,970	41,126,772		29,143,397	16,818,086	1,608,295
Operating charges (%)**	0.08	0.08 [†]		0.90	0.89	0.86
Direct transaction costs (%)***	0.07	0.09		0.07	0.09	0.30
Prices						
Highest share price (p)	150.02	123.86		178.96	149.17	120.58
Lowest share price (p)	112.16	96.64		134.85	116.21	101.24

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

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

¹Commenced 23 May 2019.

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

Threadneedle Global Focus Fund

Notes to the financial statements

for the accounting period 1 May 2020 to 30 April 2021

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2021 £000	2020 £000
Non-derivative securities	35,082	7,324
Forward currency contracts	(46)	(68)
Other (losses)/gains	(312)	37
Transaction costs	(7)	(4)
Net capital gains	34,717	7,289

3 REVENUE

	2021 £000	2020 £000
UK dividends	–	83
Overseas dividends	1,238	572
Bank interest	2	14
Total revenue	1,240	669

4 EXPENSES

	2021 £000	2020 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(558)	(172)
Registration fees	(78)	(27)
	(636)	(199)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(18)	(2)
Safe custody fees	(16)	(9)
	(34)	(11)
Other expenses:		
Audit fees	(12)	(9)
Non-audit service fees payable to auditors	(6)	(2)
Expenses cap*	3	8
	(15)	(3)
Total expenses**	(685)	(213)

*Excess expenses are paid by the ACD.

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable	(1)	(1)
Total interest payable and similar charges	(1)	(1)

6 TAXATION

	2021 £000	2020 £000
a) Analysis of charge in period		
Capital gains tax charge in the statement of total return for the period	3	–
Overseas taxes	(179)	(65)
Total current tax (note 6b)	(176)	(65)
Total tax charge for the period	(176)	(65)
b) Factors affecting taxation charge for period		
Net revenue before taxation	554	455
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(111)	(91)

	2021 £000	2020 £000
Effects of:		
Revenue not subject to taxation	249	131
Overseas taxes	(179)	(65)
Excess expenses	(138)	(40)
Overseas capital gains tax	3	–
Current tax charge for period (note 6a)	(176)	(65)

The fund has not recognised a deferred tax asset of £185,500 (2020: £47,813) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2021 £000	2020* £000
Final	367	522
	367	522
Add: Revenue deducted on the cancellation of shares*	95	12
Deduct: Revenue received on the creation of shares*	(24)	(139)
Net distribution for the period	438	395
Net revenue after taxation*	378	390
Capital gains tax	(3)	–
Equalisation on conversion*	–	5
Shortfall transfer from capital to revenue	63	–
Total distributions	438	395

*For details on restatement please refer to note 17.

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 138 to 139.

8 DEBTORS

	2021 £000	2020 £000
Amounts receivable for the issue of shares	385	978
Sales awaiting settlement	1,080	231
Accrued revenue	80	80
Foreign withholding tax recoverable	33	7
Total debtors	1,578	1,296

9 OTHER CREDITORS

	2021 £000	2020 £000
Amounts payable for the cancellation of shares	(15,185)	–
Purchases awaiting settlement	(438)	(713)
Accrued expenses	(8)	(2)
Amounts payable to ACD	(70)	(16)
Total other creditors	(15,701)	(731)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle Global Focus Fund currently has four share classes; Class 2, Class Q, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 2 shares	0.75%
Class Q shares	0.50%
Class X shares	N/A*
Class Z shares	0.75%

Registration fees

Class 2 shares	0.035%
Class Q shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 138. The distribution per share class is given in the distribution table on pages 138 to 139.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2021
Class 2 – Gross accumulation shares	
Opening shares	1,000
Shares issued	6,077
Shares redeemed	(6,077)
Net conversions	–
Closing shares	1,000
Class Q – Gross accumulation shares	
Opening shares	10,744,005
Shares issued	40,332,912
Shares redeemed	(8,562,586)
Net conversions	82,522
Closing shares	42,596,853
Class X – Gross accumulation shares	
Opening shares	41,126,772
Shares issued	1,073,871
Shares redeemed	(10,350,673)
Net conversions	–
Closing shares	31,849,970
Class Z – Gross accumulation shares	
Opening shares	16,818,086
Shares issued	21,463,464
Shares redeemed	(9,055,015)
Net conversions	(83,138)
Closing shares	29,143,397

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on pages 5 to 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.58% and vice versa (2020: 4.45%).

Currency exposures

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

	Total
Currency 2021	£000
Danish Krone	5,571
Euro	14,893
Hong Kong Dollar	7,639
Indian Rupee	3,024
Japanese Yen	11,106
South Korean Won	5,603
Swiss Franc	4,411
Taiwan Dollar	3,833
US Dollar	119,042

Currency 2020	£000
Australian Dollar	420
Danish Krone	3,229
Euro	4,836
Hong Kong Dollar	2,134
Indian Rupee	2,779
Japanese Yen	5,592
South Korean Won	1,636
Swedish Krona	864
Swiss Franc	1,394
Taiwan Dollar	1,048
US Dollar	61,138

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2021	%	%
US Dollar	11.21	7.63
Currency 2020	%	%
US Dollar	3.85	2.73

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2020: same).

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Danish Krone	–	–	5,748	5,748
Euro	2	–	14,891	14,893
Hong Kong Dollar	–	–	7,639	7,639
Indian Rupee	3	–	3,021	3,024
Japanese Yen	–	–	11,106	11,106
South Korean Won	–	–	5,691	5,691
Swiss Franc	–	–	4,411	4,411
Taiwan Dollar	–	–	3,833	3,833
UK Sterling	15,024	–	385	15,409
US Dollar	992	–	118,224	119,216
Currency 2020	£000	£000	£000	£000
Australian Dollar	–	–	420	420
Danish Krone	–	–	3,261	3,261
Euro	1	–	4,835	4,836
Hong Kong Dollar	–	–	2,272	2,272
Indian Rupee	–	–	2,815	2,815
Japanese Yen	–	–	5,613	5,613
South Korean Won	–	–	1,644	1,644
Swedish Krona	10	–	932	942
Swiss Franc	–	–	1,402	1,402
Taiwan Dollar	–	–	1,080	1,080
UK Sterling	18	–	1,013	1,031
US Dollar	2,517	–	59,139	61,656

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2021	£000	£000	£000	£000
Danish Krone	–	–	(177)	(177)
South Korean Won	–	–	(88)	(88)
UK Sterling	–	–	(15,621)	(15,621)
US Dollar	–	–	(174)	(174)
Currency 2020	£000	£000	£000	£000
Danish Krone	–	–	(32)	(32)
Hong Kong Dollar	–	–	(138)	(138)
Indian Rupee	–	–	(36)	(36)
Japanese Yen	–	–	(21)	(21)
South Korean Won	–	–	(8)	(8)
Swedish Krona	–	–	(78)	(78)
Swiss Franc	–	–	(8)	(8)
Taiwan Dollar	–	–	(32)	(32)
UK Sterling	–	–	(19)	(19)
US Dollar	–	–	(518)	(518)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2020: same).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2021		2020	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	173,012	–	82,971	–
	173,012	–	82,971	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2020: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2021

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	149,252	35	0.02	34	0.02
Corporate actions	1,427	–	–	–	–
Total	150,679	35		34	
Gross purchases total:	150,748				
Sales					
Equities	68,876	26	0.04	14	0.02
In specie transactions	13,476	–	–	–	–
Total	82,352	26		14	
Total sales net of transaction costs:	82,312				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.04%				
Taxes:	0.03%				

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	71,067	19	0.03	18	0.03
Total	71,067	19		18	
Gross purchases total:	71,104				
Sales					
Equities	24,677	9	0.04	3	0.01
Total	24,677	9		3	
Total sales net of transaction costs:	24,665				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.05%				
Taxes:	0.04%				

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (30 April 2020: 0.08%), being the difference between the respective buying and selling prices for the fund's investments.

17 PRIOR PERIOD RESTATEMENTS

All share conversions have now been reallocated across the Equalisation on the creation and cancellation of shares in the Statement of total return, and the Amounts receivable on the issue of shares and Amounts payable on the cancellation of shares in the Statement of change in net assets attributable to shareholders. Previously certain types of conversions had been excluded, these have now been reallocated. Comparatives have been restated for presentational purposes, and this has had no impact on either the distributions due to shareholders nor the net assets attributable to shareholders.

The following table summarises the impact of the above on the Fund's Statement of total return and Statement of change in net assets attributable to shareholder for the year ending 30 April 2020:

	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
STATEMENT OF TOTAL RETURN			
Distributions	(390)	(5)	(395)
Net impact		(5)	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS			
	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Amounts receivable on the issue of shares	91,994	(39,116)	52,878
Amounts payable on the cancellation of shares	(43,532)	39,121	(4,411)
	48,462	5	48,467
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,289	(5)	7,284
Impact on net assets attributable to shareholders		–	

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

	Previously reported 2020 £'000	Adjustments £'000	Restated 2020 £'000
Note 7 DISTRIBUTIONS			
Add: Revenue deducted on the cancellation of shares	93	(81)	12
Deduct: Revenue received on the creation of shares	(225)	86	(139)
Net impact		5	
Equalisation on conversion	–	5	5

**Statement of Authorised Corporate Director's (ACD)
Responsibilities in relation to the Financial
Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of each sub-fund and its net revenue/(expenses) and the net gains/(losses) on the property of each sub-fund for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Threadneedle Specialist Investment Funds ICVC (the Company) for the Period ended 30 April 2021

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank Europe plc,
UK Branch
6 August 2021

Independent auditors' report to the Shareholders of Threadneedle Specialist Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Threadneedle Specialist Investment Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 April 2021 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Threadneedle Specialist Investment Funds ICVC is an Open Ended Investment Company ('OEIC') with 17 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheets as at 30 April 2021; the Statements of Total Return and the Statements of Changes in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; the Notes to the Annual Reports and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC, which include a description of the significant accounting policies; and the Notes to the financial statements of each of the sub funds.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Company, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to

Independent auditors' report to the Shareholders of Threadneedle Specialist Investment Funds ICVC

(continued)

increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Edinburgh
6 August 2021

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle UK Mid 250 Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC MATERIALS 2.75% (2.06%)							
	Chemicals 2.75% (2.06%)			73,962	Oxford Biomedica	808	1.14
382,343	Synthomer	1,942	2.75	680,634	Vectura Group	766	1.08
	Total Basic Materials	1,942	2.75		Total Health Care	5,081	7.19
INDUSTRIALS 33.30% (22.53%)				CONSUMER SERVICES 28.13% (23.57%)			
	Construction & Materials 4.59% (3.84%)				General Retailers 5.34% (6.53%)		
928,905	¹ Breedon Aggregates	953	1.35	151,833	Homeserve	1,661	2.35
210,753	Marshalls	1,532	2.17	189,179	Moonpig Group	832	1.18
78,927	¹ Victoria	758	1.07	287,592	Pets at Home Group	1,276	1.81
	Aerospace & Defence 4.11% (3.84%)				Media 10.77% (9.02%)		
16,984	Avon Rubber	561	0.79	381,885	Ascential	1,332	1.88
485,658	Chemring Group	1,277	1.81	124,416	Future	2,936	4.16
320,645	QinetiQ Group	1,065	1.51	57,928	¹ GlobalData	886	1.25
	Electronic & Electrical Equipment 4.93% (4.13%)			1,172,167	¹ Mirriad Advertising	668	0.94
56,984	Oxford Instruments	1,237	1.75	211,279	S4 Capital	1,181	1.67
51,757	Spectris	1,684	2.38	58,402	¹ YouGov	613	0.87
11,226	XP Power	567	0.80		Travel & Leisure 12.02% (8.02%)		
	Industrial Engineering 3.96% (4.35%)			1,430,160	Cineworld Group	1,384	1.96
166,731	Bodycote	1,260	1.78	77,541	Gamesys Group	1,497	2.12
445,981	Rotork	1,537	2.18	81,774	GVC Holdings	1,383	1.96
	Support Services 15.71% (6.37%)			90,746	James Fisher & Sons	944	1.34
172,826	Electrocomponents	1,841	2.61	72,816	¹ Jet2	1,083	1.53
440,131	Essentra	1,397	1.98	688,288	SSP Group	2,198	3.11
98,120	Euromoney Institutional Investor	971	1.38		Total Consumer Services	19,874	28.13
79,669	FDM Group Holdings IPO	814	1.15				
153,232	Grafton Group	1,827	2.59		FINANCIALS 9.65% (14.67%)		
244,470	¹ Knights Group Holdings	1,066	1.51		Real Estate Investment & Services 0.00% (2.56%)		
155,994	¹ Marlowe	1,211	1.71		Real Estate Investment Trusts 1.91% (0.90%)		
1,404,308	Serco Group	1,967	2.78	164,812	Workspace Group	1,351	1.91
	Total Industrials	23,525	33.30		Financial Services 7.74% (10.75%)		
CONSUMER GOODS 11.89% (17.14%)				63,543	Liontrust Asset Management	1,027	1.45
	Beverages 0.00% (3.36%)			171,929	¹ Manolete Partners	421	0.60
	Food Producers 2.49% (3.85%)			289,797	Osb Group	1,388	1.96
85,514	Hilton Food Group	1,052	1.49	247,797	Paragon Banking Group	1,166	1.65
176,816	¹ Hotel Chocolat Group	707	1.00	898,340	Quilter	1,468	2.08
	Household Goods & Home Construction 1.62% (5.42%)				Equity Investment Instruments 0.00% (0.46%)		
280,545	Crest Nicholson Holdings	1,147	1.62		Total Financials	6,821	9.65
	Leisure Goods 4.49% (4.18%)				TECHNOLOGY 6.82% (9.81%)		
15,948	Games Workshop Group	1,730	2.45		Software & Computer Services 5.44% (7.60%)		
107,027	¹ Team17 Group	829	1.17	131,327	¹ Blue Prism Group	1,601	2.27
212,109	Tinybuild	615	0.87	35,506	¹ First Derivatives	1,030	1.46
	Personal Goods 3.29% (0.33%)			323,536	¹ IQGE Group	395	0.56
216,070	Dr. Martens	1,043	1.48	53,203	Kainos Group	813	1.15
174,416	Watches of Switzerland Group	1,277	1.81		Technology Hardware & Equipment 1.38% (2.21%)		
	Total Consumer Goods	8,400	11.89	384,660	Spirent Communications	978	1.38
HEALTH CARE 7.19% (6.54%)					Total Technology	4,817	6.82
	Health Care Equipment & Services 2.56% (2.56%)				Total value of investments	70,460	99.73
827,937	Convatec Group	1,807	2.56		Net other assets (3.68%)	188	0.27
	Pharmaceuticals & Biotechnology 4.63% (3.98%)				Net assets	70,648	100.00
33,456	Genus	1,700	2.41				

April 2020 comparatives in brackets.

¹Alternative Investment Market.

Threadneedle UK Sustainable Equity Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.65% (3.71%)				Pharmaceuticals & Biotechnology 12.31% (17.16%)			
	Oil Equipment, Services & Distribution 1.84% (1.82%)			91,072	AstraZeneca	7,026	5.32
630,646	John Wood Group	1,775	1.34	35,291	Genus	1,793	1.36
1,130,951	[†] Tekmar Group	656	0.50	450,080	GlaxoSmithKline	6,029	4.57
	Alternative Energy 1.81% (1.89%)			1,245,997	Vectura Group	1,403	1.06
129,893	[†] Ceres Power Holdings	1,728	1.31		Total Health Care	20,539	15.56
287,669	[†] Iluka	662	0.50				
	Total Oil & Gas	4,821	3.65	CONSUMER SERVICES 14.90% (15.11%)			
BASIC MATERIALS 4.89% (3.15%)					Media 7.35% (7.79%)		
	Chemicals 4.89% (3.15%)			114,055	Future	2,692	2.04
28,715	Croda International	1,942	1.47	486,445	Informa	2,735	2.07
95,664	Johnson Matthey	3,108	2.35	227,238	RELX (London Listing)	4,270	3.24
59,888	Victrix	1,406	1.07		Travel & Leisure 7.55% (7.32%)		
	Total Basic Materials	6,456	4.89	286,267	Compass Group	4,502	3.41
INDUSTRIALS 17.56% (12.17%)				1,028,833	Gym Group	2,696	2.04
	Construction & Materials 2.77% (1.10%)			869,242	SSP Group	2,776	2.10
32,769	Kingspan Group (EUR)	2,110	1.60		Total Consumer Services	19,671	14.90
212,440	Marshalls	1,544	1.17				
	General Industrials 1.02% (0.95%)			TELECOMMUNICATIONS 2.20% (1.98%)			
2,302,603	Coats Group	1,345	1.02		Fixed Line Telecommunications 2.20% (1.98%)		
	Electronic & Electrical Equipment 1.84% (0.74%)			1,763,851	BT Group	2,909	2.20
74,794	Spectris	2,434	1.84		Total Telecommunications	2,909	2.20
	Industrial Engineering 4.09% (3.28%)						
288,705	Bodycote	2,183	1.65	UTILITIES 1.01% (1.35%)			
167,811	Weir Group	3,216	2.44		Gas, Water & Multiutilities 1.01% (1.35%)		
	Support Services 7.84% (6.10%)			128,395	Pennon Group	1,327	1.01
34,571	Ferguson	3,157	2.39		Total Utilities	1,327	1.01
250,488	[†] Knights Group Holdings	1,092	0.83				
353,754	[†] Marlowe	2,745	2.08	FINANCIALS 18.87% (21.15%)			
593,772	Mears Group	1,152	0.87		Banks 2.46% (1.48%)		
442,163	Rentokil Initial	2,212	1.67	1,653,973	NatWest Group	3,251	2.46
	Total Industrials	23,190	17.56		Nonlife Insurance 0.00% (1.27%)		
CONSUMER GOODS 15.76% (14.44%)					Life Insurance 7.92% (8.40%)		
	Food Producers 0.91% (0.92%)			1,543,543	Just Group	1,684	1.28
301,619	[†] Hotel Chocolat Group	1,206	0.91	1,287,254	Legal & General Group	3,506	2.66
	Household Goods & Home Construction 7.07% (7.01%)			342,210	Prudential	5,251	3.98
32,210	Berkeley Group Holdings	1,490	1.13		Real Estate Investment Trusts 1.28% (1.25%)		
375,419	Countryside Properties	1,947	1.47	50,886	Derwent London	1,693	1.28
293,454	Crest Nicholson Holdings	1,200	0.91		Financial Services 7.21% (8.75%)		
72,867	Reckitt Benckiser Group	4,698	3.56	1,505,886	[†] Fairfx Group	663	0.50
	Personal Goods 7.78% (6.51%)			543,643	John Laing Group	1,669	1.26
117,033	Burberry Group	2,411	1.83	51,273	London Stock Exchange Group	3,793	2.87
149,559	Ted Baker	246	0.19	797,007	M&G	1,732	1.31
179,707	Unilever	7,604	5.76	63,879	Schroders Non-voting	1,670	1.27
	Total Consumer Goods	20,802	15.76		Total Financials	24,912	18.87
HEALTH CARE 15.56% (19.62%)							
	Health Care Equipment & Services 3.25% (2.46%)			TECHNOLOGY 4.12% (4.54%)			
186,873	Smith & Nephew	2,932	2.22		Software & Computer Services 4.12% (4.54%)		
3,522,618	[†] Totally (Suspended)	1,356	1.03	1,291,633	[†] ISpatial	568	0.43
				68,878	Aveva Group	2,396	1.82
				119,463	[†] Blue Prism Group	1,456	1.10
				99,921	FDM Group Holdings IPO	1,021	0.77
					Total Technology	5,441	4.12

Threadneedle UK Sustainable Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell GBP 102,537		
	Buy EUR 118,058 Lloyds ¹	—	—
	Total Derivatives	—	—
Total value of investments		130,068	98.52
Net other assets (2.78%)		1,956	1.48
Net assets		132,024	100.00

April 2020 comparatives in brackets.

¹Alternative Investment Market.

¹Less than £500, rounded to nil.

Threadneedle UK Extended Alpha Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 1.45% (3.58%)				Pharmaceuticals & Biotechnology 3.91% (5.02%)			
	Oil & Gas Producers 0.00% (2.54%)			355,201	GlaxoSmithKline	4,757	3.91
	Oil Equipment, Services & Distribution 1.45% (1.04%)			Total Health Care		7,744	6.36
289,641	Hunting	701	0.57	CONSUMER SERVICES 11.79% (12.91%)			
380,754	John Wood Group	1,068	0.88	Food & Drug Retailers 2.14% (4.26%)			
	Total Oil & Gas	1,769	1.45	1,184,535	Tesco	2,610	2.14
BASIC MATERIALS 11.84% (8.85%)				General Retailers 2.50% (2.19%)			
	Chemicals 3.02% (1.90%)			375,057	Howden Joinery Group	3,038	2.50
586,723	Elementis	863	0.71	Media 2.69% (2.70%)			
86,817	Johnson Matthey	2,812	2.31	588,668	Informa	3,271	2.69
	Mining 8.82% (6.95%)			Travel & Leisure 4.46% (3.76%)			
202,720	BHP Group	4,435	3.65	908,714	Restaurant Group	1,081	0.89
103,504	Rio Tinto	6,297	5.17	698,073	SSP Group	2,202	1.81
	Total Basic Materials	14,407	11.84	65,884	Whitbread	2,144	1.76
INDUSTRIALS 15.97% (11.42%)				Total Consumer Services		14,346	11.79
	Construction & Materials 4.91% (3.72%)			TELECOMMUNICATIONS 3.14% (2.71%)			
2,355,184	¹ Breedon Aggregates	2,412	1.98	Fixed Line Telecommunications 3.14% (2.71%)			
103,599	CRH (London Listing)	3,570	2.93	2,324,221	BT Group	3,828	3.14
	Aerospace & Defence 1.09% (0.58%)			Total Telecommunications		3,828	3.14
262,050	BAE Systems	1,324	1.09	UTILITIES 0.00% (1.09%)			
	General Industrials 4.22% (1.79%)			Electricity 0.00% (1.09%)			
1,466,069	Melrose Industries	2,384	1.96	Total Utilities		—	—
169,145	Smiths Group	2,756	2.26	FINANCIALS 18.50% (18.23%)			
	Electronic & Electrical Equipment 1.11% (0.90%)			Banks 2.26% (3.70%)			
41,715	Spectris	1,350	1.11	533,955	Standard Chartered	2,758	2.26
	Support Services 4.64% (4.43%)			Life Insurance 7.48% (6.38%)			
42,259	Ferguson	3,839	3.15	347,616	Prudential	5,317	4.37
364,842	Rentokil Initial	1,811	1.49	281,265	St James's Place	3,790	3.11
	Total Industrials	19,446	15.97	Real Estate Investment & Services 2.44% (2.25%)			
CONSUMER GOODS 27.20% (27.59%)				1,047,691	Grainger	2,967	2.44
	Beverages 5.98% (4.96%)			Real Estate Investment Trusts 2.01% (1.41%)			
223,970	Diageo	7,281	5.98	73,698	Derwent London	2,444	2.01
	Food Producers 2.98% (2.48%)			Financial Services 4.31% (4.49%)			
158,709	Associated British Foods	3,633	2.98	42,705	London Stock Exchange Group	3,175	2.61
	Household Goods & Home Construction 9.26% (8.09%)			80,623	Schroders Non-voting	2,068	1.70
58,057	Berkeley Group Holdings	2,677	2.20	Total Financials		22,519	18.50
268,054	Crest Nicholson Holdings	1,082	0.89	TECHNOLOGY 2.38% (1.69%)			
62,210	Persimmon	1,939	1.59	Software & Computer Services 2.38% (1.69%)			
87,215	Reckitt Benckiser Group	5,575	4.58	454,039	Sage Group	2,897	2.38
	Personal Goods 7.03% (4.40%)			Total Technology		2,897	2.38
99,071	Burberry Group	2,034	1.67	COLLECTIVE INVESTMENT SCHEMES 0.01% (2.33%)			
154,186	Unilever	6,521	5.36	Liquidity Funds 0.01% (2.33%)¹			
	Tobacco 1.95% (7.66%)			9,974	BlackRock Institutional Cash Series		
157,072	Imperial Brands	2,369	1.95		Sterling Liquidity Platinum	10	0.01
	Total Consumer Goods	33,111	27.20		Total Collective Investment Schemes	10	0.01
HEALTH CARE 6.36% (6.75%)							
	Health Care Equipment & Services 2.45% (1.73%)						
192,914	Smith & Nephew	2,987	2.45				

Threadneedle UK Extended Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.17% (0.74%)			
	Portfolio Swap -0.17% (0.74%)		
	UBS Portfolio Swap	(212)	(0.17)
	Total Derivatives	(212)	(0.17)
<hr/>			
Total value of investments²		119,865	98.47
Net other assets (2.11%)		1,864	1.53
Net assets		121,729	100.00

April 2020 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents

²Includes Cash equivalents.

Threadneedle UK Equity Alpha Income Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 0.00% (2.39%)				UTILITIES 5.49% (5.44%)			
	Oil & Gas Producers 0.00% (2.39%)	–	–		Gas, Water & Multiutilities 5.49% (5.44%)		
	Total Oil & Gas	–	–	10,984,454	Centrica	6,118	1.93
				1,109,243	Pennon Group	11,320	3.56
					Total Utilities	17,438	5.49
BASIC MATERIALS 2.26% (1.72%)				FINANCIALS 19.70% (16.46%)			
	Chemicals 2.26% (1.72%)				Nonlife Insurance 2.92% (3.25%)		
221,515	Johnson Matthey	7,175	2.26	1,918,632	Direct Line Insurance Group	5,480	1.73
	Total Basic Materials	7,175	2.26	468,119	Hiscox	3,795	1.19
INDUSTRIALS 21.29% (17.36%)					Life Insurance 8.56% (8.67%)		
	General Industrials 3.03% (2.85%)			3,144,230	Legal & General Group	8,527	2.68
591,057	Smiths Group	9,631	3.03	2,622,973	Phoenix Group Holdings	18,676	5.88
	Industrial Engineering 4.67% (1.93%)				Real Estate Investment Trusts 4.42% (3.84%)		
1,772,589	Castings	6,417	2.02	6,222,782	Londonmetric Property REIT	14,051	4.42
529,438	IMI	8,418	2.65		Financial Services 3.80% (0.70%)		
	Support Services 13.59% (12.58%)			710,340	3i Group	9,057	2.85
2,280,986	Electrocomponents	24,270	7.64	5,745,321	Sherborne Investors Guernsey	3,016	0.95
4,076,377	Hays	6,653	2.09		Total Financials	62,602	19.70
2,468,323	Rentokil Initial	12,255	3.86				
	Total Industrials	67,644	21.29				
CONSUMER GOODS 12.51% (14.46%)				TECHNOLOGY 4.85% (6.39%)			
	Food Producers 3.61% (4.00%)				Technology Hardware & Equipment 4.85% (6.39%)		
1,445,359	Tate & Lyle	11,473	3.61	6,042,222	Spirent Communications	15,408	4.85
	Personal Goods 3.59% (4.31%)				Total Technology	15,408	4.85
269,753	Unilever	11,409	3.59				
	Tobacco 5.31% (6.15%)			COLLECTIVE INVESTMENT SCHEMES 0.63% (0.50%)			
1,118,936	Imperial Brands	16,873	5.31		Liquidity Funds 0.63% (0.50%)¹		
	Total Consumer Goods	39,755	12.51	2,013,625	BlackRock Institutional Cash Series		
					Sterling Liquidity Platinum	2,014	0.63
					Total Collective Investment Schemes	2,014	0.63
HEALTH CARE 12.35% (19.13%)							
	Pharmaceuticals & Biotechnology 12.35% (19.13%)			Total value of investments²			
314,919	AstraZeneca	24,072	7.58			320,111	100.76
1,131,278	GlaxoSmithKline	15,150	4.77		Net other liabilities (-0.81)%	(2,410)	(0.76)
	Total Health Care	39,222	12.35		Net assets	317,701	100.00
CONSUMER SERVICES 19.15% (14.76%)							
	Food & Drug Retailers 3.86% (4.79%)			<i>April 2020 comparatives in brackets.</i>			
7,066,610	WM Morrison Supermarkets	12,260	3.86		<i>¹Cash equivalents.</i>		
	General Retailers 2.20% (1.59%)				<i>²Includes Cash equivalents.</i>		
4,458,336	Marks & Spencer Group	6,984	2.20				
	Media 6.47% (4.69%)						
6,254,877	ITV	7,506	2.36				
1,581,051	Pearson	13,066	4.11				
	Travel & Leisure 6.62% (3.69%)						
13,661,902	Restaurant Group	16,258	5.12				
5,322,132	Stagecoach Group	4,753	1.50				
	Total Consumer Services	60,827	19.15				
TELECOMMUNICATIONS 2.53% (2.20%)							
	Fixed Line Telecommunications 2.53% (2.20%)						
4,873,360	BT Group	8,026	2.53				
	Total Telecommunications	8,026	2.53				

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
AUSTRALIA 1.35% (1.96%)					GBP	455,000	Reseau Ferre de France 5.25% 31/01/2035	652	0.21	
A 0.16% (0.32%)					A+ 0.48% (1.05%)					
GBP	375,000	BHP Billiton Finance 4.3% 25/09/2042	505	0.16	GBP	1,500,000	LVMH Moet Hennessy Vuitton 1.125% 11/02/2027	1,499	0.48	
A- 0.28% (0.47%)					A 0.40% (0.53%)					
USD	1,125,000	SGSP Australia Assets 3.25% 29/07/2026	869	0.28	GBP	800,000	Banque Fed Cred Mutuel 0.875% 07/12/2027	776	0.25	
GBP	868,000	APT Pipelines 2.5% 15/03/2036	863	0.27	GBP	500,000	Total Capital International 1.405% 03/09/2031	487	0.15	
GBP	1,475,000	APT Pipelines 3.5% 22/03/2030	1,631	0.52	A- 0.42% (3.70)					
EUR	437,000	*Ausnet Services Holdings Variable 11/03/2081	386	0.12	GBP	1,300,000	BNP Paribas 1.875% 14/12/2027	1,320	0.42	
Total Australia			4,254	1.35	BBB+ 3.33% (1.47%)					
BELGIUM 0.27% (0.00%)					GBP	550,000	*AXA FRN 16/01/2054	694	0.22	
BBB+ 0.27% (0.00%)					GBP	1,200,000	BPCE 5.25% 16/04/2029	1,470	0.47	
GBP	775,000	Anheuser-Busch InBev 2.85% 25/05/2037	834	0.27	GBP	1,400,000	Electricite de France 5.125% 22/09/2050	2,119	0.67	
Total Belgium			834	0.27	GBP	1,600,000	Electricite de France 5.5% 17/10/2041	2,344	0.75	
BERMUDA 0.54% (0.62%)					GBP	1,100,000	Electricite de France 6% 23/01/2114	1,912	0.61	
BBB- 0.54% (0.62%)					GBP	700,000	Orange 3.25% 15/01/2032	793	0.25	
USD	1,950,000	Bacardi 5.15% 15/05/2038	1,697	0.54	GBP	400,000	Orange 5.375% 22/11/2050	644	0.20	
Total Bermuda			1,697	0.54	GBP	350,000	Orange 5.625% 23/01/2034	494	0.16	
CAYMAN ISLANDS 2.10% (2.89%)					Not rated 0.26% (0.42%)					
AA+ 0.00% (0.24%)					GBP	700,000	*Credit Agricole 7.5% 31/12/2049	829	0.26	
AA 0.00% (0.52%)					Total France				17,168	5.46
A+ 0.23% (0.00%)					GERMANY 2.06% (2.27%)					
*Trafford Centre Finance FRN 28/07/2035 A3					GBP	2,800,000	KFW 5% 09/06/2036	4,234	1.35	
737			0.23	GBP	450,000	KFW 5.75% 07/06/2032	663	0.21		
A- 0.26% (0.18%)					BBB- 0.50% (0.00%)					
GBP	600,000	Yorkshire Power Finance Cayman Islands 7.25% 04/08/2028	824	0.26	GBP	1,600,000	*Deutsche Bank Variable 22/12/2028	1,579	0.50	
Total Germany									6,476	2.06
BBB+ 1.21% (1.64%)					ITALY 0.26% (0.00%)					
GBP	3,575,000	Southern Water Services 3% 28/05/2037	3,790	1.21	GBP	825,000	Intesa Sanpaolo 2.625% 11/03/2036	809	0.26	
BBB- 0.00% (0.20%)					Total Italy				809	0.26
Not rated 0.40% (0.11%)					JERSEY 2.25% (2.19%)					
GBP	1,050,000	Phoenix Group Holdings 5.625% 28/04/2031	1,257	0.40	BBB+ 1.31% (1.37%)					
Total Cayman Islands			6,608	2.10	GBP	2,100,000	Heathrow Funding 2.75% 13/10/2029	2,171	0.69	
DENMARK 0.90% (0.57%)					GBP	1,170,000	Heathrow Funding 2.75% 09/08/2049	1,141	0.36	
BBB+ 0.90% (0.57%)					GBP	625,000	Heathrow Funding 4.625% 31/10/2046	808	0.26	
GBP	1,033,000	*Danske Bank Variable 14/01/2028	1,057	0.34	BBB 0.75% (0.82%)					
GBP	675,000	Orsted 2.125% 17/05/2027	707	0.22	GBP	165,000	Gatwick Funding 2.5% 15/04/2030	164	0.05	
GBP	1,000,000	Orsted 2.5% 16/05/2033	1,072	0.34	GBP	525,000	Gatwick Funding 2.875% 05/07/2049	502	0.16	
Total Denmark			2,836	0.90	GBP	1,425,000	Gatwick Funding 4.625% 27/03/2034	1,693	0.54	
FRANCE 5.46% (7.80%)					BBB- 0.19% (0.00%)					
AA 0.57% (0.63%)					GBP	419,000	*HSBC Bank Capital Funding Sterling 1 5.844% 29/11/2049	593	0.19	
GBP	675,000	Reseau Ferre de France 5% 11/03/2052	1,135	0.36	Total Jersey				7,072	2.25

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG 2.27% (1.50%)					BBB+ 1.21% (1.39%)				
		BBB+ 1.57% (1.07%)			GBP	2,275,000	GE Capital UK Funding 5.875% 18/01/2033	3,076	0.98
GBP	1,225,000	Aroundtown 3% 16/10/2029	1,290	0.41					
GBP	3,325,000	Aroundtown 3.625% 10/04/2031	3,651	1.16	GBP	150,000	GE Capital UK Funding 6.25% 05/05/2038	219	0.07
		BBB 0.70% (0.43%)			GBP	300,000	GE Capital UK Funding 8% 14/01/2039	504	0.16
EUR	1,669,000	Becton Dickinson Euro Finance 1.213% 12/02/2036	1,432	0.46					
GBP	750,000	CPI Property Group 2.75% 22/01/2028	761	0.24		6,911,459	Liquidity Funds 2.20% (2.21%)¹ BlackRock Institutional Cash Series Sterling Liquidity Platinum	6,911	2.20
		Total Luxembourg	7,134	2.27			Total Republic of Ireland	10,989	3.50
MEXICO 0.70% (0.64%)					SINGAPORE 0.25% (0.56%)				
		BBB+ 0.51% (0.29%)					AAA 0.25% (0.56%)		
GBP	850,000	America Movil 4.375% 07/08/2041	1,085	0.35	GBP	500,000	Temasek Financial 5.125% 26/07/2040	775	0.25
GBP	400,000	America Movil 4.948% 22/07/2033	519	0.16			Total Singapore	775	0.25
		BBB 0.19% (0.35%)			SPAIN 0.42% (0.45%)				
GBP	630,000	Petroleos Mexicanos 3.75% 16/11/2025	610	0.19			BBB 0.00% (0.45%)		
		Total Mexico	2,214	0.70			BBB - 0.42% (0.00%)		
NETHERLANDS 5.96% (6.08%)					GBP	1,050,000	Telefonica Emisiones 5.445% 08/10/2029	1,328	0.42
		AAA 0.00% (0.35%)					Total Spain	1,328	0.42
		AA- 0.00% (0.30%)			SUPRANATIONAL 3.56% (2.42%)				
		A+ 0.23% (0.00%)					AAA 3.56% (2.42%)		
GBP	850,000	Shell International Finance 1.75% 10/09/2052	718	0.23	GBP	443,000	European Investment Bank 0% 07/12/2028	411	0.13
		A - 0.80% (0.00%)			GBP	2,475,000	European Investment Bank 3.875% 08/06/2037	3,373	1.07
GBP	2,600,000	*ING Groep Variable 07/12/2028	2,523	0.80	GBP	1,250,000	European Investment Bank 4.5% 07/03/2044	1,985	0.63
		BBB+ 2.31% (2.19%)			GBP	400,000	European Investment Bank 4.625% 12/10/2054	722	0.23
GBP	3,200,000	Co-operative Rabobank 4.625% 23/05/2029	3,775	1.20	GBP	2,700,000	International Bank for Reconstruction and Development 0.25% 23/09/2027	2,610	0.83
GBP	1,250,000	Enel Finance International 5.75% 14/09/2040	1,857	0.59	GBP	2,100,000	International Bank for Reconstruction and Development 1% 21/12/2029	2,098	0.67
GBP	1,500,000	Volkswagen International Finance 3.375% 16/11/2026	1,649	0.52			Total Supranational	11,199	3.56
		BBB 2.62% (3.24%)			SWEDEN 0.00% (0.38%)				
GBP	1,150,000	E.ON International Finance 6.375% 07/06/2032	1,623	0.52			BBB 0.00% (0.38%)		
USD	1,090,000	E.ON International Finance 6.65% 30/04/2038	1,113	0.35			Total Sweden	—	—
GBP	500,000	E.ON International Finance 6.75% 27/01/2039	806	0.26	SWITZERLAND 0.97% (0.38%)				
GBP	1,100,000	Innogy Finance 6.125% 06/07/2039	1,685	0.54			BBB+ 0.87% (0.28%)		
GBP	2,200,000	Innogy Finance 6.25% 03/06/2030	2,971	0.95	GBP	2,698,000	*Credit Suisse Group Variable 09/06/2028	2,757	0.87
		Total Netherlands	18,720	5.96			BB+ 0.10% (0.10%)		
NORWAY 0.00% (0.41%)					USD	370,000	*UBS Group 7% 29/12/2049	307	0.10
		A3 0.00% (0.41%)					Total Switzerland	3,064	0.97
		Total Norway	—	—	UNITED KINGDOM 50.08% (46.24%)				
REPUBLIC OF IRELAND 3.50% (3.60%)							AAA 0.92% (1.56%)		
		A1 0.09% (0.00%)			GBP	1,500,000	Santander UK 5.25% 16/02/2029	1,962	0.62
GBP	307,000	UK Muni Bonds Agency 1.625% 26/08/2060	279	0.09	GBP	175,000	Wellcome Trust 4% 09/05/2059	300	0.10
					GBP	518,000	Wellcome Trust Finance 2.517% 07/02/2118	641	0.20

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
UNITED KINGDOM 50.08% (46.24%) (continued)					GBP	2,900,000	GlaxoSmithkline Capital 1.625% 12/05/2035	2,786	0.89
	Aaa 0.00% (1.84%)				GBP	590,000	Karbon Homes 3.375% 15/11/2047	741	0.24
	Aaa 0.73% (0.00%)				GBP	991,000	Motability Operations Group 1.5% 20/01/2041	912	0.29
GBP	1,871,000	Lloyds Bank 4.875% 30/03/2027	2,297	0.73	GBP	500,000	Motability Operations Group 2.375% 14/03/2032	533	0.17
	Aa1 0.45% (0.00%)				GBP	575,000	Motability Operations Group 2.375% 03/07/2039	611	0.19
GBP	175,000	University of Cambridge 2.35% 27/06/2078	229	0.07	GBP	510,000	Northern Powergrid 1.875% 16/06/2062	477	0.15
GBP	975,000	University of Oxford 2.544% 08/12/2117 (London Listing)	1,195	0.38	GBP	250,000	Northern Powergrid Yorkshire 2.25% 09/10/2059	258	0.08
	AA 2.46% (3.41%)				GBP	500,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	620	0.20
GBP	750,000	Broadgate Finance 4.999% 05/10/2031	852	0.27	GBP	760,000	Paragon Treasury 2% 07/05/2036	761	0.24
GBP	1,650,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,562	0.50	GBP	1,000,000	Paragon Treasury 3.625% 21/01/2047	1,233	0.39
GBP	818,000	Land Securities Capital Markets 2.399% 08/02/2029	856	0.27	GBP	835,000	UNITE USAF II 3.921% 30/06/2025	908	0.29
GBP	425,000	Land Securities Capital Markets 2.75% 22/09/2059	466	0.15			A2 0.28% (0.41%)		
GBP	400,000	LCR Finance 4.5% 07/12/2028	502	0.16	GBP	804,000	Blend Funding 2.922% 05/04/2056	888	0.28
GBP	375,000	LCR Finance 5.1% 07/03/2051	689	0.22			A- 5.64% (8.17%)		
GBP	1,315,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	1,892	0.60	GBP	830,000	Anglian Water Services Financing 2.75% 26/10/2029	907	0.29
GBP	900,000	Octagon Healthcare Funding 5.333% 31/12/2035	918	0.29	GBP	1,150,000	Catalyst Housing 3.125% 31/10/2047	1,339	0.43
	Aa2 0.00% (0.14%)				GBP	200,000	Circle Anglia Social Housing 5.2% 02/03/2044	307	0.10
	Aa2u 0.00% (1.49%)				GBP	412,000	Clarion Funding 1.875% 22/01/2035	408	0.13
	AA- 0.00% (0.34%)				EUR	1,310,000	Diageo Finance 2.5% 27/03/2032	1,355	0.43
	Aa3 0.13% (0.18%)				GBP	1,025,000	Experian Finance 3.25% 07/04/2032	1,154	0.37
GBP	305,000	Merseylink 3.842% 31/03/2043	403	0.13	GBP	533,000	Guinness Partnership 2% 22/04/2055	520	0.17
	Aa3u 2.28% (0.00%)				GBP	1,536,000	Home Group 3.125% 27/03/2043	1,730	0.55
GBP	900,000	United Kingdom Gilt 1.625% 22/10/2028	964	0.31	GBP	800,000	*HSBC Holdings Variable 22/07/2028	859	0.27
GBP	1,910,000	United Kingdom Gilt 1.75% 07/09/2037	2,061	0.66	GBP	2,200,000	London Power Networks 2.625% 01/03/2029	2,359	0.75
GBP	2,355,000	United Kingdom Gilt 1.75% 22/01/2049	2,584	0.82	GBP	312,000	London Power Networks 6.125% 07/06/2027	398	0.13
GBP	705,000	United Kingdom Gilt 3.5% 22/07/2068	1,293	0.41	GBP	530,000	Natwest Markets 7.5% 29/04/2024	618	0.20
GBP	130,000	United Kingdom Gilt 4% 22/01/2060	240	0.08	GBP	350,000	Wales & West Utilities Finance 1.875% 28/05/2041	331	0.11
	A+ 3.68% (3.98%)				GBP	886,000	Western Power Distribution 1.625% 07/10/2035	823	0.26
GBP	542,000	Aster Treasury 1.405% 27/01/2036	511	0.16	GBP	2,850,000	Western Power Distribution 2.375% 16/05/2029	2,995	0.95
GBP	900,000	Aster Treasury 4.5% 18/12/2043	1,290	0.41	GBP	625,000	Yorkshire Water Finance 1.75% 26/11/2026	640	0.20
GBP	1,410,000	Broadgate Finance 5.098% 05/04/2033	1,462	0.46	GBP	954,000	Yorkshire Water Finance 1.75% 27/10/2032	941	0.30
GBP	850,000	Bromford Housing Group 3.125% 03/05/2048	1,020	0.32			A3 1.22% (0.45%)		
GBP	1,000,000	Incommunities 3.25% 21/03/2049	1,214	0.39	GBP	650,000	Libra Longhurst Group 3.25% 15/05/2043	747	0.24
GBP	760,000	Lloyds Bank 6.5% 17/09/2040	1,286	0.41	GBP	177,000	Optivo Finance 2.857% 07/10/2035	195	0.06
GBP	1,430,000	Longstone Finance 4.791% 19/04/2030	804	0.26	GBP	550,000	Optivo Finance 3.283% 22/03/2048	648	0.21
GBP	1,373,000	Nats En Route 1.375% 31/03/2031	1,370	0.44	GBP	626,000	Orbit Capital 2% 24/11/2038	611	0.19
GBP	404,000	RHP Finance 3.25% 05/02/2048	473	0.15	GBP	275,000	Peabody Capital 4.625% 12/12/2053	420	0.13
GBP	375,000	Transport for London 5% 31/03/2035	481	0.15	GBP	925,000	WHG Treasury 4.25% 06/10/2045	1,240	0.39
GBP	1,250,000	Wheatley Group Capital 4.375% 28/11/2044	1,657	0.53			BBB+ 13.38% (9.08%)		
	A1 0.15% (0.10%)				GBP	2,325,000	*Aviva 5.125% 04/06/2050	2,741	0.87
GBP	235,000	Riverside Finance 3.875% 05/12/2044	306	0.10	GBP	2,250,000	BAT International Finance 2.25% 26/06/2028	2,240	0.71
GBP	150,000	University of Southampton 2.25% 11/04/2057	156	0.05	GBP	1,350,000	BAT International Finance 6% 24/11/2034	1,749	0.56
	A 3.79% (2.93%)								
GBP	2,101,000	GlaxoSmithkline Capital 1.25% 12/10/2028	2,078	0.66					

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 50.08% (46.24%) (continued)									
GBP	1,925,000	Bunzl Finance 1.5% 30/10/2030	1,861	0.59	GBP	850,000	Lloyds Bank 7.625% 22/04/2025	1,058	0.34
GBP	1,450,000	Cadent Finance 2.625% 22/09/2038	1,489	0.47	GBP	2,125,000	*M&G Variable 20/10/2051	2,514	0.80
GBP	2,100,000	Cadent Finance 2.75% 22/09/2046	2,160	0.69	GBP	850,000	*Prudential 6.34% 19/12/2063	1,090	0.35
GBP	1,875,000	HSBC Bank 4.75% 24/03/2046	2,539	0.81	GBP	1,625,000	*Royal Bank of Scotland Group Variable 28/03/2027	1,748	0.56
GBP	1,000,000	HSBC Bank 5.375% 22/08/2033	1,318	0.42	GBP	1,050,000	Telereal Securitisation 6.1645% 10/12/2031	1,153	0.37
GBP	650,000	HSBC Bank 6.25% 30/01/2041	1,012	0.32	GBP	575,000	Unite Group 3.5% 15/10/2028	632	0.20
GBP	966,000	*Legal & General Group 5.5% 27/06/2064	1,191	0.38					
GBP	1,200,000	*Legal & General Group Variable 14/11/2048	1,403	0.45			Baa2 1.36% (1.00%)		
GBP	675,000	*Legal & General Group Variable 26/11/2049	724	0.23	GBP	1,350,000	Eversholt Funding 2.742% 30/06/2040	1,388	0.44
GBP	850,000	*Legal & General Group Variable 01/11/2050	960	0.31	GBP	450,000	Eversholt Funding 3.529% 07/08/2042	496	0.16
GBP	1,175,000	National Grid Electricity Transmission 2% 16/09/2038	1,138	0.36	GBP	2,100,000	Vodafone Group 3.375% 08/08/2049	2,378	0.76
GBP	900,000	National Grid Electricity Transmission 2.75% 06/02/2035	966	0.31			BBB- 2.54% (2.63%)		
GBP	900,000	Northern Gas Networks 5.625% 23/03/2040	1,346	0.43	GBP	268,000	Barclays Bank 5.75% 14/09/2026	324	0.10
GBP	1,095,000	Northumbrian Water Finance 1.625% 11/10/2026	1,118	0.36	GBP	570,000	Delamare Finance 5.5457% 29/02/2029	484	0.15
GBP	945,000	Northumbrian Water Finance 2.375% 05/10/2027	997	0.32	GBP	1,750,000	DS Smith 2.875% 26/07/2029	1,838	0.58
GBP	700,000	RMPA Services 5.337% 30/09/2038	653	0.21	GBP	300,000	Pearson 3.75% 04/06/2030	331	0.11
GBP	1,350,000	*Royal London Finance No 4 Variable 07/10/2049	1,522	0.48	GBP	1,300,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,597	0.51
GBP	700,000	Scottish Hydro Electric Transmission 2.125% 24/03/2036	700	0.22	GBP	1,275,000	Tesco Property Finance 3 5.744% 13/04/2040	1,591	0.51
GBP	1,000,000	Severn Trent Utilities Finance 2% 02/06/2040	969	0.31	GBP	975,000	Tesco Property Finance 6 5.4111% 13/07/2044	1,166	0.37
GBP	500,000	Severn Trent Utilities Finance 2.75% 05/12/2031	548	0.17	GBP	650,000	Thames Water Utilities 2.875% 03/05/2027	673	0.21
GBP	380,000	Southern Electric Power Distribution 4.625% 20/02/2037	501	0.16			Baa3 0.22% (0.00%)		
GBP	2,000,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	2,098	0.67	GBP	627,000	*Virgin Money UK Variable 11/12/2030	696	0.22
GBP	3,200,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	3,557	1.13			BB+ 0.38% (0.14%)		
GBP	1,375,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,365	0.43	GBP	650,000	GKN Holdings 4.625% 15/05/2032	696	0.22
GBP	607,000	United Utilities Water Finance 1.875% 03/06/2042	580	0.18	GBP	475,000	Marks & Spencer 3.25% 10/07/2027	506	0.16
GBP	1,375,000	United Utilities Water Finance 2.625% 12/02/2031	1,488	0.47			BB- 0.25% (0.00%)		
GBP	1,030,000	Western Power Distribution 3.5% 16/10/2026	1,124	0.36	GBP	625,000	*Lloyds Banking Group Variable 7.875% 29/12/2049	792	0.25
		Baa1 0.37% (0.81%)					B+ 0.24% (0.00%)		
GBP	1,050,000	Bupa Finance 4.125% 14/06/2035	1,161	0.37	GBP	700,000	*NatWest Group 5.125% 12/11/2067	747	0.24
		BBB 5.37% (5.85%)					Not Rated 4.24% (1.73%)		
GBP	510,000	Anglian Water Services Financing 2.625% 15/06/2027	533	0.17	GBP	1,825,000	Newriver REIT 3.5% 07/03/2028	1,770	0.56
GBP	580,000	Annington Funding 3.685% 12/07/2034	663	0.21	GBP	1,075,000	Pension Insurance 5.625% 20/09/2030	1,303	0.41
GBP	1,600,000	Barclays 3.25% 17/01/2033	1,757	0.56	GBP	700,000	Segro 2.875% 11/10/2037	782	0.25
GBP	1,750,000	*BP Capital Markets Variable 22/06/2169 GBP	1,862	0.59	GBP	3,861,000	United Kingdom Gilt 0.25% 31/07/2031	3,596	1.14
GBP	1,650,000	British Telecommunications 3.125% 21/11/2031	1,792	0.57	GBP	3,350,000	United Kingdom Gilt 1.25% 22/10/2041	3,314	1.05
GBP	325,000	Centrica 4.25% 12/09/2044	417	0.13	GBP	2,400,000	United Kingdom Gilt 1.625% 22/10/2054	2,600	0.83
GBP	1,375,000	Imperial Brands Finance 5.5% 28/09/2026	1,628	0.52			Total United Kingdom	157,420	50.08
					UNITED STATES OF AMERICA 15.14% (17.50%)				
					AAA 0.00% (0.27%)				
					AA+ 0.61% (0.35%)				
					GBP	1,453,000	New York Life Global Funding 0.75% 14/12/2028	1,388	0.44
					GBP	547,000	New York Life Global Funding 1.25% 17/12/2026	551	0.17
					AA 0.24% (0.57%)				
					GBP	653,000	Berkshire Hathaway Finance 2.625% 19/06/2059	742	0.24

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 3.82% (3.50%)					DENMARK 0.96% (0.45%)				
		A- 0.00% (0.64%)					A 0.96% (0.45%)		
		BBB+ 1.01% (0.71%)			EUR	10,300,000	Danske Bank 0.625% 26/05/2025	9,153	0.96
GBP	7,633,000	*BHP Billiton Finance 6.5% 22/10/2077	8,189	0.86			Total Denmark	9,153	0.96
EUR	1,587,000	Goodman Australia Finance 1.375% 27/09/2025	1,444	0.15					
		BBB 1.84% (1.31%)			FRANCE 6.33% (5.96%)				
USD	3,508,000	APT Pipelines 4.2% 23/03/2025 (Berlin Exchange)	2,756	0.29	GBP	2,700,000	BPCE 1% 22/12/2025	2,695	0.28
GBP	5,698,000	APT Pipelines 4.25% 26/11/2024	6,336	0.67	GBP	7,400,000	BPCE 1.375% 23/12/2026	7,460	0.78
EUR	3,000,000	Ausgrid Finance 1.25% 30/07/2025	2,720	0.29	GBP	9,900,000	Credit Agricole 1.25% 02/10/2024	10,024	1.06
USD	5,795,000	Ausgrid Finance 3.85% 01/05/2023	4,370	0.46			A 1.65% (2.02%)		
USD	360,000	*Ausnet Services Holdings Variable 17/03/2076	263	0.03	GBP	15,500,000	Banque Fédérative du Crédit Mutuel 1.25% 05/12/2025	15,628	1.65
EUR	1,118,000	*Ausnet Services Holdings Variable 11/03/2081	988	0.10			A- 0.38% (0.00%)		
		BBB- 0.97% (0.84%)			EUR	4,000,000	*Credit Agricole Variable 22/04/2026	3,586	0.38
GBP	7,247,000	Asciano Finance 5% 19/09/2023	7,843	0.82			BBB+ 1.19% (1.00%)		
GBP	1,320,000	*QBE Insurance Group 6.115% 24/05/2042	1,388	0.15	GBP	2,200,000	*CNP Assurances 7.375% 30/09/2041	2,254	0.24
		Total Australia	36,297	3.82	GBP	9,000,000	Orange 0.375% 27/06/2021	8,984	0.95
BELGIUM 0.23% (1.78%)							BBB 0.22% (0.18%)		
		A- 0.00% (1.78%)			GBP	2,100,000	RCI Banque 1.875% 08/11/2022	2,126	0.22
		BBB+ 0.23% (0.00%)					BBB- 0.44% (0.34%)		
GBP	1,950,000	Anheuser-Busch InBev 4% 24/09/2025	2,202	0.23	GBP	4,040,000	*Orange 5.875% 29/12/49	4,194	0.44
		Total Belgium	2,202	0.23			BB 0.33% (0.00%)		
BERMUDA 2.07% (1.69%)					EUR	3,516,000	Faurecia 2.375% 15/06/2029	3,119	0.33
		BBB- 2.07% (1.69%)					Total France	60,070	6.33
EUR	21,540,000	Bacardi 2.75% 03/07/2023	19,672	2.07	GERMANY 4.42% (2.13%)				
		Total Bermuda	19,672	2.07			AAA 0.72% (0.24%)		
BRITISH VIRGIN ISLANDS 1.21% (1.34%)					GBP	4,250,000	KFW 0.875% 15/09/2026	4,305	0.45
		BBB 1.21% (1.34%)			GBP	2,500,000	KFW 1.25% 29/12/2023	2,565	0.27
GBP	10,939,000	Global Switch Holdings 4.375% 13/12/2022	11,529	1.21			A 0.28% (0.24%)		
		Total British Virgin Islands	11,529	1.21	GBP	2,500,000	*Munich Rueckversicherungs 6.625% 26/05/2042	2,651	0.28
CANADA 0.10% (0.14%)							BBB+ 1.17% (0.27%)		
		BBB- 0.10% (0.14%)			EUR	9,205,000	Commerzbank 0.1% 11/09/2025	7,996	0.84
USD	1,241,000	Cenovus Energy 3.8% 15/09/2023	943	0.10	EUR	3,500,000	Deutsche Bank 1.125% 30/08/2023	3,127	0.33
		Total Canada	943	0.10			BBB- 1.06% (0.21%)		
CAYMAN ISLANDS 3.82% (1.03%)					GBP	3,400,000	Commerzbank 1.75% 22/01/2025	3,439	0.36
		BBB+ 2.84% (0.42%)			GBP	2,500,000	Deutsche Bank 2.625% 16/12/2024	2,608	0.27
GBP	8,698,000	Southern Water Services 1.625% 30/03/2027	8,606	0.91	GBP	2,300,000	Deutsche Bank 3.875% 12/02/2024	2,468	0.26
GBP	8,467,000	Southern Water Services Finance 6.64% 31/03/2026	10,445	1.10	EUR	1,800,000	*Deutsche Bank Variable 19/11/2025	1,591	0.17
GBP	5,250,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	5,401	0.57			BB+ 1.19% (1.17%)		
EUR	2,800,000	Thames Water Utilities Finance 0.19% 23/10/2023	2,441	0.26	EUR	3,000,000	ADLER Real Estate 1.5% 17/04/2022	2,616	0.28
		BBB- 0.98% (0.61%)			EUR	9,800,000	ADLER Real Estate 1.875% 27/04/2023	8,605	0.91
GBP	9,239,000	Thames Water Utilities 2.375% 03/05/2023	9,360	0.98			Total Germany	41,971	4.42
		Total Cayman Islands	36,253	3.82	GUERNSEY 0.23% (0.90%)				
							BBB+ 0.23% (0.90%)		
					GBP	2,100,000	Credit Suisse Group Funding 2.75% 08/08/2025	2,218	0.23
							Total Guernsey	2,218	0.23

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
INDIA 0.15% (0.13%)					MEXICO 0.20% (0.65%)				
		BB 0.00% (0.13%)					BBB 0.20% (0.44%)		
		BB- 0.15% (0.00%)			EUR	2,200,000	Petroleos Mexicanos 3.75% 16/04/2026	1,908	0.20
USD	1,990,000	GMR Hyderabad International 5.375% 10/04/2024	1,461	0.15			BBB- 0.00% (0.21%)		
		Total India	1,461	0.15			Total Mexico	1,908	0.20
ITALY 1.67% (1.02%)					NETHERLANDS 6.73% (7.17%)				
		BBB 0.73% (0.46%)					AA- 0.00% (0.44%)		
EUR	7,885,000	FCA Capital Ireland 0.5% 13/09/2024	6,940	0.73			A+ 0.00% (0.41%)		
		Baa3 0.24% (0.21%)					A 1.19% (1.46%)		
GBP	2,175,000	Romulus Finance 5.441% 20/02/2023	2,308	0.24	GBP	11,100,000	ABN AMRO Bank 1.375% 16/01/2025	11,261	1.19
		BB- 0.70% (0.35%)					BBB+ 2.06% (1.98%)		
GBP	4,012,000	Autostrade per l'Italia 6.25% 09/06/2022	4,196	0.44	GBP	2,600,000	Daimler International Finance 1.625% 11/11/2024	2,661	0.28
EUR	2,796,000	Nexi 1.625% 30/04/2026	2,421	0.26	GBP	2,800,000	Volkswagen Financial Services 1.125% 18/09/2023	2,815	0.30
		Total Italy	15,865	1.67	GBP	1,100,000	Volkswagen Financial Services 1.625% 10/02/2024	1,119	0.12
JERSEY 2.46% (1.54%)					GBP	2,500,000	Volkswagen Financial Services 2.125% 27/06/2024	2,580	0.27
		Aa2 0.63% (0.00%)			GBP	5,100,000	Volkswagen Financial Services 2.75% 10/07/2023	5,305	0.56
USD	8,251,000	Galaxy Pipeline Assets 1.75% 30/09/2027	5,965	0.63	GBP	4,500,000	Volkswagen Financial Services 4.25% 09/10/2025	5,066	0.53
		BBB+ 0.56% (0.47%)					BBB 1.58% (1.02%)		
GBP	4,938,000	Heathrow Funding 5.225% 15/02/2023	5,310	0.56	GBP	7,400,000	Innogy Finance 5.625% 06/12/2023	8,324	0.88
		BBB 0.60% (0.32%)			EUR	1,100,000	NE Property 1.75% 23/11/2024	977	0.10
GBP	1,721,000	CPUK Finance 7.239% 28/02/2024	1,985	0.21	EUR	2,300,000	NE Property 2.625% 22/05/2023	2,075	0.22
GBP	1,800,000	CPUK Finance Variable 3.588% 28/08/2025	1,933	0.21	EUR	4,047,000	*Stedin Holding Variable 31/03/2170	3,564	0.38
GBP	1,540,000	Gatwick Funding 5.25% 23/01/2024	1,706	0.18			BBB- 0.70% (1.86%)		
		BBB- 0.53% (0.44%)			USD	5,500,000	Bharti Airtel 5.125% 11/3/23	4,207	0.44
GBP	1,350,000	AA Bond 2.75% 31/07/2023	1,360	0.14	EUR	2,800,000	*Vonovia Finance 4% 17/12/2168	2,487	0.26
GBP	3,250,000	Heathrow Funding 7.125% 14/02/2024	3,726	0.39			BB+ 0.73% (0.00%)		
		Not Rated 0.14% (0.31%)			EUR	7,613,000	*TenneT Holding Variable 2.995% 01/06/2167	6,957	0.73
GBP	1,250,000	Hastings Group Finance 3% 24/05/2025	1,326	0.14			BB 0.47% (0.00%)		
		Total Jersey	23,311	2.46	EUR	5,000,000	*Telefonica Europe Perpetual 3% 04/12/2066	4,467	0.47
LUXEMBOURG 1.52% (2.77%)							Total Netherlands	63,865	6.73
		BBB+ 0.83% (0.68%)					NORWAY 1.48% (2.24%)		
EUR	4,800,000	Aroundtown 0% 16/07/2026	4,077	0.43			AA- 1.48% (2.24%)		
EUR	1,500,000	Aroundtown 1% 07/01/2025	1,340	0.14	GBP	13,734,000	DNB Bank 1.625% 15/12/2023	14,090	1.48
GBP	2,300,000	Glencore Finance Europe 6% 03/04/2022	2,410	0.26			Total Norway	14,090	1.48
		BBB 0.33% (1.52%)					PORTUGAL 0.03% (0.06%)		
EUR	3,400,000	Becton Dickinson Euro Finance 1.208% 04/06/2026	3,091	0.33			Not Rated 0.03% (0.06%)		
		Baa2 0.00% (0.57%)			EUR	3,100,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	296	0.03
		BBB- 0.36% (0.00%)					Total Portugal	296	0.03
EUR	1,500,000	*Aroundtown Variable 12/01/2169	1,344	0.14					
GBP	2,000,000	*Aroundtown Variable 25/06/2169	2,116	0.22					
		Total Luxembourg	14,378	1.52					

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 3.28% (4.12%)							BB 0.31% (0.68%)		
		A- 0.57% (0.00%)			USD	3,740,000	*Credit Suisse 7.5% 11/12/2049	2,962	0.31
EUR	6,190,000	Eaton Capital Unlimited 0.128% 08/03/2026	5,379	0.57			Total Switzerland	16,377	1.72
							UNITED ARAB EMIRATES 0.68% (0.24%)		
GBP	10,774,000	BBB+ 1.22% (1.47%) GE Capital UK Funding 4.125% 13/09/2023	11,617	1.22	GBP	3,763,000	AA- 0.68% (0.24%) First Abu Dhabi Bank 0.875% 09/12/2025	3,730	0.39
		BBB 0.00% (0.51%)			GBP	2,716,000	First Abu Dhabi Bank 1.375% 19/02/2023	2,742	0.29
USD	8,483,000	BBB- 0.70% (0.47%) *AIB Group 10/04/2025	6,617	0.70			Total United Arab Emirates	6,472	0.68
		Not Rated 0.00% (0.55%)					UNITED KINGDOM 33.16% (39.23%)		
		Liquidity Funds 0.79% (1.12%)¹					Aaa 0.00% (0.85%)		
	7,525,090	BlackRock Institutional Cash Series Sterling Liquidity Platinum	7,525	0.79	GBP	500,000	Aaae 0.06% (0.00%) Clydesdale Bank 4.625% 08/06/2026	594	0.06
	3,306	Insight Liquidity Funds - ILF GBP Liquidity Class 3	3	—	GBP	2,118,000	AA 0.22% (0.00%) Telereal Securitisation 1.3657% 10/12/2031	2,120	0.22
		Total Republic of Ireland	31,141	3.28			A 2.53% (3.90%)		
SPAIN 0.00% (0.58%)					GBP	12,015,000	Lloyds Bank Corporate Markets 1.75% 11/07/2024	12,304	1.30
		BBB 0.00% (0.58%)			GBP	5,000,000	Unite USAF II 3.374% 30/06/2023	5,211	0.55
		Total Spain	—	—	GBP	5,964,000	Unite USAF II 3.921% 30/06/2025	6,484	0.68
SUPRANATIONAL 4.22% (0.00%)							A- 2.82% (4.22%)		
GBP	7,750,000	AAA 4.22% (0.00%) Asian Development Bank 0.625% 15/09/2026	7,734	0.82	GBP	8,317,000	Experian Finance 0.739% 29/10/2025	8,199	0.86
GBP	17,000,000	European Investment Bank 0.75% 15/11/2024	17,191	1.81	GBP	5,240,000	Experian Finance 2.125% 27/09/2024	5,444	0.57
GBP	12,000,000	International Bank for Reconstruction and Development 0.5% 24/07/2023	12,068	1.27	EUR	2,000,000	*HSBC Holdings 2.256% 13/11/2026	2,073	0.22
GBP	3,000,000	International Bank for Reconstruction and Development 1% 19/12/2022	3,039	0.32	EUR	2,500,000	*HSBC Holdings Variable 13/11/2026	2,174	0.23
		Total Supranational	40,032	4.22	GBP	4,278,000	*HSBC Holdings Variable 24/07/2027	4,303	0.45
SWEDEN 1.96% (0.88%)					GBP	2,000,000	Western Power Distribution West Midlands 3.875% 17/10/2024	2,188	0.23
		BBB 1.13% (0.24%)			GBP	2,088,000	Western Power Distribution West Midlands 6% 09/05/2025	2,495	0.26
EUR	1,015,000	Akelius Residential 1.125% 14/03/2024	907	0.10			A3 0.10% (0.39%)		
EUR	7,584,000	Akelius Residential 1.75% 07/02/2025	6,952	0.73	GBP	908,000	*Direct Line Insurance 9.25% 27/04/2042	981	0.10
GBP	2,750,000	Akelius Residential 2.375% 15/08/2025	2,871	0.30			BBB+ 6.37% (9.24%)		
		Baa3 0.41% (0.30%)			GBP	2,900,000	*Aviva 6.125% 29/09/2049	3,096	0.33
EUR	3,848,000	Sagax 2% 17/01/2024	3,492	0.37	GBP	1,600,000	*Aviva Variable 14/11/2036	1,944	0.21
EUR	407,000	Sagax 2.25% 13/03/2025	376	0.04	GBP	8,310,000	BAT International Finance 4% EMTN 04/09/2026	9,184	0.97
		BB+ 0.42% (0.34%)			GBP	5,880,000	Bunzl Finance 2.25% 11/06/2025	6,161	0.65
EUR	4,370,000	*Akelius Residential FRN 05/10/2078	4,018	0.42	GBP	9,811,000	HSBC Bank 6.5% 07/07/2023	10,982	1.16
		Total Sweden	18,616	1.96	GBP	8,458,000	*Legal & General Group Variable 27/10/2045	9,718	1.02
SWITZERLAND 1.72% (0.68%)					GBP	3,017,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,182	0.12
		A+ 0.53% (0.00%)			GBP	1,525,000	NIE Finance 2.5% 27/10/2025 (London Listing)	1,618	0.17
EUR	5,869,000	UBS London 0.01% 31/03/2026	5,075	0.53	GBP	134,000	Northumbrian Water Finance 6.875% 06/02/2023	148	0.02
		BBB+ 0.55% (0.00%)			GBP	3,600,000	*Royal London Finance Bonds 6.125% 30/11/43	4,014	0.42
GBP	5,050,000	*Credit Suisse 2.125% 12/09/2025	5,186	0.55	GBP	800,000	*RSA Insurance Group 5.125% 10/10/2045	907	0.10
		BB+ 0.33% (0.00%)			GBP	4,250,000	Severn Trent Utilities Finance 6.125% 26/02/2024	4,878	0.51
USD	3,800,000	*UBS Group 7% 29/12/2049	3,154	0.33					

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 33.16% (39.23%) (continued)									
GBP	2,190,000	United Utilities Water Finance 2% 14/02/2025 (London Listing)	2,283	0.24	EUR	4,577,000	B 0.42% (0.08%) G4S International Finance 1.5% 09/01/2023	3,970	0.42
GBP	4,000,000	Western Power Distribution 3.625% 06/11/2023	4,236	0.45					
		Baa1 1.86% (1.50%)			GBP	13,250,000	Not Rated 2.22% (2.64%) First Hydro Finance 9% 31/07/2021	13,498	1.42
GBP	10,514,000	Bupa Finance 5% 25/04/2023	11,327	1.19	GBP	1,202,000	Pension Insurance 6.5% 03/07/2024	1,384	0.15
GBP	5,852,000	Scottish Widows 5.5% 16/06/2023	6,388	0.67	GBP	5,930,000	PGH Capital 4.125% 20/07/2022	6,154	0.65
		BBB 6.77% (5.84%)					Total United Kingdom	314,859	33.16
GBP	2,248,000	BAE Systems 4.125% 08/06/2022	2,333	0.25	UNITED STATES OF AMERICA 16.05% (16.57%)				
GBP	10,501,000	*Barclays 2.375% 06/10/2023	10,745	1.13			AA+ 0.00% (2.16%)		
GBP	1,560,000	*Barclays Variable 03/11/2026	1,580	0.17			AA- 0.00% (0.23%)		
GBP	9,336,000	Imperial Brand Finance 8.125% 15/03/2024	11,103	1.17			A+ 0.25% (0.04%)		
USD	7,706,000	Imperial Brands Finance PI 3.125% 26/07/2024	5,846	0.62	GBP	558,000	*SLM Student Loan Trusts FRN 15/03/2038	378	0.04
GBP	7,675,000	Lloyds Bank 7.625% 22/04/2025	9,550	1.01	GBP	2,017,000	Toyota Motor Credit Corporation 0.75% 19/11/2026	1,983	0.21
GBP	4,736,000	*M&G Variable 20/07/2049	5,027	0.53			A- 3.59% (1.97%)		
GBP	12,270,000	*Royal Bank of Scotland 2.875% 19/09/2026	13,044	1.37	USD	13,000,000	*Bank of America FRN 22/07/2027	9,396	0.99
GBP	1,830,000	*Santander UK Group Holdings Variable 08/05/2026	1,941	0.20	USD	13,000,000	*JPMorgan Chase & Company FRN 22/04/2027	9,368	0.99
GBP	3,037,000	*Telereal Securitisation 1.9632% 10/12/2033	3,063	0.32	GBP	15,313,000	*JPMorgan Chase & Company Variable 28/04/2026	15,302	1.61
		Baa2 0.03% (1.24%)					BBB+ 4.32% (1.95%)		
GBP	280,000	National Express Group 2.5% 11/11/2023	291	0.03	EUR	1,000,000	AbbVie 1.25% 01/06/2024	898	0.09
		BBB- 4.88% (6.71%)			GBP	6,850,000	American International Group 5% 26/04/2023	7,423	0.78
GBP	2,010,000	Delamare Finance 5.5457% 29/02/2029	1,705	0.18	GBP	4,950,000	BAT Capital 2.125% 15/08/2025	5,078	0.53
EUR	21,972,000	DS Smith 1.375% 26/07/2024	19,792	2.08	GBP	5,615,000	Citigroup 2.75% 24/01/2024	5,895	0.62
GBP	3,750,000	Firstgroup 5.25% 29/11/22	4,009	0.42	GBP	1,900,000	Citigroup 5.15% 21/05/2026	2,256	0.24
GBP	890,000	Firstgroup 6.875% 18/09/2024	1,044	0.11	GBP	2,500,000	General Electric Capital 6.44% 15/11/2022	106	0.01
EUR	1,140,000	Intercontinental Hotel 1.625% 08/10/2024	1,031	0.11	USD	9,412,000	*Verizon Communications FRN 20/03/2026	6,853	0.72
GBP	2,600,000	Intercontinental Hotel 3.875% 28/11/2022	2,705	0.29	GBP	1,600,000	Wells Fargo 2% 28/07/2025	1,651	0.17
GBP	8,755,000	*NGG Finance 5.625% 18/06/2073	9,823	1.03	GBP	10,700,000	Wells Fargo 2.125% 20/12/2023	11,045	1.16
GBP	700,000	Tesco Corporate Treasury Services 2.5% 02/05/2025	739	0.08			BBB 3.44% (5.61%)		
GBP	2,500,000	*Virgin Money UK Variable 22/06/2025	2,607	0.27	GBP	450,000	AT&T 5.5% 15/03/2027	549	0.06
GBP	2,680,000	*Virgin Money UK Variable 25/09/2026	2,916	0.31	EUR	5,812,000	Becton Dickinson 1.401% 24/05/2023	5,193	0.55
		Baa3 1.88% (1.16%)			GBP	3,700,000	Becton Dickinson 3.02% 24/05/2025	3,969	0.42
GBP	13,121,000	*TSB Banking Group 5.75% 06/05/2026	13,123	1.38	GBP	600,000	Citigroup 5.875% 01/07/2024	685	0.07
GBP	4,314,000	*Virgin Money UK Variable 11/12/2030	4,791	0.50	GBP	4,760,000	Digital Stout Holding 2.75% 19/07/2024	5,030	0.53
		BB+ 2.98% (0.99%)			GBP	2,370,000	Digital Stout Holding 4.25% 17/01/2025	2,646	0.28
GBP	12,466,000	GKN Holdings 5.375% 19/09/2022	13,107	1.38	EUR	8,664,000	Fidelity National Information Services 0.625% 03/12/2025	7,686	0.81
GBP	2,695,000	Marks & Spencer 4.25% 08/12/2023	2,866	0.30	GBP	6,493,000	Fiserv 2.25% 01/07/2025	6,821	0.72
GBP	1,402,000	Marks & Spencer 6% 12/06/2025	1,577	0.17			BBB- 2.14% (2.71%)		
GBP	2,250,000	Marks & Spencer 6.125% 06/12/2021	2,336	0.25			American International Group Variable 15/03/2067	45	—
GBP	2,362,000	*Marstons Issuer 5.1576% 15/10/2027	1,948	0.21	GBP	50,000	Boeing 2.75% 01/02/2026	2,872	0.30
GBP	5,930,000	*Royal Bank of Scotland Group Variable 14/08/2030	6,349	0.67	USD	3,850,000	Broadcom 3.15% 15/11/2025	4,081	0.43
		BB 0.02% (0.25%)			USD	13,740,000	*Charter Communications Operating FRN 01/02/2024	10,137	1.07
GBP	1,357,000	Mitchells & Butlers Finance 6.013% 15/12/2023	226	0.02	GBP	1,279,000	Discovery 2.5% 20/09/2024	1,333	0.14
		BB- 0.00% (0.22%)			USD	2,483,000	Plains All American Pipeline 3.85% 15/10/2023	1,890	0.20

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value			
UNITED STATES OF AMERICA 16.05% (16.57%) (continued)					ANALYSIS OF INVESTMENTS BY ASSET CLASS		
		BB+ 1.57% (1.28%)				Value £000	% of Investment
GBP	1,600,000	Ford Motor Credit 4.535% 06/03/2025	1,707	0.18	Fixed interest	709,778	75.82
EUR	9,695,000	Kraft Heinz Foods 2% 30/06/2023	8,722	0.92	Floating rate notes	225,622	24.10
EUR	4,698,000	Netflix 3% 15/06/2025	4,441	0.47	Derivatives	737	0.08
		BB 0.74% (0.45%)			Total value of investments ³	936,137	100.00
EUR	2,953,000	IQVIA 1.75% 15/03/2026	2,587	0.27			
EUR	2,000,000	IQVIA 2.875% 15/09/2025	1,762	0.19			
USD	3,474,000	Western Midstream Operating 4.1% 01/02/2025	2,633	0.28			
		BB- 0.00% (0.17%)			ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS		
		Total United States of America	152,421	16.05	UBS EURO -Bobl Future Expiring June 2021	(123,133)	
					UBS Long Gilt Future Expiring June 2021	79,872	
					UBS US 5 Year Note Future Expiring June 2021	(34,645)	
					Total net exposure	(77,906)	
DERIVATIVES 0.08% (0.18%)							
		Credit Default Swaps 0.00% (0.01%)					
		Futures and Options 0.00% (-0.11%)					
(1,052)		UBS EURO - Bobl Future Expiring June 2021	255	0.03			
625		UBS Long Gilt Future Expiring June 2021	(525)	(0.06)			
(389)		UBS US 5 Year Note Future Expiring June 2021	288	0.03			
		Forward Foreign Exchange Contracts 0.08% (0.28%)					
		Sell GBP 1,300,782					
		Buy EUR 1,500,000 J.P. Morgan	2	—			
		Sell GBP 10,294					
		Buy EUR 11,827 J.P. Morgan ²	—	—			
		Sell GBP 116,976					
		Buy EUR 134,406 J.P. Morgan ²	—	—			
		Sell GBP 5,219,233					
		Buy EUR 6,000,000 J.P. Morgan	(7)	—			
		Sell GBP 5,711,303					
		Buy EUR 6,623,690 Lloyds	43	0.01			
		Sell USD 23,000,000					
		Buy GBP 16,513,581 Lloyds	(18)	—			
		Sell EUR 2,754,800					
		Buy GBP 2,386,927 HSBC	(6)	—			
		Sell EUR 234,224,498					
		Buy GBP 203,561,701 Lloyds	79	0.01			
		Sell USD 4,200,000					
		Buy GBP 3,038,190 Lloyds	19	—			
		Sell USD 92,606,339					
		Buy GBP 67,169,922 HSBC	607	0.06			
		Total Derivatives	737	0.08			
		Total value of investments³	936,137	98.58			
		Net other assets (3.02%)	13,479	1.42			
		Net assets	949,616	100.00			

April 2020 comparatives in brackets.

*Variable rate bonds.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle UK Fixed Interest Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA 0.55% (0.62%)					AA- 0.00% (0.42%)				
		AA+ 0.55% (0.62%)					A+ 0.78% (0.00%)		
GBP	583,000	Oesterreichische Kontrollbank 1.125% 15/12/2022	591	0.16	GBP	1,300,000	Transport for London 2.125% 24/04/2025	1,368	0.37
GBP	1,419,000	Oesterreichische Kontrollbank 1.25% 15/12/2023	1,453	0.39	GBP	1,500,000	Transport for London 2.25% 09/08/2022	1,533	0.41
		Total Austria	2,044	0.55			Not Rated 76.04% (19.59%)		
CANADA 1.33% (1.00%)					GBP	6,445,000	United Kingdom Gilt 0.125% 31/01/2023	6,449	1.73
		AAA 0.98% (0.60%)			GBP	22,455,000	United Kingdom Gilt 0.125% 31/01/2024	22,410	6.02
GBP	1,655,000	CPPIB Capital 1.125% 14/12/2029	1,641	0.44	GBP	6,895,000	United Kingdom Gilt 0.125% 30/01/2026	6,808	1.83
GBP	2,000,000	*Export Development Canada FRN 29/05/2024	2,007	0.54	GBP	38,712,000	United Kingdom Gilt 0.125% 31/01/2028	37,440	10.05
		Aaa 0.35% (0.40%)			GBP	28,596,000	United Kingdom Gilt 0.25% 31/07/2031	26,634	7.15
GBP	1,300,000	Royal Bank of Canada 1.125% 22/12/2021	1,307	0.35	GBP	16,136,000	United Kingdom Gilt 0.375% 22/10/2026	16,031	4.31
		Total Canada	4,955	1.33	GBP	21,362,000	United Kingdom Gilt 0.5% 22/10/2061	16,422	4.41
FINLAND 0.54% (0.62%)					GBP	45,307,000	United Kingdom Gilt 0.625% 31/07/2035	41,971	11.27
		AA+ 0.54% (0.62%)			GBP	39,059,000	United Kingdom Gilt 0.625% 22/10/2050	32,262	8.66
GBP	2,000,000	Municipality Finance 1.25% 07/12/2022	2,031	0.54	GBP	17,972,000	United Kingdom Gilt 0.875% 31/01/2046	16,173	4.34
		Total Finland	2,031	0.54	GBP	44,269,000	United Kingdom Gilt 1.25% 22/10/2041	43,790	11.76
GERMANY 1.01% (1.13%)					GBP	6,281,000	United Kingdom Gilt 1.25% 31/07/2051	6,151	1.65
		AAA 1.01% (1.13%)			GBP	9,838,000	United Kingdom Gilt 1.625% 22/10/2054	10,657	2.86
GBP	3,725,000	KfW 1% 15/12/2022	3,773	1.01			Total United Kingdom	346,058	92.92
		Total Germany	3,773	1.01	Total value of investments²				368,965
REPUBLIC OF IRELAND 0.33% (1.76%)					Net other assets (0.70%)				3,460
		Liquidity Funds 0.33% (1.76%)¹			Net assets				372,425
	1,212,901	BlackRock Institutional Cash Series Sterling Liquidity Platinum	1,213	0.33	<i>April 2020 comparatives in brackets.</i>				
		Total Republic of Ireland	1,213	0.33	<i>*Variable rate bonds.</i>				
SUPRANATIONAL 2.39% (1.50%)					<i>¹Cash equivalents.</i>				
		AAA 0.99% (1.50%)			<i>²Includes Cash equivalents.</i>				
GBP	2,000,000	European Investment Bank 1% 21/09/2026	2,036	0.55	ANALYSIS OF INVESTMENTS BY ASSET CLASS				
GBP	1,700,000	International Bank for Reconstruction and Development 0.25% 23/09/2027	1,643	0.44			Value £000	% of Investment	
		Aaa 1.40% (0.00%)			Fixed interest	360,533		97.71	
GBP	5,025,000	*European Investment Bank FRN 08/09/2025	5,212	1.40	Floating rate notes	7,219		1.96	
		Total Supranational	8,891	2.39	Collective Investment Schemes	1,213		0.33	
UNITED KINGDOM 92.92% (92.67%)					Total value of investments²	368,965		100.00	
		AA 0.55% (0.50%)							
GBP	1,630,000	LCR Finance 4.5% 07/12/2028	2,047	0.55					
		Aa2u 0.00% (72.16%)							
		Aa3u 15.55% (0.00%)							
GBP	5,648,000	United Kingdom Gilt 1.5% 22/07/2047	5,855	1.57					
GBP	2,851,000	United Kingdom Gilt 1.625% 22/10/2028	3,054	0.82					
GBP	796,000	United Kingdom Gilt 1.625% 22/10/2071	947	0.25					
GBP	3,798,000	United Kingdom Gilt 1.75% 22/07/2057	4,328	1.16					
GBP	2,521,000	United Kingdom Gilt 2.5% 22/07/2065	3,630	0.98					
GBP	34,194,000	United Kingdom Gilt 3.75% 07/09/2021	34,624	9.30					
GBP	5,297,000	United Kingdom Gilt 4% 07/03/2022	5,474	1.47					

Threadneedle UK Index Linked Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 98.52% (99.30%)				
AA 2.91% (2.57%)				
GBP	314,000	Network Rail Infrastructure Finance 1.375% 22/11/2037	787	1.45
GBP	262,000	Network Rail Infrastructure Finance Index-Linked 1.125% 22/11/2047	790	1.46
Aa2u 0.00% (96.73%)				
Aa3u 83.08% (0.00%)				
GBP	1,183,000	United Kingdom Gilt 0.125% 10/08/2041	1,976	3.64
GBP	1,940,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2024	2,594	4.78
GBP	1,601,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2026	2,123	3.91
GBP	60,000	United Kingdom Index-Linked Gilt 0.125% 22/11/2036	99	0.18
GBP	3,069,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2044	6,163	11.36
GBP	1,790,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2046	3,497	6.44
GBP	306,000	United Kingdom Index-Linked Gilt 0.125% 10/08/2048	588	1.08
GBP	717,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2058	1,759	3.24
GBP	2,627,000	United Kingdom Index-Linked Gilt 0.25% 22/03/2052	6,266	11.54
GBP	2,908,000	United Kingdom Index-Linked Gilt 0.375% 22/03/2062	8,875	16.35
GBP	3,465,000	United Kingdom Index-Linked Gilt 0.75% 22/03/2034	6,508	11.99
GBP	268,000	United Kingdom Index-Linked Gilt 1.25% 22/11/2055	1,072	1.97
GBP	2,293,000	United Kingdom Index-Linked Gilt 1.875% 22/11/2022	3,580	6.60
Not Rated 12.53% (0.00%)				
GBP	394,000	United Kingdom Gilt 0.125% 10/08/2028	513	0.95
GBP	2,774,000	United Kingdom Gilt 0.125% 10/08/2031	3,673	6.77
GBP	560,000	United Kingdom Gilt 0.625% 22/10/2050	463	0.85
GBP	1,151,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2051	2,147	3.96
Total Fixed Interest			53,473	98.52
Total value of investments			53,473	98.52
Net other assets (0.70%)			802	1.48
Net assets			54,275	100.00

April 2020 comparatives in brackets.

Threadneedle Pan European Focus Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 4.95% (0.00%)							Personal Goods 4.97% (0.00%)		
		Banks 4.95% (0.00%)			88,683	Moncler		3,937	4.97
	70,401	KBC Groep	3,925	4.95			Mobile Telecommunications 0.00% (4.80%)		
		Total Belgium	3,925	4.95			Total Italy	4,735	5.98
DENMARK 9.06% (5.69%)					NETHERLANDS 21.80% (13.94%)				
		Industrial Transportation 4.43% (1.06%)					Chemicals 14.90% (0.00%)		
	21,713	DSV Panalpina	3,511	4.43		46,480	Akzo Nobel	4,043	5.10
		Pharmaceuticals & Biotechnology 0.00% (4.63%)				36,791	IMCD Group	3,869	4.88
		Nonlife Insurance 4.63% (0.00%)				30,137	Koninklijke DSM	3,894	4.92
	221,315	Tryg	3,664	4.63			Support Services 1.01% (0.00%)		
	Total Denmark	7,175	9.06	450	Adyen	803	1.01		
FINLAND 0.00% (2.99%)							General Retailers 0.00% (2.64%)		
		Industrial Engineering 0.00% (2.99%)					Media 0.99% (1.45%)		
		Total Finland	—	—	12,028	Wolters Kluwer	782	0.99	
FRANCE 17.12% (17.97%)							Banks 2.54% (0.00%)		
		Chemicals 0.53% (4.38%)			217,878	ING Groep	2,008	2.54	
	3,422	Air Liquide	419	0.53			Software & Computer Services 0.00% (4.89%)		
		Electronic & Electrical Equipment 5.07% (3.05%)					Technology Hardware & Equipment 2.36% (4.96%)		
	34,745	Schneider Electric	4,019	5.07	4,329	ASM International	947	1.20	
		Support Services 6.12% (8.68%)			1,965	ASML	921	1.16	
	14,272	Teleperformance	3,956	4.99		Total Netherlands	17,267	21.80	
	12,496	Worldline	892	1.13					
		Personal Goods 1.13% (0.00%)							
	1,629	LVMH Moet Hennessy Vuitton	892	1.13					
		General Retailers 4.27% (0.00%)							
	5,809	Kering	3,383	4.27					
	Software & Computer Services 0.00% (1.86%)								
	Total France	13,561	17.12						
GERMANY 7.97% (12.03%)									
		Chemicals 5.05% (0.00%)					Liquidity Funds 0.00% (0.01%) ¹		
	61,385	Brenntag	3,998	5.05	1,401	BlackRock Institutional Cash Series	2	—	
		Personal Goods 1.97% (0.00%)				Sterling Liquidity Platinum	2	—	
	3,469	Adidas	780	0.98		Total Republic of Ireland	2	—	
	10,137	Puma	782	0.99					
		Mobile Telecommunications 0.00% (2.09%)							
		Financial Services 0.00% (4.21%)							
		Software & Computer Services 0.00% (5.73%)							
		Technology Hardware & Equipment 0.95% (0.00%)							
	Infineon Technologies	754	0.95						
	Total Germany	6,314	7.97						
ITALY 5.98% (7.84%)									
		Support Services 1.01% (3.04%)							
	57,810	Nexi	798	1.01					

Threadneedle Pan European Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
SWITZERLAND 9.08% (14.99%)			
	Construction & Materials 5.05% (1.44%)		
18,461	Sika	3,998	5.05
	General Industrials 0.00% (1.71%)		
	Food Producers 0.00% (4.62%)		
	Pharmaceuticals & Biotechnology 0.00% (7.22%)		
	Financial Services 4.03% (0.00%)		
287,903	UBS Group	3,193	4.03
	Total Switzerland	7,191	9.08
UNITED KINGDOM 8.75% (6.01%)			
	General Retailers 4.01% (0.00%)		
348,499	JD Sports Fashion	3,182	4.01
	Media 0.00% (3.46%)		
	Banks 4.74% (0.00%)		
2,124,427	Barclays	3,753	4.74
	Financial Services 0.00% (2.55%)		
	Total United Kingdom	6,935	8.75
Total value of investments²		74,681	94.28
Net other assets (0.46%)		4,531	5.72
Net assets		79,212	100.00

April 2020 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle American Extended Alpha Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 5.08% (0.08%)				Nonlife Insurance 5.93% (6.77%)			
	Liquidity Funds 5.08% (0.08%)¹			20,198	Berkshire Hathaway	4,032	5.93
4,808,232	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	3,456	5.08		Financial Services 8.41% (8.35%)		
	Total Republic of Ireland	3,456	5.08	11,060	MasterCard Class A	3,089	4.54
				15,437	Visa 'A' Shares	2,628	3.87
SWITZERLAND 0.70% (0.00%)					Software & Computer Services 27.90% (24.77%)		
	Technology Hardware & Equipment 0.70% (0.00%)			3,358	Alphabet Class A	5,772	8.49
4,799	TE Connectivity	477	0.70	6,999	Autodesk	1,490	2.19
	Total Switzerland	477	0.70	14,587	Facebook	3,455	5.08
				5,847	Intuit	1,749	2.57
UNITED STATES OF AMERICA 88.44% (96.47%)				29,865	Microsoft	5,419	7.97
	Oil & Gas Producers 0.00% (2.38%)			31,224	Nutanix	623	0.92
	Aerospace & Defence 0.00% (0.30%)			9,479	Pinterest Class A	465	0.68
	Industrial Engineering 0.39% (0.00%)				Technology Hardware & Equipment 11.25% (12.62%)		
13,913	Bloom Energy	265	0.39	11,070	Analog Devices	1,257	1.85
	Industrial Transportation 3.55% (3.50%)			19,349	Apple	1,856	2.73
11,943	Norfolk Southern	2,410	3.55	5,450	Lam Research	2,510	3.69
	Support Services 3.93% (0.00%)			10,157	Marvell Technology	345	0.51
4,107	Fiserv	361	0.53	9,511	Microchip Technology	1,066	1.57
8,497	PayPal Holdings	1,636	2.41	1,381	Nvidia	608	0.90
1,264	Square	225	0.33		Total United States of America	60,119	88.44
5,968	TransUnion	449	0.66				
	Food Producers 0.00% (1.40%)			DERIVATIVES 0.18% (-0.52%)			
	Personal Goods 1.78% (0.49%)				Forward Foreign Exchange Contracts 0.00% (0.00%)		
12,667	NIKE	1,213	1.78		Sell USD 68,000		
	Health Care Equipment & Services 4.94% (5.38%)				Buy GBP 48,987 Bank of Scotland ²	—	—
13,932	Centene	607	0.89		Sell GBP 823,286		
26,539	Edwards Lifesciences	1,836	2.70		Buy USD 1,148,000 Bank of Scotland	2	—
14,257	Signify Health	300	0.44		Portfolio Swap 0.18% (-0.52%)		
1,857	Thermo Fisher Scientific	620	0.91		Merrill Lynch Portfolio Swap	121	0.18
	Pharmaceuticals & Biotechnology 3.79% (7.82%)				UBS portfolio Swaps	(4)	—
17,565	Biomarin Pharmaceutical	1,012	1.49		Total Derivatives	119	0.18
4,663	Eli Lilly and Company	611	0.90				
6,229	Vertex Pharmaceuticals	949	1.40		Total value of investments³	64,171	94.40
	Food & Drug Retailers 0.95% (0.00%)				Net other assets (3.97%)	3,810	5.60
11,732	CVS Health	644	0.95		Net assets	67,981	100.00
	General Retailers 8.34% (10.88%)						
1,917	Amazon.com	4,783	7.04				
22,339	Uber Technologies	882	1.30				
	Media 1.18% (2.02%)						
6,047	Walt Disney	805	1.18				
	Travel & Leisure 1.10% (3.33%)						
16,983	Las Vegas Sands	747	1.10				
	Electricity 0.65% (0.00%)						
7,973	FPL Group	443	0.65				
	Banks 4.35% (6.46%)						
61,536	Bank of America	1,818	2.67				
10,206	JPMorgan Chase	1,139	1.68				

April 2020 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle US Equity Income Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
CORPORATE BONDS 0.60% (0.00%)									
Corporate Bonds 0.60% (0.00%)									
USD	485,000	Air Canada 4% 01/07/2025	539	0.60		20,618	Johnson & Johnson	2,433	2.72
Total Corporate Bonds						29,611	Merck & Co	1,569	1.75
					Total Health Care				
OIL & GAS 3.93% (3.43%)					CONSUMER SERVICES 12.37% (8.55%)				
Oil & Gas Producers 3.93% (3.43%)					General Retailers 8.18% (6.39%)				
	11,363	Chevron	873	0.97		36,206	Ebay	1,459	1.63
	52,261	ConocoPhillips	1,996	2.23		11,953	Home Depot	2,796	3.13
	12,110	Valero Energy	652	0.73		10,707	Target Corporation	1,596	1.78
Total Oil & Gas						28,559	TJX Companies	1,466	1.64
					Media 2.27% (2.16%)				
						50,090	Comcast Corporation	2,031	2.27
BASIC MATERIALS 0.00% (0.45%)					Travel & Leisure 1.92% (0.00%)				
Chemicals 0.00% (0.45%)						20,850	Starbucks	1,718	1.92
Total Basic Materials					Total Consumer Services				
INDUSTRIALS 17.74% (12.06%)					TELECOMMUNICATIONS 3.25% (4.61%)				
Aerospace & Defence 1.75% (2.59%)					Fixed Line Telecommunications 3.25% (4.61%)				
	26,209	Raytheon Technologies	1,561	1.75		45,102	AT&T	1,016	1.13
General Industrials 3.57% (2.23%)						46,044	Verizon Communications	1,897	2.12
	17,618	DuPont de Nemours	987	1.10	Total Telecommunications				
	21,169	Eaton	2,206	2.47					
Electronic & Electrical Equipment 1.45% (0.00%)					UTILITIES 5.38% (6.75%)				
	13,039	TE Connectivity	1,295	1.45	Electricity 5.38% (6.75%)				
Industrial Engineering 2.24% (1.64%)						22,829	American Electric Power	1,445	1.61
	12,283	Caterpillar	2,007	2.24		16,240	Edison International	687	0.77
Industrial Transportation 4.86% (4.03%)						27,704	FPL Group	1,538	1.72
	12,754	Union Pacific	2,058	2.30		22,529	Xcel Energy	1,143	1.28
	15,649	United Parcel Service	2,292	2.56	Total Utilities				
Support Services 3.87% (1.57%)									
	9,323	Automatic Data Processing	1,262	1.41	FINANCIALS 17.84% (16.52%)				
	10,908	Fidelity National Information Services	1,220	1.36	Banks 3.00% (5.31%)				
	3,530	MasterCard Class A	986	1.10		9,608	JPMorgan Chase	1,072	1.20
Total Industrials						37,375	Truist Financial Corporation	1,610	1.80
					Nonlife Insurance 1.24% (1.41%)				
						12,049	Allstate	1,107	1.24
CONSUMER GOODS 8.53% (9.47%)					Life Insurance 1.78% (1.42%)				
Beverages 2.04% (3.19%)						34,380	Metlife	1,592	1.78
	17,700	PepsiCo	1,831	2.04	Real Estate Investment Trusts 4.94% (5.81%)				
Household Goods & Home Construction 2.45% (3.51%)						20,062	Equity LifeStyle Properties	997	1.12
	22,987	Procter & Gamble	2,189	2.45		21,077	Prologis	1,761	1.97
Personal Goods 1.57% (0.00%)						3,396	SBA Communications	728	0.81
	30,019	Kontoor Brands	1,402	1.57		36,220	STORE Capital	934	1.04
Tobacco 2.47% (2.77%)					Financial Services 6.88% (2.57%)				
	32,361	Philip Morris International	2,212	2.47		2,242	Blackrock	1,333	1.49
Total Consumer Goods						8,484	CME Group	1,242	1.39
						21,993	Moelis & Company	888	0.99
						27,092	Morgan Stanley	1,629	1.82
HEALTH CARE 9.34% (13.33%)						12,228	Virtu Financial	263	0.29
Health Care Equipment & Services 1.39% (2.61%)						16,220	Voya Financial	805	0.90
	1,000	Danaher Corporation Preference Share	1,244	1.39	Total Financials				
Pharmaceuticals & Biotechnology 7.95% (10.72%)									
	31,848	Bristol-Myers Squibb	1,439	1.61					
	12,793	Eli Lilly and Company	1,675	1.87					

Threadneedle US Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 20.90% (24.36%)			
Software & Computer Services 9.15% (10.41%)			
38,072	Microsoft	6,909	7.72
81,006	NortonLifeLock	1,280	1.43
Technology Hardware & Equipment 11.75% (13.95%)			
26,074	Apple	2,502	2.80
6,687	Broadcom	2,241	2.50
48,900	Cisco Systems	1,808	2.02
9,302	KLA-Tencor	2,180	2.44
13,363	Texas Instruments	1,785	1.99
Total Technology		18,705	20.90
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 19,951		
	Buy CHF 18,233 J.P. Morgan ¹	–	–
	Sell USD 20,235		
	Buy CHF 18,493 J.P. Morgan ¹	–	–
	Sell USD 22,971		
	Buy EUR 18,985 J.P. Morgan ¹	–	–
	Sell USD 23,060		
	Buy EUR 19,059 J.P. Morgan ¹	–	–
	Sell USD 495,024		
	Buy EUR 409,133 J.P. Morgan ¹	–	–
	Sell USD 49,706		
	Buy EUR 41,081 J.P. Morgan ¹	–	–
	Sell USD 376,791		
	Buy GBP 270,000 HSBC	(1)	–
	Sell GBP 44,029		
	Buy USD 61,250 J.P. Morgan ¹	–	–
Total Derivatives		(1)	–
Total value of investments		89,385	99.88
Net other assets (0.47%)		106	0.12
Net assets		89,491	100.00

April 2020 comparatives in brackets.

¹Less than £500, rounded to nil.

Threadneedle China Opportunities Fund

Portfolio Statement

as at 30 April 2021

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
BERMUDA	0.00%	(1.08%)					Automobiles & Parts	0.64%	(0.00%)
		Oil Equipment, Services & Distribution	0.00%	(1.08%)	8,600		Contemporary Amperex Technology	371	0.64
		Total Bermuda	—	—			Beverages	3.77%	(3.65%)
CAYMAN ISLANDS	46.06%	(37.77%)			4,861		Kweichow Moutai	1,085	1.86
		Construction & Materials	0.00%	(1.96%)	35,207		Wuliangye Yibin	1,115	1.91
		Electronic & Electrical Equipment	0.00%	(0.29%)			Food Producers	0.60%	(0.00%)
		Automobiles & Parts	1.07%	(1.70%)	89,000		Tongwei	349	0.60
110,000		Geely Automobile Holdings	205	0.35			Household Goods & Home Construction	1.15%	(0.00%)
47,221		Minth Group	138	0.24	100,673		Gree Electric Appliances	670	1.15
12,778		XPeng	280	0.48			Personal Goods	2.76%	(1.51%)
		Food Producers	2.51%	(3.30%)	275,000		Li-Ning	1,611	2.76
381,000		China Mengniu Dairy	1,465	2.51			Pharmaceuticals & Biotechnology	2.37%	(1.34%)
		Leisure Goods	2.51%	(0.00%)	80,000		Innovent Biologics	625	1.07
90,500		NetEase	1,468	2.51	44,712		WuXi AppTec	759	1.30
		Personal Goods	1.65%	(0.59%)			General Retailers	5.48%	(8.92%)
61,000		Shenzhen International Group Holdings	964	1.65	35,200		Alibaba Group Holding	733	1.26
		Pharmaceuticals & Biotechnology	4.02%	(2.70%)	89,406		Meituan Dianping-Class B	2,465	4.22
987,500		Sino Biopharmaceutical	765	1.31	15,139		China International Travel Service	525	0.90
156,000		WuXi Biologics (Cayman)	1,580	2.71	125,044		Shanghai Jinjiang International Hotels	851	1.46
		General Retailers	13.90%	(11.52%)			Banks	10.29%	(9.23%)
24,062		Alibaba Group ADR	4,050	6.94	4,326,000		China Construction Bank	2,463	4.22
9,150		JD Health International	103	0.18	304,000		China Merchants Bank	1,763	3.02
44,500		JD.com	1,230	2.11	3,813,000		Industrial & Commercial Bank of China	1,783	3.05
103,300		New Oriental Education & Technology	1,150	1.97			Life Insurance	4.92%	(6.61%)
3,207		Pinduoduo ADR	317	0.54	365,000		Ping An Insurance Group	2,869	4.92
12,974		TAL Education Group ADR	546	0.94			Real Estate Investment & Services	0.00%	(1.28%)
131,000		Zhongsheng Group Holdings	714	1.22			Software & Computer Services	1.30%	(0.43%)
		Travel & Leisure	4.02%	(0.00%)	384,049		Beijing Thunisoft Corporation	760	1.30
15,350		Huazhu Group	653	1.12			Technology Hardware & Equipment	0.00%	(2.21%)
496,800		Sands China	1,695	2.90			Total China	22,269	38.15
		Real Estate Investment & Services	3.53%	(1.80%)					
438,000		China Resources Land	1,478	2.53					
77,000		Country Garden Services Hold	581	1.00					
		Software & Computer Services	12.44%	(13.91%)					
10,100		Baidu ADR	1,541	2.64					
16,928		Kuaishou Technology	412	0.71					
92,100		Tencent Holdings	5,307	9.09					
		Technology Hardware & Equipment	0.41%	(0.00%)					
22,200		Asm Pacific Technology	242	0.41					
		Total Cayman Islands	26,884	46.06					
CHINA	38.15%	(40.94%)					Travel & Leisure	1.67%	(1.14%)
		Construction & Materials	0.99%	(2.43%)	154,000		Galaxy Entertainment Group	974	1.67
	90,345		Beijing Oriental Yuhong Waterproof Technology	580	0.99			Mobile Telecommunications	0.00%
		Industrial Engineering	0.99%	(1.93%)			Life Insurance	2.83%	(1.02%)
243,800		Zhejiang Sanhua Intelligent Control	581	0.99	180,800		AIA Group	1,654	2.83
		Support Services	0.53%	(0.57%)			Real Estate Investment & Services	0.00%	(3.43%)
85,509		Centre Testing International Group	311	0.53					

Threadneedle China Opportunities Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
HONG KONG 8.65% (16.84%) (continued)			
	Financial Services 0.95% (0.74%)		
12,700	Hong Kong Exchanges and Clearing	552	0.95
	Software & Computer Services 0.54% (0.00%)		
144,000	Alibaba Health Information Technology	315	0.54
	Technology Hardware & Equipment 1.88% (1.10%)		
245,000	Hua Hong Semiconductor	1,099	1.88
	Total Hong Kong	5,047	8.65
TAIWAN 4.17% (1.23%)			
	Technology Hardware & Equipment 4.17% (1.23%)		
37,000	MediaTek	1,128	1.93
71,000	Taiwan Semiconductor Manufacturing	1,096	1.88
15,000	Yageo	210	0.36
	Total Taiwan	2,434	4.17
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 55,000		
	Buy GBP 39,543 Bank of Scotland ¹	—	—
	Sell USD 78,000		
	Buy GBP 56,191 Bank of Scotland ¹	—	—
	Total Derivatives	—	—
Total value of investments		56,634	97.03
Net other assets (2.14%)		1,731	2.97
Net assets		58,365	100.00

April 2020 comparatives in brackets.

¹Less than £500, rounded to nil.

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BERMUDA 0.00% (0.75%)				General Retailers 10.59% (10.24%)			
	Banks 0.00% (0.75%)			198,690	Afya Class A	3,342	0.68
	Total Bermuda	—	—	177,720	Alibaba Group ADR	29,914	6.04
BRAZIL 5.56% (7.20%)				66,818	Arco Platform 'A' Shares	1,268	0.26
	Support Services 0.00% (0.85%)			172,210	JD.com ADR	9,633	1.95
	Health Care Equipment & Services 0.41% (1.98%)			416,140	New Oriental Education & Technology Group ADR	4,669	0.94
181,629	Notredame Intermedica	2,012	0.41	84,972	TAL Education Group ADR	3,579	0.72
	General Retailers 1.47% (2.56%)			Real Estate Investment & Services 2.95% (0.00%)			
493,257	Localiza Rent a Car	4,199	0.85	1,933,969	Country Garden Services Hold	14,591	2.95
1,134,503	Magazine Luiza	3,094	0.62	Financial Services 0.87% (0.00%)			
	Travel & Leisure 1.35% (0.44%)			151,802	XP Inc - Class A	4,307	0.87
1,232,737	Azul	6,668	1.35	Software & Computer Services 9.38% (10.83%)			
	Banks 0.00% (0.69%)			996,618	Kingdee International Software Group	2,371	0.48
	Financial Services 1.14% (0.68%)			96,938	Kuaishou Technology	2,357	0.48
397,049	Banco BTG Pactual	5,665	1.14	48,399	Sea ADR	8,929	1.80
	Software & Computer Services 1.19% (0.00%)			568,300	Tencent Holdings	32,749	6.62
1,509,629	Locaweb Serviços de Internet	5,872	1.19	Total CAYMAN ISLANDS			
	Total Brazil	27,510	5.56			163,084	32.95
BRITISH VIRGIN ISLANDS 1.42% (0.34%)				CHINA 4.94% (10.45%)			
	General Retailers 1.42% (0.00%)			86,769	Skshu Paint	2,283	0.46
1,030,497	Fix Price Group GDR	7,029	1.42	Beverages 0.59% (1.18%)			
	Software & Computer Services 0.00% (0.34%)			13,134	Kweichow Moutai	2,930	0.59
	Total British Virgin Islands	7,029	1.42	242,700	Midea Group	2,163	0.44
CANADA 0.40% (0.38%)				Household Goods & Home Construction 0.44% (0.58%)			
	Oil & Gas Producers 0.40% (0.38%)			Personal Goods 0.00% (0.79%)			
146,249	Parex Resources	1,997	0.40	Pharmaceuticals & Biotechnology 1.66% (1.43%)			
	Total Canada	1,997	0.40	291,520	WuXi AppTec	4,949	1.00
CAYMAN ISLANDS 32.95% (25.99%)				27,269	Zai Lab	3,290	0.66
	Construction & Materials 0.00% (0.97%)			General Retailers 0.00% (2.20%)			
	Support Services 1.79% (0.49%)			Travel & Leisure 1.33% (0.00%)			
154,038	PagSeguro Digital	5,144	1.04	68,300	China International Travel Service	2,369	0.48
76,707	StoneCo	3,699	0.75	1,730,700	Songcheng Performance Development Company	4,181	0.85
	Automobiles & Parts 0.75% (0.00%)			Life Insurance 0.00% (2.30%)			
170,116	XPeng	3,730	0.75	Real Estate Investment & Services 0.00% (1.05%)			
	Leisure Goods 1.06% (0.00%)			Software & Computer Services 0.46% (0.33%)			
63,533	Netease ADR	5,252	1.06	278,000	Glodon	2,258	0.46
	Personal Goods 2.62% (1.15%)			Total China			
1,124,500	Li-Ning	6,589	1.33			24,423	4.94
405,600	Shenzhen International Group Holdings	6,409	1.29	CYPRUS 1.64% (0.32%)			
	Health Care Equipment & Services 0.35% (0.00%)			82,969	Ozon Holdings	3,719	0.75
80,178	Burning Rock Biotech	1,732	0.35	Banks 0.89% (0.32%)			
	Pharmaceuticals & Biotechnology 2.59% (2.31%)			107,761	TCS Group Holding	4,411	0.89
7,608	BeiGene	1,943	0.39	Total Cyprus			
1,074,000	WuXi Biologics (Cayman)	10,877	2.20			8,130	1.64

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
SOUTH AFRICA 1.88% (3.24%) (continued)			
	Software & Computer Services 1.24% (2.45%)		
37,336	Naspers	6,152	1.24
	Total South Africa	9,301	1.88
SOUTH KOREA 13.56% (11.13%)			
	Electronic & Electrical Equipment 2.66% (1.92%)		
16,202	EcoPro	1,894	0.38
57,690	Samsung Elec Mech Krv5000	6,673	1.35
10,875	Samsung SDI	4,596	0.93
	Leisure Goods 0.48% (0.50%)		
65,535	Pearl Abyss	2,389	0.48
	Pharmaceuticals & Biotechnology 0.88% (0.00%)		
8,376	Samsung Biologics	4,352	0.88
	Software & Computer Services 1.87% (1.34%)		
62,325	Kakao	4,571	0.92
20,187	NAVER	4,690	0.95
	Technology Hardware & Equipment 7.67% (7.37%)		
513,137	Samsung Electronics	27,025	5.46
131,954	SK Hynix	10,914	2.21
	Total South Korea	67,104	13.56
TAIWAN 10.43% (6.76%)			
	Technology Hardware & Equipment 10.43% (6.76%)		
557,000	MediaTek	16,985	3.43
404,889	Taiwan Semiconductor Manufacturing ADR	34,645	7.00
	Total Taiwan	51,630	10.43
THAILAND 1.07% (2.47%)			
	Banks 0.00% (0.56%)		
	Financial Services 1.07% (1.91%)		
3,584,800	Muangthai Capital	5,296	1.07
	Total Thailand	5,296	1.07
UNITED STATES OF AMERICA 1.10% (0.48%)			
	General Retailers 1.10% (0.48%)		
4,795	Mercadolibre	5,467	1.10
	Total United States of America	5,467	1.10
DERIVATIVES 0.00% (-0.01%)			
	Forward Foreign Exchange Contracts 0.00% (-0.01%)		
	Sell USD 6,233,000		
	Buy GBP 4,490,213 Bank of Scotland	10	—
	Sell GBP 26,534		
	Buy USD 37,000 Bank of Scotland ²	—	—
	Total Derivatives	10	—
Total value of investments³		502,958	101.63
Net other liabilities (1.45%)		(8,083)	(1.63)
Net assets		494,875	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Equity	493,529	98.13
Collective Investment Schemes	9,419	1.87
Derivatives	10	—
Total value of investments³	502,958	100.00

April 2020 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle Emerging Market Local Fund

Portfolio Statement

as at 30 April 2021

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
ARGENTINA 0.04% (0.08%)					INDONESIA 7.82% (8.45%)				
	Ca 0.04% (0.08%)					Baa2 2.74% (3.65%)			
ARS	10,000,000	Republic of Argentina 15.5% 17/10/2026	30	0.04	IDR	6,582,000,000	Indonesia Government International Bond 8.375% 15/03/2024	355	0.48
	Total Argentina		30	0.04	IDR	5,205,000,000	Indonesia Government International Bond 9% 15/03/2029	300	0.41
BRAZIL 7.31% (6.81%)					IDR	23,125,000,000	Indonesia Government International Bond 9.5% 15/07/2031	1,364	1.85
	BB- 7.31% (6.81%)					Not Rated 5.08% (4.80%)			
BRL	12,658	Brazil Government International Bond 10% 01/01/2023	1,851	2.52	IDR	72,534,000,000	Indonesia Government International Bond 7% 15/09/2030	3,735	5.08
BRL	14,193	Brazil Government International Bond 10% 01/01/2025	2,093	2.84		Total Indonesia	5,754	7.82	
BRL	9,772	Brazil Government International Bond 10% 01/01/2027	1,438	1.95	MALAYSIA 5.47% (5.44%)				
	Total Brazil		5,382	7.31		A3 5.47% (4.47%)			
CHINA 14.72% (0.00%)					MYR	11,029,000	Malaysian Government Bond 3.84% 15/04/2033	1,938	2.64
	Not Rated 14.72% (0.00%)				MYR	11,025,000	Malaysian Government Bond 4.392% 15/04/2026	2,086	2.83
CNY	23,360,000	China Government Bond 2.68% 21/05/2030	2,500	3.40		B+ 0.00% (0.97%)			
CNY	50,580,000	China Government Bond 2.88% 05/11/2023	5,645	7.67		Total Malaysia	4,024	5.47	
CNY	12,100,000	China Government Bond 3.13% 21/11/2029	1,343	1.82	MEXICO 4.27% (6.08%)				
CNY	12,000,000	China Government Bond 3.27% 19/11/2030	1,345	1.83		BBB+ 2.09% (3.98%)			
	Total China		10,833	14.72	MXN	2,044,100	Mexican Bonos 7.75% 29/05/2031	78	0.11
COLOMBIA 5.01% (4.42%)					MXN	37,408,000	Mexican Bonos 8.5% 18/11/2038	1,456	1.98
	BBB- 5.01% (4.42%)					Baa1 2.18% (1.89%)			
COP	15,462,000,000	Colombia Government International Bond 9.85% 28/06/2027	3,689	5.01	MXN	10,000,000	Mexican Bonos 5.75% 05/03/2026	354	0.48
	Total Colombia		3,689	5.01	MXN	35,000,000	Mexican Bonos 8% 11/07/2047	1,254	1.70
CZECH REPUBLIC 2.65% (2.95%)						BBB 0.00% (0.21%)			
	Not Rated 2.65% (2.95%)					Total Mexico	3,142	4.27	
CZK	61,250,000	Czech Republic 1.2% 13/03/2031	1,949	2.65	NETHERLANDS 0.00% (1.08%)				
	Total Czech Republic		1,949	2.65		Ba1 0.00% (1.08%)			
DOMINICAN REPUBLIC 3.45% (2.33%)						Total Netherlands	—	—	
	BB- 2.53% (1.35%)				NIGERIA 0.00% (1.33%)				
DOP	134,000,000	Dominican Republic International Bond 9.75% 05/06/2026	1,865	2.53		B- 0.00% (1.33%)		—	—
	Not Rated 0.92% (0.98%)					Total Nigeria	—	—	
DOP	53,000,000	Dominican Republic International Bond 15.95% 04/06/2021	676	0.92	OMAN 0.49% (0.47%)				
	Total Dominican Republic		2,541	3.45		BB- 0.00% (0.47%)			
EGYPT 1.87% (0.00%)					USD	500,000	Oman Government International 3.625% 15/06/2021	360	0.49
	Not Rated 1.87% (0.00%)					Total Oman	360	0.49	
EGP	30,500,000	Egypt Treasury Bill 0% 15/06/2021	1,378	1.87	PERU 4.05% (5.80%)				
	Total Egypt		1,378	1.87		A- 4.05% (5.80%)			
GEORGIA 0.00% (1.09%)					PEN	12,406,000	Peruvian Government International Bond 8.2% 12/08/2026	2,982	4.05
	BB 0.00% (1.09%)					Total Peru	2,982	4.05	
	Total Georgia		—	—	POLAND 0.00% (0.90%)				
HONG KONG 0.00% (1.27%)						A 0.00% (0.90%)			
	BBB 0.00% (1.27%)					Total Poland	—	—	
	Total Hong Kong		—	—					

Threadneedle Emerging Market Local Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 6.22% (1.14%)				TURKEY 0.91% (2.27%)			
	Liquidity Funds 6.22% (1.14%)¹				Not Rated 0.91% (2.27%)		
6,368,587	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	4,578	6.22	TRY 10,280,764	Turkey Government Bond 11% 24/02/2027	672	0.91
	Total Republic of Ireland	4,578	6.22		Total Turkey	672	0.91
RUSSIA 7.65% (14.36%)				UKRAINE 0.00% (0.76%)			
	BBB 1.87% (6.23%)				B 0.00% (0.76%)		
RUB 34,000	Russian Federal Bond 7% 25/01/2023 ²	—	—		Total Ukraine	—	—
RUB 25,000,000	Russian Federal Bond 7.05% 19/01/2028	243	0.33				
RUB 109,993,000	Russian Federal Bond 8.15% 03/02/2027	1,131	1.54	URUGUAY 0.27% (0.23%)			
	Not Rated 5.78% (8.13%)				BBB 0.27% (0.23%)		
RUB 186,900,000	Russian Federal Bond 6.5% 28/02/2024	1,810	2.46	UYU 3,564,000	Uruguay Government International Bond 4.25% 05/04/2027	201	0.27
RUB 105,000,000	Russian Federal Bond 7.7% 23/03/2033	1,056	1.43		Total Uruguay	201	0.27
RUB 130,787,000	Russian Federal Bond 8.5% 17/09/2031	1,389	1.89				
	Total Russia	5,629	7.65	DERIVATIVES 0.61% (1.15%)			
SENEGAL 0.88% (0.85%)					Interest Rate Swaps 0.41% (1.63%)		
	B+ 0.88% (0.85%)			47,000,000	Citigroup Interest Rate Swap Receive MXN 6.95% Pay Tii 4W 06/09/2029	37	0.05
USD 900,000	Senegal Government International Bond 8.75% 13/05/2021	647	0.88	36,791,142	HSBC Interest Rate Swap Receive MXN 6.655% Pay Tii 4W 27/09/2029	2	—
	Total Senegal	647	0.88	37,000,000	HSBC Interest Rate Swap Receive MXN 8.355% Pay Tii 4W 15/02/2029	151	0.21
SOUTH AFRICA 11.22% (18.28%)				2,011,931,803	J.P. Morgan Interest Rate Swap Receive CLP 4.24% Pay 26 2027/P:Clp/ lcp/1D 26/12/2027	141	0.19
	BB 9.04% (15.04%)			1,300,000,000	J.P. Morgan Interest Rate Swap Receive HUF 0.9725% Pay Bubor 6M 08/07/2024	(67)	(0.09)
ZAR 43,741,583	South Africa Government Bond 7% 28/02/2031	1,811	2.46	18,750,000	Morgan Stanley Interest Rate Swap Receive PLN 1.4049% Pay Wibor 6M 25/04/2028	(66)	(0.09)
ZAR 11,562,708	South Africa Government Bond 8% 31/01/2030	534	0.72	15,600,000	UBS Interest Rate Swap Receive ZAR 8.8% Pay Jibar-Safex 03/06/2026	103	0.14
ZAR 63,000,000	South Africa Government Bond 8.25% 31/03/2032	2,760	3.75		Forward Foreign Exchange Contracts 0.20% (-0.48%)		
ZAR 27,256,203	South Africa Government Bond 10.5% 21/12/2026	1,553	2.11		Sell USD 80,181		
	CCC+ 0.00% (1.58%)				Buy BRL 456,071 Citigroup	4	—
	Not Rated 2.18% (1.66%)				Sell USD 1,009,024		
ZAR 45,000,000	Eskom Holdings 7.5% 15/09/2033	1,606	2.18		Buy BRL 5,599,681 Citigroup	26	0.04
	Total South Africa	8,264	11.22		Sell USD 89,859		
SUPRANATIONAL 0.20% (0.57%)					Buy BRL 510,011 UBS	4	0.01
	BB+ 0.20% (0.57%)				Sell USD 1,086,382		
USD 200,000	Republic of Serbia 7.25% 28/09/2021	148	0.20		Buy BRL 6,168,152 Citigroup	46	0.06
	Total Supranational	148	0.20		Sell USD 2,262,750		
THAILAND 4.80% (7.79%)					Buy CLP 1,643,593,817 Citigroup	39	0.05
	Baa1 0.00% (1.33%)				Sell USD 39,485		
	Not Rated 4.80% (6.46%)				Buy CLP 28,318,979 Citigroup ²	—	—
THB 31,684,000	Thailand Government Bond 2.875% 17/12/2028	801	1.09		Sell USD 102,893		
THB 105,000,000	Thailand Government Bond 3.3% 17/06/2038	2,735	3.71		Buy CNY 677,108 J.P. Morgan	1	—
	Total Thailand	3,536	4.80		Sell USD 6,307,742		
					Buy COP 22,518,637,395 UBS	(186)	(0.25)
					Sell USD 45,960		
					Buy CZK 1,014,266 Citigroup	1	—
					Sell USD 213,118		
					Buy CZK 4,726,504 Barclays	5	0.01
					Sell USD 3,709,887		
					Buy CZK 81,447,296 Barclays	68	0.09
					Sell USD 2,710,567		
					Buy EUR 2,273,500 HSBC	28	0.04

Threadneedle Emerging Market Local Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.61% (1.15%) (continued)							
	Sell USD 3,944,616				Sell CNY 31,549,380		
	Buy HUF 1,220,966,991 Barclays	109	0.15		Buy USD 4,814,053 Barclays	(38)	(0.05)
	Sell USD 45,357				Sell PEN 192,940		
	Buy HUF 13,871,581 Barclays	1	—		Buy USD 51,382 Citigroup ²	—	—
	Sell USD 73,867				Sell CLP 37,317,413		
	Buy HUF 22,742,422 UBS	2	—		Buy USD 51,973 Citigroup ²	—	—
	Sell USD 1,368,601				Sell MYR 2,181,567		
	Buy IDR 20,072,994,755 Barclays	11	0.02		Buy USD 529,764 Barclays	(2)	—
	Sell USD 54,587				Sell CNY 359,948		
	Buy KRW 61,641,320 UBS ²	—	—		Buy USD 55,002 UBS ²	—	—
	Sell USD 51,843				Sell COP 24,401,412,146		
	Buy MXN 1,078,268 UBS	1	—		Buy USD 6,802,641 Barclays	178	0.24
	Sell USD 108,354				Sell ZAR 106,676,441		
	Buy MXN 2,216,721 Bank of Scotland	1	—		Buy USD 7,095,029 UBS	(189)	(0.26)
	Sell USD 2,486,450				Sell CZK 1,588,881		
	Buy MXN 51,907,843 UBS	61	0.08		Buy USD 72,707 UBS	(1)	—
	Sell USD 95,696				Sell COP 317,804,372		
	Buy MYR 395,319 Barclays	1	—		Buy USD 88,525 Citigroup	2	—
	Sell USD 184,120				Sell ZAR 13,806,788		
	Buy MYR 762,811 Barclays	1	—		Buy USD 961,207 Citigroup	7	0.01
	Sell USD 2,043,118				Sell BRL 5,687,829		
	Buy MYR 8,462,390 Barclays	16	0.02		Buy USD 977,324 Citigroup	(61)	(0.08)
	Sell USD 8,143,396				Sell USD 72,280		
	Buy PLN 31,497,197 Citigroup	136	0.18		Buy ZAR 1,072,503 UBS	1	—
	Sell USD 85,660				Sell USD 79,936		
	Buy PLN 333,294 J.P. Morgan	2	—		Buy ZAR 1,171,825 UBS	1	—
	Sell USD 2,194,228				Sell USD 2,922,342		
	Buy RUB 164,273,149 UBS	(13)	(0.02)		Buy ZAR 43,180,528 Citigroup	40	0.05
	Sell USD 81,479				Total Derivatives	453	0.61
	Buy RUB 6,278,288 Citigroup	1	—		Total value of investments³	66,192	89.91
	Sell USD 1,016,704				Net other assets (4.10%)	7,428	10.09
	Buy RUB 76,519,297 UBS	(2)	—		Net assets	73,620	100.00
	Sell USD 1,064,366						
	Buy RUB 79,619,296 UBS	(7)	(0.01)				
	Sell USD 1,160,773						
	Buy RUB 88,530,051 UBS	9	0.01				
	Sell USD 60,065						
	Buy THB 1,858,763 HSBC ²	—	—				
	Sell USD 3,579,515						
	Buy THB 110,497,827 HSBC	(23)	(0.03)				
	Sell USD 243,483						
	Buy THB 7,619,841 HSBC	1	—				
	Sell USD 846,178						
	Buy TRY 6,691,133 UBS	(38)	(0.05)				
	Sell PEN 7,033,390						
	Buy USD 1,897,623 UBS	28	0.04				
	Sell MXN 2,368,849						
	Buy USD 115,794 UBS	(1)	—				
	Sell KRW 2,302,028,530						
	Buy USD 2,032,427 J.P. Morgan	(24)	(0.03)				
	Sell CZK 51,136,173						
	Buy USD 2,313,729 Barclays	(54)	(0.07)				
	Sell RUB 222,987,392						
	Buy USD 2,903,043 Citigroup	(37)	(0.05)				
	Sell CNY 1,606,763						
	Buy USD 243,084 Barclays	(3)	—				
	Sell PLN 133,677						
	Buy USD 34,155 UBS	(1)	—				
	Sell COP 142,785,288						
	Buy USD 39,023 Barclays ²	—	—				

April 2020 comparatives in brackets.

¹Cash equivalents.²Less than £500, rounded to nil.³Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	61,161	92.40
Derivatives	453	0.68
Collective Investment Schemes	4,578	6.92
Total value of investments³	66,192	100.00

Threadneedle Global Extended Alpha Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
CANADA 0.00% (0.56%)				INDONESIA 0.77% (0.00%)			
	Oil & Gas Producers 0.00% (0.56%)			8,809,800	Banks 0.77% (0.00%)		
	Total Canada	—	—		Bank Rakyat Indonesia	1,776	0.77
					Total Indonesia	1,776	0.77
CAYMAN ISLANDS 1.49% (2.57%)				JAPAN 5.68% (4.99%)			
	General Retailers 0.00% (0.49%)				Electronic & Electrical Equipment 1.56% (1.75%)		
	Software & Computer Services 1.49% (2.08%)			10,300	Keyence	3,571	1.56
59,500	Tencent Holdings	3,429	1.49		Industrial Engineering 0.88% (0.00%)		
	Total Cayman Islands	3,429	1.49	61,000	Yaskawa Electric	2,026	0.88
CHINA 0.04% (1.44%)					Household Goods & Home Construction 0.48% (0.00%)		
	Life Insurance 0.04% (1.44%)			88,100	Sekisui Chemical	1,105	0.48
10,500	Ping An Insurance Group	83	0.04		Leisure Goods 0.86% (2.49%)		
	Total China	83	0.04	27,500	Sony	1,979	0.86
DENMARK 3.50% (1.76%)					Technology Hardware & Equipment 1.90% (0.75%)		
	Pharmaceuticals & Biotechnology 1.58% (1.16%)			61,200	Rohm	4,372	1.90
68,583	Novo Nordisk	3,630	1.58		Total Japan	13,053	5.68
	Gas, Water & Multiutilities 1.03% (0.60%)			NETHERLANDS 0.50% (1.42%)			
22,452	Orsted	2,373	1.03		Chemicals 0.00% (0.97%)		
	Nonlife Insurance 0.89% (0.00%)				Aerospace & Defence 0.50% (0.45%)		
123,473	Tryg	2,044	0.89	13,265	Airbus	1,152	0.50
	Total Denmark	8,047	3.50		Total Netherlands	1,152	0.50
FINLAND 0.87% (1.08%)				REPUBLIC OF IRELAND 10.59% (7.99%)			
	Forestry & Paper 0.87% (1.08%)				Construction & Materials 2.26% (2.67%)		
71,072	UPM	2,000	0.87	67,256	CRH (Dublin Listing)	2,318	1.01
	Total Finland	2,000	0.87	22,874	Trane Technologies	2,885	1.25
FRANCE 3.43% (1.56%)					Health Care Equipment & Services 2.73% (1.25%)		
	Electronic & Electrical Equipment 1.68% (0.00%)			66,260	Medtronic	6,263	2.73
33,337	Schneider Electric	3,856	1.68		Liquidity Funds 5.60% (4.07%) ¹		
	Beverages 0.90% (0.77%)			17,896,394	BlackRock Institutional Cash Series		
13,765	Pernod Ricard	2,055	0.90		US Dollar Liquidity Platinum	12,864	5.60
	Health Care Equipment & Services 0.85% (0.79%)				Total Republic of Ireland	24,330	10.59
16,200	Essilor International	1,961	0.85	SOUTH KOREA 3.90% (2.80%)			
	Total France	7,872	3.43		Electronic & Electrical Equipment 0.74% (0.00%)		
GERMANY 1.40% (1.13%)				4,043	Samsung SDI	1,709	0.74
	Personal Goods 1.40% (1.13%)				Technology Hardware & Equipment 3.16% (2.80%)		
14,348	Adidas	3,224	1.40	137,793	Samsung Electronics	7,257	3.16
	Total Germany	3,224	1.40		Total South Korea	8,966	3.90
HONG KONG 1.16% (1.19%)				SWITZERLAND 2.56% (1.33%)			
	Life Insurance 1.16% (1.19%)				Electronic & Electrical Equipment 1.38% (1.33%)		
291,400	AIA Group	2,666	1.16	31,856	TE Connectivity	3,164	1.38
	Total Hong Kong	2,666	1.16		Pharmaceuticals & Biotechnology 1.18% (0.00%)		
INDIA 0.90% (2.56%)				11,524	Roche	2,724	1.18
	Banks 0.90% (2.49%)				Total Switzerland	5,888	2.56
150,037	HDFC Bank	2,057	0.90				
	Software & Computer Services 0.00% (0.07%)						
	Total India	2,057	0.90				

Threadneedle Global Extended Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
TAIWAN 1.55% (1.03%)				Travel & Leisure 1.83% (0.77%)			
	Technology Hardware & Equipment 1.55% (1.03%)			741	Booking Holdings	1,332	0.58
231,000	Taiwan Semiconductor Manufacturing	3,567	1.55	65,238	Las Vegas Sands	2,869	1.25
	Total Taiwan	3,567	1.55		Mobile Telecommunications 2.47% (0.00%)		
UNITED KINGDOM 3.34% (7.20%)				58,945	T-Mobile US	5,676	2.47
	Support Services 0.00% (1.04%)				Electricity 1.74% (0.00%)		
	Beverages 0.99% (0.77%)			72,212	FPL Group	4,008	1.74
69,968	Diageo	2,275	0.99		Banks 0.34% (0.46%)		
	Household Goods & Home Construction 2.35% (2.84%)			6,986	JPMorgan Chase	779	0.34
84,414	Reckitt Benckiser Group	5,396	2.35		Nonlife Insurance 2.12% (2.05%)		
	Personal Goods 0.00% (0.63%)			24,442	Berkshire Hathaway	4,879	2.12
	Media 0.00% (1.13%)				Real Estate Investment Trusts 0.60% (0.82%)		
	Nonlife Insurance 0.00% (0.79%)			2,699	Equinix	1,370	0.60
	Total United Kingdom	7,671	3.34		Financial Services 7.00% (6.88%)		
UNITED STATES OF AMERICA 57.83% (52.42%)				22,480	CME Group	3,291	1.43
	Chemicals 1.17% (1.10%)			18,635	MasterCard Class A	5,205	2.27
16,626	ECOLAB	2,686	1.17	7,659	S&P Global	2,161	0.94
	Construction & Materials 0.00% (0.69%)			31,916	Visa 'A' Shares	5,434	2.36
	Electronic & Electrical Equipment 0.00% (1.24%)				Software & Computer Services 12.12% (6.97%)		
	Industrial Transportation 1.34% (0.87%)			16,203	Adobe Systems	6,009	2.62
19,085	Union Pacific	3,079	1.34	7,032	Alphabet Class A	12,087	5.26
	Support Services 2.75% (1.52%)			6,108	Autodesk	1,300	0.57
42,413	Fidelity National Information Services	4,745	2.06	12,943	Intuit	3,872	1.68
8,260	PayPal Holdings	1,590	0.69	25,152	Microsoft	4,564	1.99
	Automobiles & Parts 1.19% (0.00%)				Technology Hardware & Equipment 2.21% (2.54%)		
67,082	General Motors	2,728	1.19	11,529	Nvidia	5,080	2.21
	Leisure Goods 3.09% (2.87%)				Total United States of America	132,876	57.83
54,030	Activision Blizzard	3,576	1.56	DERIVATIVES 0.54% (-0.10%)			
33,385	Electronic Arts	3,511	1.53		Forward Foreign Exchange Contracts 0.00% (0.01%)		
	Personal Goods 0.00% (0.72%)				Sell USD 1,775,000		
	Health Care Equipment & Services 5.11% (6.67%)				Buy GBP 1,278,699 Bank of Scotland	3	—
63,739	Centene	2,776	1.21		Sell USD 308,000		
9,522	Cooper Cos	2,790	1.21		Buy GBP 221,439 Bank of Scotland ²	—	—
37,915	Edwards Lifesciences	2,623	1.14		Sell USD 10,180,559		
8,518	Stryker	1,613	0.70		Buy SGD 13,496,693 J.P. Morgan	(13)	—
5,817	Thermo Fisher Scientific	1,943	0.85		Sell SGD 222,752		
	Pharmaceuticals & Biotechnology 1.02% (3.16%)				Buy USD 168,019 J.P. Morgan ²	—	—
26,919	Abbott Laboratories	2,341	1.02		Sell SGD 224,564		
	General Retailers 8.82% (8.53%)				Buy USD 169,307 J.P. Morgan ²	—	—
6,440	Amazon.com	16,069	6.99		Sell SGD 1,042		
80,917	Service Corporate International	3,145	1.37		Buy USD 786 J.P. Morgan ²	—	—
26,563	Uber Technologies	1,049	0.46		Portfolio Swap 0.54% (-0.11%)		
	Media 2.91% (4.56%)				UBS Portfolio Swap	1,251	0.54
87,849	Comcast Corporation	3,562	1.55		Total Derivatives	1,241	0.54
23,533	Walt Disney	3,134	1.36				
Total value of investments³						229,898	100.05
Net other liabilities (7.07%)						(109)	(0.05)
Net assets						229,789	100.00

Threadneedle Global Extended Alpha Fund

Portfolio Statement

(continued)

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Equity	215,793	93.86
Collective Investment Schemes	12,864	5.60
Derivatives	1,241	0.54
Total value of investments³	229,898	100.00

April 2020 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle Global Equity Income Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.80% (1.44%)				Mobile Telecommunications 2.45% (2.76%)			
	Industrial Metals & Mining 0.00% (0.58%)			419,408	Deutsche Telekom	5,823	2.45
	General Industrials 0.00% (0.86%)				Gas, Water & Multiutilities 0.83% (0.00%)		
	Media 0.80% (0.00%)			227,913	E.On	1,977	0.83
173,325	Carsales.Com	1,904	0.80		Nonlife Insurance 1.13% (1.27%)		
	Total Australia	1,904	0.80	12,854	Munich Rueckversicherungs	2,688	1.13
BRAZIL 0.00% (0.66%)					Total Germany	13,923	5.86
	Beverages 0.00% (0.66%)			HONG KONG 0.00% (1.70%)			
	Total Brazil	—	—		Financial Services 0.00% (1.70%)		
CANADA 5.20% (4.23%)					Total Hong Kong	—	—
	Oil & Gas Producers 1.38% (0.77%)			INDONESIA 2.67% (1.53%)			
210,736	Suncor Energy CAD	3,286	1.38		Fixed Line Telecommunications 1.23% (1.04%)		
	Oil Equipment, Services & Distribution 0.00% (0.95%)			18,492,259	Telekomunikasi Indonesia	2,936	1.23
	Chemicals 0.00% (1.67%)				Banks 1.44% (0.49%)		
	General Retailers 0.78% (0.00%)			16,965,000	Bank Rakyat Indonesia	3,419	1.44
40,024	Ritchie Bros Auctioneers	1,860	0.78		Total Indonesia	6,355	2.67
	Life Insurance 1.49% (0.84%)			JAPAN 1.22% (3.45%)			
224,371	Manulife Financial	3,542	1.49		Automobiles & Parts 0.00% (1.63%)		
	Financial Services 1.55% (0.00%)				Leisure Goods 0.00% (1.82%)		
111,191	Brookfield Asset Management	3,668	1.55		Technology Hardware & Equipment 1.22% (0.00%)		
	Total Canada	12,356	5.20	40,600	Rohm	2,901	1.22
CAYMAN ISLANDS 1.26% (0.00%)					Total Japan	2,901	1.22
	Leisure Goods 1.26% (0.00%)			JERSEY 0.84% (0.00%)			
36,283	Netease ADR	2,999	1.26		Support Services 0.84% (0.00%)		
	Total Cayman Islands	2,999	1.26	71,647	Experian	1,987	0.84
CHINA 1.66% (0.86%)					Total Jersey	1,987	0.84
	Life Insurance 1.66% (0.86%)			NETHERLANDS 2.55% (2.37%)			
501,338	Ping An Insurance Group	3,940	1.66		Chemicals 1.37% (0.00%)		
	Total China	3,940	1.66	37,522	Akzo Nobel	3,264	1.37
FINLAND 0.97% (1.09%)					Personal Goods 0.00% (1.81%)		
	Forestry & Paper 0.97% (1.09%)				Health Care Equipment & Services 1.18% (0.00%)		
81,738	UPM	2,301	0.97	69,371	Koninklijke Philips	2,796	1.18
	Total Finland	2,301	0.97		Banks 0.00% (0.56%)		
FRANCE 2.05% (1.97%)					Total Netherlands	6,060	2.55
	Construction & Materials 1.05% (0.00%)			NORWAY 1.53% (0.00%)			
31,606	Vinci	2,491	1.05		Oil & Gas Producers 1.53% (0.00%)		
	Electronic & Electrical Equipment 1.00% (1.41%)			245,006	Equinor	3,636	1.53
20,624	Schneider Electric	2,386	1.00		Total Norway	3,636	1.53
	Banks 0.00% (0.56%)			REPUBLIC OF IRELAND 5.15% (3.75%)			
	Total France	4,877	2.05		Chemicals 1.31% (0.00%)		
GERMANY 5.86% (5.07%)				14,961	Linde (USA - Listing)	3,111	1.31
	Chemicals 1.45% (1.04%)				Construction & Materials 1.58% (0.00%)		
135,685	Evonik Industries	3,435	1.45	109,030	CRH (Dublin Listing)	3,758	1.58

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 5.15% (3.75%) (continued)				Aerospace & Defence 1.20% (0.94%)			
	Health Care Equipment & Services 1.83% (1.28%)			564,820	BAE Systems	2,853	1.20
46,119	Medtronic	4,359	1.83		Beverages 1.85% (0.00%)		
	Liquidity Funds 0.43% (2.47%)¹			135,149	Diageo	4,394	1.85
1,411,086	BlackRock Institutional Cash Series				Household Goods & Home Construction 1.59% (1.83%)		
	US Dollar Liquidity Platinum	1,014	0.43	59,220	Reckitt Benckiser Group	3,785	1.59
	Total Republic of Ireland	12,242	5.15		Personal Goods 1.40% (0.00%)		
SINGAPORE 2.64% (0.00%)				78,778	Unilever (Amsterdam listing)	3,330	1.40
	Banks 2.64% (0.00%)				Tobacco 0.00% (2.44%)		
388,300	DBS Group Holdings	6,286	2.64		Pharmaceuticals & Biotechnology 1.28% (2.33%)		
	Total Singapore	6,286	2.64	226,679	GlaxoSmithKline	3,036	1.28
SOUTH KOREA 2.92% (3.27%)					Media 0.49% (1.35%)		
	Technology Hardware & Equipment 2.92% (3.27%)			62,901	RELX (UK Listing)	1,177	0.49
131,720	Samsung Electronics	6,937	2.92		Fixed Line Telecommunications 1.45% (0.71%)		
	Total South Korea	6,937	2.92	2,094,445	BT Group	3,449	1.45
SPAIN 1.54% (1.52%)					Life Insurance 0.00% (1.51%)		
	Construction & Materials 0.00% (1.52%)				Total United Kingdom	28,259	11.89
	General Retailers 1.54% (0.00%)			UNITED STATES OF AMERICA 40.80% (40.78%)			
142,308	Inditex	3,662	1.54	52,698	Valero Energy	2,836	1.19
	Total Spain	3,662	1.54		Oil & Gas Producers 1.19% (1.07%)		
SWEDEN 0.88% (1.61%)				144,331	Enterprise Products Partners	2,428	1.02
	Industrial Engineering 0.88% (1.61%)				Aerospace & Defence 0.99% (1.41%)		
115,902	Sandvik	2,088	0.88	8,586	Lockheed Martin	2,347	0.99
	Total Sweden	2,088	0.88	22,143	Stanley Black & Decker	3,334	1.40
SWITZERLAND 3.54% (4.17%)					Industrial Engineering 1.40% (0.00%)		
	Electronic & Electrical Equipment 1.21% (0.77%)			12,721	United Parcel Service	1,863	0.78
28,964	TE Connectivity	2,877	1.21		Support Services 3.04% (0.78%)		
	Support Services 0.70% (0.00%)			21,300	Automatic Data Processing	2,884	1.21
782	SGS	1,664	0.70	38,899	Fidelity National Information Services	4,352	1.83
	Pharmaceuticals & Biotechnology 1.63% (2.20%)				Automobiles & Parts 2.16% (1.10%)		
63,001	Novartis	3,866	1.63	126,026	General Motors	5,125	2.16
	Banks 0.00% (1.20%)				Beverages 1.91% (3.74%)		
	Total Switzerland	8,407	3.54	62,374	Coca-Cola	2,432	1.02
TAIWAN 3.63% (4.58%)				20,411	PepsiCo	2,112	0.89
	Personal Goods 0.75% (1.21%)				Tobacco 0.00% (1.33%)		
129,163	Eclat Textile Company	1,775	0.75		Health Care Equipment & Services 1.24% (0.00)		
	Technology Hardware & Equipment 2.88% (3.37%)			31,174	Quest Diagnostics	2,945	1.24
90,000	MediaTek	2,744	1.15		Pharmaceuticals & Biotechnology 2.07% (9.59%)		
266,113	Taiwan Semiconductor Manufacturing	4,109	1.73	108,754	Bristol-Myers Squibb	4,915	2.07
	Total Taiwan	8,628	3.63		General Retailers 1.96% (0.00)		
UNITED KINGDOM 11.89% (14.24%)				68,893	Ebay	2,776	1.17
	Oil & Gas Producers 0.00% (0.80%)			48,089	Service Corporate International	1,869	0.79
	Mining 2.63% (2.33%)						
141,480	Anglo American	4,342	1.83				
31,118	Rio Tinto	1,893	0.80				

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 40.80% (40.78%) (continued)			
Travel & Leisure 2.28% (1.17%)			
68,858	Las Vegas Sands	3,029	1.27
14,166	McDonald's	2,395	1.01
Fixed Line Telecommunications 0.00% (2.17%)			
Electricity 3.92% (4.26%)			
39,127	American Electric Power	2,477	1.04
53,287	FPL Group	2,958	1.25
76,567	Xcel Energy	3,883	1.63
Banks 1.37% (3.38%)			
97,547	Wells Fargo	3,242	1.36
Nonlife Insurance 3.39% (0.00)			
44,470	Allstate	4,086	1.72
40,628	Marsh & McLennan	3,970	1.67
Real Estate Investment Trusts 3.04% (1.30%)			
18,418	American Tower	3,314	1.39
28,972	Crown Castle International	3,914	1.65
Financial Services 1.49% (1.97%)			
41,873	InterContinental Exchange	3,542	1.49
Software & Computer Services 6.15% (1.60%)			
23,757	Citrix Systems	2,183	0.92
30,162	International Business Machines	3,127	1.32
51,146	Microsoft	9,281	3.91
Technology Hardware & Equipment 1.42% (2.98%)			
48,009	Maxim Integrated Products	3,350	1.41
Total United States of America		96,969	40.80
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
Sell USD 19,009			
Buy CHF 17,372 J.P. Morgan ²		—	—
Sell USD 20,257			
Buy CHF 18,513 J.P. Morgan ²		—	—
Sell USD 435			
Buy CHF 396 J.P. Morgan ²		—	—
Sell USD 146,947			
Buy EUR 121,450 J.P. Morgan ²		—	—
Sell USD 80,025			
Buy GBP 57,652 Lloyds ²		—	—
Total Derivatives		—	—
Total value of investments³		236,717	99.60
Net other assets (1.71%)		961	0.40
Net assets		237,678	100.00

April 2020 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle Global Focus Fund

Portfolio Statement

as at 30 April 2021

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.00% (0.49%)				Health Care Equipment & Services 2.84% (1.95%)			
	Pharmaceuticals & Biotechnology 0.00% (0.49%)			60,527	Hoya	4,966	2.84
	Total Australia	—	—		Total Japan	11,078	6.33
CAYMAN ISLANDS 2.67% (0.00%)				NETHERLANDS 2.80% (0.00%)			
	Software & Computer Services 2.67% (0.00%)				Health Care Equipment & Services 1.64% (0.00%)		
10,067	Sea ADR	1,857	1.06	71,297	Koninklijke Philips	2,874	1.64
48,800	Tencent Holdings	2,812	1.61		Technology Hardware & Equipment 1.16% (0.00%)		
	Total Cayman Islands	4,669	2.67	4,329	ASML	2,029	1.16
DENMARK 3.28% (3.79%)					Total Netherlands	4,903	2.80
	Pharmaceuticals & Biotechnology 1.27% (3.79%)			REPUBLIC OF IRELAND 1.88% (2.05%)			
41,978	Novo Nordisk	2,222	1.27		Chemicals 1.88% (1.07%)		
	Nonlife Insurance 2.01% (0.00%)			15,980	Linde (Germany listing)	3,296	1.88
211,970	Tryg	3,509	2.01		Construction & Materials 0.00% (0.98%)		
	Total Denmark	5,731	3.28		Total Republic of Ireland	3,296	1.88
FINLAND 0.00% (0.94%)				SOUTH KOREA 2.99% (1.90%)			
	Industrial Engineering 0.00% (0.94%)				Technology Hardware & Equipment 2.99% (1.90%)		
	Total Finland	—	—	99,256	Samsung Electronics	5,227	2.99
FRANCE 2.82% (0.00%)					Total South Korea	5,227	2.99
	Personal Goods 2.82% (0.00%)			SWEDEN 0.00% (1.08%)			
5,795	L'Oréal	1,732	0.99		Industrial Engineering 0.00% (1.08%)		
5,838	LVMH Moët Hennessy Vuitton	3,196	1.83		Total Sweden	—	—
	Total France	4,928	2.82	SWITZERLAND 3.38% (1.63%)			
GERMANY 1.00% (1.25%)					Electronic & Electrical Equipment 1.05% (0.00%)		
	Personal Goods 0.00% (1.25%)			18,573	TE Connectivity	1,845	1.05
	Health Care Equipment & Services 1.00% (0.00%)				Food Producers 0.98% (0.00%)		
42,748	Siemens Healthineers	1,757	1.00	19,772	Nestlé	1,707	0.98
	Total Germany	1,757	1.00		Pharmaceuticals & Biotechnology 1.35% (1.63%)		
HONG KONG 2.76% (2.48%)				5,165	Lonza	2,354	1.35
	Household Goods & Home Construction 0.88% (0.00%)				Total Switzerland	5,906	3.38
118,000	Techtronic Industries	1,547	0.88	TAIWAN 2.02% (1.26%)			
	Life Insurance 1.88% (2.48%)				Technology Hardware & Equipment 2.02% (1.26%)		
358,400	AIA Group	3,280	1.88	229,000	Taiwan Semiconductor Manufacturing	3,536	2.02
	Total Hong Kong	4,827	2.76		Total Taiwan	3,536	2.02
INDIA 1.73% (3.27%)				UNITED KINGDOM 0.00% (2.34%)			
	Banks 1.73% (3.27%)				Media 0.00% (2.34%)		
111,232	HDFC Bank	1,525	0.87		Total United Kingdom	—	—
88,440	Kotak Mahindra Bank	1,496	0.86	UNITED STATES OF AMERICA 65.25% (67.44%)			
	Total India	3,021	1.73		Support Services 4.77% (7.86%)		
JAPAN 6.33% (6.47%)				15,733	Fidelity National Information Services	1,760	1.01
	Construction & Materials 0.00% (1.01%)			24,368	PayPal Holdings	4,691	2.68
	Electronic & Electrical Equipment 1.95% (2.39%)			25,042	TransUnion	1,883	1.08
9,858	Keyence	3,418	1.95		Leisure Goods 1.30% (1.23%)		
	Industrial Engineering 0.00% (1.12%)			34,448	Activision Blizzard	2,280	1.30
	Support Services 1.54% (0.00%)				Personal Goods 0.85% (0.73%)		
82,730	Recruit Holdings	2,694	1.54	15,454	NIKE	1,480	0.85

Threadneedle Global Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 65.25% (67.44%) (continued)			
Health Care Equipment & Services 6.71% (12.38%)			
41,535	Edwards Lifesciences	2,874	1.64
9,416	Stryker	1,783	1.02
21,218	Thermo Fisher Scientific	7,086	4.05
Pharmaceuticals & Biotechnology 1.73% (2.40%)			
34,818	Abbott Laboratories	3,028	1.73
General Retailers 7.48% (5.07%)			
4,932	Amazon.com	12,306	7.04
672	Mercadolibre	766	0.44
Media 1.76% (3.27%)			
75,980	Comcast Corporation	3,081	1.76
Real Estate Investment Trusts 0.52% (0.00%)			
5,037	American Tower	906	0.52
Financial Services 8.30% (13.01%)			
16,433	CME Group	2,406	1.37
33,633	MasterCard Class A	9,394	5.37
9,671	S&P Global	2,728	1.56
Software & Computer Services 27.79% (18.31%)			
24,724	Adobe Systems	9,169	5.24
6,162	Alphabet Class A	10,592	6.06
6,519	ANSYS	1,742	1.00
17,093	Cadence Design Systems	1,640	0.94
15,078	Facebook	3,571	2.04
29,026	Intuit	8,683	4.96
72,762	Microsoft	13,204	7.55
Technology Hardware & Equipment 4.04% (3.18%)			
7,836	Lam Research	3,609	2.06
7,877	Nvidia	3,471	1.98
Total United States of America		114,133	65.25
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell GBP 73,727		
	Buy USD 102,821 Citigroup ¹	—	—
	Sell GBP 236,060		
	Buy USD 328,530 UBS ¹	—	—
	Sell GBP 48,296		
	Buy USD 67,223 UBS ¹	—	—
Total Derivatives		—	—
Total value of investments		173,012	98.91
Net other assets (3.61%)		1,898	1.09
Net assets		174,910	100.00

April 2020 comparatives in brackets.

¹Less than £500, rounded to nil.

Performance Summary for the twelve months ended 30th April 2021

Fund Name	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Index Total Return %
United Kingdom						
UK Mid 250	IA UK All Companies	FTSE 250 Ex Investment Trusts	40.50	41.22	26.87	41.24
UK Sustainable Equity ¹	IA UK All Companies	FTSE All Share	25.04	25.52	26.87	25.95
UK Extended Alpha	IA UK All Companies	FTSE All Share	21.74	22.43	26.87	25.95
UK Equity Alpha Income	IA UK Equity Income	FTSE All Share	21.43	22.12	24.99	25.95
Europe						
Pan European Focus	IA Europe Including UK	MSCI Europe	28.18	28.91	31.37	30.98
US						
American Extended Alpha	IA North America	S&P 500	31.07	32.15	33.62	32.99
US Equity Income	–	S&P 500	23.00	23.67	–	32.99
Pacific Basin&Emerging Markets						
China Opportunities	IA China/Greater China	MSCI China 10/40	23.87	24.56	31.56	27.14
Global Emerging Markets	IA Global Emerging Markets	MSCI Emerging Markets	50.79	51.66	38.44	35.93
Global						
Global Focus ²	IA Global	MSCI AC World Index	27.05	27.16	32.75	33.38
Global Extended Alpha	IA Global	MSCI AC World Index	26.72	27.77	32.75	33.38
Global Equity Income	IA Global Equity Income	MSCI AC World Index	25.07	25.79	23.83	33.38
Bond						
Emerging Market Local	Morningstar Category Global Emerging Markets Bond – Local Currency	J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified	0.83	1.61	1.88	1.33
UK Index Linked	IA UK Index Linked Gilts	FTSE Actuaries UK Index-Linked Gilts All Stocks	–2.63	–2.39	–2.14	–1.53
Sterling Medium and Long-Dated Corporate Bond ³	–	iBoxx Sterling Non-Gilts 5+ Years	3.90	3.50	–	2.57
Sterling Short-Dated Corporate Bond	–	iBoxx Sterling Non-Gilts 1-5 Years	4.99	5.15	–	3.36
UK Fixed Interest	IA UK Gilts	FTSE Actuaries UK Conventional Gilts All Stocks Index	–8.52	–8.36	–7.80	–7.79

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. All data shown in GBP.

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.

¹Class 1 is showing T Income and Class 2 is showing Z Accumulation.

²Class 1 is showing Z Gross Accumulation.

³Class 1 is showing Institutional Gross Accumulation.

Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Mid 250 Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
UK Sustainable Equity Fund	Class 2 – Gross accumulation shares	6
	Class T – Income shares	6
	Class Z – Gross income shares	6
	Class Z – Accumulation shares	6
UK Extended Alpha Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
UK Equity Alpha Income Fund	Class 1 – Income shares	6
	Class 2 – Income shares	6
	Class X – Income shares	6
	Class X – Gross accumulation shares	6
	Class Z – Income shares	6
Sterling Medium and Long-Dated Corporate Bond Fund	Class 2 – Gross income shares	4
	Class X – Gross accumulation shares	4
Sterling Short-Dated Corporate Bond Fund	Class 1 – Accumulation shares	3
	Class 1 – Gross accumulation shares	3
	Class 1 EUR Hedged – Gross accumulation shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class 2 EUR Hedged – Gross accumulation shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3
	Class Y – Gross income shares	3
UK Fixed Interest Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Accumulation shares	4
UK Index Linked Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 – Gross income shares	5
	Class D – Accumulation shares	5
	Class X – Gross accumulation shares	5
Pan European Focus Fund	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
American Extended Alpha Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Gross accumulation shares	6
	Class Z – Accumulation shares	6
US Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class L – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z CHF Hedged – Income shares	6
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
	Class Z – Accumulation shares	6
China Opportunities Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Gross accumulation shares	6
	Class Z – Accumulation shares	6

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Global Emerging Markets Equity Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
Emerging Market Local Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross income shares	5
	Class X – Gross accumulation shares	5
	Class Z – Income shares	5
Global Extended Alpha Fund	Class Z – Gross accumulation shares	5
	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class A – Accumulation shares	6
	Class A SGD Hedged – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class P – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Gross income shares	6
Global Equity Income Fund	Class Z – Accumulation shares	6
	Class 1 – Income shares	5
	Class 1 – Monthly Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
Global Focus Fund	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class Q – Gross accumulation shares	5
	Class X – Gross accumulation shares	5
	Class Z – Gross accumulation shares	5

*As at 30 April 2021 the synthetic risk and reward indicator (SRRI) is explained in the table below:

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

The Risk and Reward Profile is based on past performance data in pound sterling. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (columbiathreadneedle.com) according to the currency of your investment in the fund.

Historical data may not be a reliable indication of the future risk profile of the funds.

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The KIID contains the current SRRI.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

The risk and reward profile of the UK Mid 250 Fund changed to 6 for all share classes on 26 June 2020

The risk and reward profile of the UK Sustainable Equity Fund changed to 6 for all share classes on 24 July 2020

The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class Y – Gross Income shares on 31 July 2020

The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class 2 EUR Hedged – Gross accumulation shares on 14 August 2020

The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class 1 – Accumulation shares on 4 September 2020

The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class 2 – Gross accumulation shares on 4 September 2020

Risk and Reward Profiles

(continued)

The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class 1 – Gross Accumulation shares on 11 September 2020
The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class 1 EUR Hedged – Gross accumulation shares on 11 September 2020
The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class 2 Income shares on 11 September 2020
The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class X – Gross Income shares on 11 September 2020
The risk and reward profile of the Sterling Short-Dated Corporate Bond Fund changed to 3 for the Class X – Gross accumulation shares on 11 September 2020
The risk and reward profile of the Pan European Focus Fund changed to 6 for all share classes on 4 September 2020
The risk and reward profile of the American Extended Alpha Fund changed to 6 for all share classes on 12 June 2020
The risk and reward profile of the US Equity Income Fund changed to 6 for the Class Z – accumulation shares on 26 June 2020
The risk and reward profile of the US Equity Income Fund changed to 6 for the Class Z CHF Hedged – Accumulation shares on 26 June 2020
The risk and reward profile of the US Equity Income Fund changed to 6 for the Class Z EUR Hedged – Accumulation shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class 1 – Income shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class A – Accumulation shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class 2 – Accumulation shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class P – Accumulation shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class X – Accumulation shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class Z – Gross income shares on 26 June 2020
The risk and reward profile of the Global Extended Fund changed to 6 for the Class Z – Accumulation shares on 26 June 2020
The risk and reward profile of the Global Focus Fund changed to 6 for all share classes on 31 July 2020
The risk and reward profile of the UK Equity Alpha Income Fund changed to 6 for all share classes on 8 January 2021
The risk and reward profile of the US Equity Income Fund changed from 6 to 5 for the Class Z – Income shares on 26 February 2021
The risk and reward profile of the US Equity Income Fund changed from 6 to 5 for the Class Z – Accumulation shares on 26 February 2021
The risk and reward profile of the Global Focus Fund changed to 5 for all share classes on 29 April 2021

Important Information

Threadneedle Specialist Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, International Financial Data Services, P.O. Box 10033, Chelmsford, Essex CM99 2AL.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has been authorised as a 'UK UCITS Scheme' for the purposes of the FCA Rules.

Other funds may be launched in the future.

Key Investor Information Document – Subscription requirements

The KIID is a pre contractual document and investors have to confirm that they have read the latest KIID before making a subscription. Threadneedle has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID from columbiathreadneedle.com.

Changes to the management of the ACD

The following changes have been made to the directors of the ACD:

- Resignation of P Stone on 15 June 2020.

Changes to the Prospectus

During the period from 1 May 2020 to 30 April 2021 the following changes were made to the Prospectus of the Threadneedle Specialist Investment Funds ICVC (the Company):

- Removal of the Absolute Return Bond Fund and the UK Absolute Alpha Fund following their termination;
- Updates to reflect the change of name of the fund administrator from to DST Financial Services Europe Ltd to SS&C Financial Services Europe Ltd;
- Change to the board directors of the ACD;
- Fee reductions to reflect FCA Asset Management Market Study remedies;
- Reduction of minimum investment amounts in the Global Extended Alpha Fund;
- Updated Brexit risk wording and new COVID-19 and LIBOR Replacement risk wording;
- Updated share class descriptions;
- De-registration of the China Opportunities Fund in Hong Kong. Amendments required as a result of changes to UK law, rules and regulations affecting collective investment schemes following the UK's exit from the European Union;
- Updated dilution adjustment estimates;
- Updated performance figures;
- Updated share class information;
- Update to delegates list of the Depositary.

Changes to the Instrument of Incorporation

During the period from 1 May 2020 to 30 April 2021 the Instrument of Incorporation of the Company was updated to remove the Absolute Return Bond Fund and the UK Absolute Alpha Fund following their termination.

Brexit

The UK's departure from the European Union (EU) single market became effective from 1 January 2021 with the end of the Brexit transition period and the post-Brexit trade deal between the UK and EU taking effect at 11pm on 31 December 2020. As a result of the UK leaving the EU, UK funds managed by a UK manager such as the Funds will no longer qualify as EEA UCITS Schemes under the UCITS Directive and can therefore no longer benefit from the passporting rights under the European UCITS regime. Under the UCITS Directive, both the collective investment funds and their managers must be established and registered or authorised in the EU in order to be able to market funds to retail and professional investors across the EU. The Funds, authorised as UK UCITS Schemes, still follow all the same rules and regulations as EEA UCITS Schemes, but they can no longer be marketed in the EEA States using a UCITS passport.

COVID-19

The coronavirus disease 2019 (COVID-19) public health crisis has become a pandemic that has resulted in, and may continue to result in, significant global economic and societal disruption and market volatility due to disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls and supply chain disruption, among others. Such disruptions may be caused, or exacerbated by, quarantines and travel restrictions, workforce displacement and loss in human and other resources. The uncertainty surrounding the magnitude, duration, reach, costs and effects of the global pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, present unknowns that are yet to unfold. The impacts, as well as the uncertainty over impacts to come, of COVID-19 – and any other infectious illness outbreaks, epidemics and pandemics that may arise in the future – could negatively affect global economies and markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illness outbreaks and epidemics in emerging market countries may be greater due to generally less established healthcare systems, governments and financial markets. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries

Important Information

(continued)

or globally. The disruptions caused by COVID-19 could prevent the Company from executing advantageous investment decisions in a timely manner and negatively impact the Company's ability to achieve their investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the Company.

Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Private>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Intermediary>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Institutional>

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 17 different sub-funds. Several classes of share may be issued in respect of the fund, distinguished by their criteria for subscription and fee structure.

Share Class	Minimum Investment	Availability
Class 1 (including Hedged Shares)	GBP 2,000 EUR 2,500 – 3,000 CHF 4,000 SGD 4,000	All investors, and typically where rebates are paid to the investor or commission is paid to an intermediary.
Class 2 (including Hedged Shares)	GBP 50,000 – 500,000 EUR 100,000 – 800,000 USD 750,000 – 800,000	Institutional investors and retail investors. At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients
Class A	GBP 2,000 USD 3,000 SGD 4,000	All investors not precluded by law or by the terms of the Prospectus in the Global Extended Alpha Fund.
Class D	GBP 2,000	All investors in the UK Index Linked Fund not precluded by law or by the terms of the Prospectus at the ACD's discretion.
Class L	GBP 100 million	Institutional investors and retail investors in the US Equity Income Fund at the ACD's discretion.
Class M (including Hedged Shares)	GBP 2,000 AUD 3,000 USD 3,000 SGD 4,000	All investors at the ACD's discretion.

Share Class	Minimum Investment	Availability
Class P	GBP 500,000 USD 800,000	Institutional investors in the Global Extended Alpha Fund.
Class Q	GBP 3 million	Eligible Shareholders in the Global Focus Fund. Shares will only be available, at the discretion of the ACD, until the total Net Asset Value of the Fund reaches or is greater than GBP 100,000,000, or any other amount determined by the ACD.
Class T	GBP 2,000	All investors not precluded by law or by the terms of the Prospectus in the UK Sustainable Equity Fund.
Class X (including Hedged Shares)	GBP 3 million EUR 5 million USD 5 million AUD 5 million	Eligible Shareholders investing under a specific agreement.
Class Y	GBP 150 million	Eligible Shareholders in the Sterling Short-Dated Corporate Bond Fund.
Class Z (including Hedged Shares)	GBP 1 million EUR 1.5 million USD 1.5 million CHF 1.5 million SGD 2 million	All investors not precluded by law or by the terms of the Prospectus. At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

Important Information

(continued)

- “Reference Currency” or “Reference Currencies” means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- “Portfolio Currency” or “Portfolio Currencies” means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- “Hedged Currency” is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

Income Equalisation

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

Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

Investor Reports

Annual long-form reports and financial statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period. The annual accounting period for the Company ends on 30 April and the interim reporting period ends on 31 October. Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

The Auditors gave their opinion on the financial statements presented in English. They take no responsibility for the translation of these financial statements. Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

Foreign Account Tax Compliance Act (FATCA)

Threadneedle and its funds (Threadneedle) have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Threadneedle obtain the required certification from its clients and investors as necessary to mitigate any requirement upon Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Threadneedle will not suffer withholding tax under FATCA.

Common reporting standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

Holdings in shares of other funds of the Company

None of the funds of the Company held shares in other funds of the Company (listed on the contents page on page 1) at the end of the period.

Remuneration Disclosures

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management S  rl ("TAM S  rl" or "the Group"), as it applies to Threadneedle Investments Services Limited ("the Manager") in respect of the Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive and other applicable rules and guidance. The Remuneration Policy applies to all its subsidiary entities to which the UCITS Directives requirements apply, and was last approved by the Remuneration Committee in June 2020

1. The Remuneration Committee

The Remuneration Committee of TAM S  rl is a sub-committee of the TAM S  rl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Current Committee Members are Mr Walter Berman, Mr Ted Truscott and Mr William Turner. Meetings are normally held in January, March, June, September and December. The Group's Global Head of Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Real Estate business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the Company's discretion, subject to final oversight and approval from the Remuneration Committee. The pools for Real Estate, Distribution and Investments Special Incentive Plans (the "SIPs") are determined with reference to four un-weighted factors being a 'Top-Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The funding for support roles forms part of the global 'AIA' plan, with funding to each region and business determined by a comprehensive balanced Business Unit Assessment in context of the overall Ameriprise Financial group's performance. All pools are set in context of the risk and control environment maintained during the year and may be adjusted top-down to reflect any material issues in that regard. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

Important Information

(continued)

The Committee takes all of these factors into account in order to make a balanced decision on its oversight and approval of the Total Incentive pools for the year in question.

3. Determining Individual Total Incentive Awards

Individual reward decisions under all incentive plans are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The EMEA Heads of Risk and Compliance also report directly to the Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive

Pay for Performance

The bottom-up element of the SIP pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance for the Investments and Real Estate divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped, and weighted more heavily to longer time periods, so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions

Individual discretionary awards from the available funding, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's behavioural Leadership expectations (our Values), each of which is separately rated on a 5-point scale to ensure the behavioural assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance for Investments employees and for the Property division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the EMEA Heads of Risk and Compliance providing input as required to ensure balance and due reflection of risk management. For Sales, Real Estate and Investment incentives there is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

Threadneedle believes that deferred awards for higher earners and risk-takers are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for Code Staff and those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Code Staff/Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund-linked units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its Code Staff/Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

5. Remuneration Payment Disclosure

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 14 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2020 performance year was £1.10m, of which £0.48m was fixed and £0.62m was variable. Total remuneration paid to other members of the UCITS Remuneration Code Staff whose actions had a material impact on the risk profile of the Manager was £6.79m, of which £2.87m was fixed and £3.92m was variable. Total Remuneration paid to delegated managers of UCITS regulated funds was £0.40m, of which £0.08m was fixed and £0.32m was variable.

Important Information

(continued)

Key Risks of the Fund:

The following table below shows the key risks applying to each Fund. A definition of the key risks can be found overleaf.

Funds/ Key risks	Investment	Currency	Counterparty	Issuer	Political and Financial	Liquidity	Effect of Portfolio Concentration	Inflation	Interest Rate	Valuation	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM / Hedging	Volatility	High Volatility	China-Hong Kong Stock Connect	China Interbank Bond Market - Hong Kong Bond Connect	Sustainable Investment Criteria
UK Mid 250 Fund	X	X												X	X				
UK Sustainable Equity Fund	X													X	X				X
UK Extended Alpha Fund	X	X	X							X	X	X	X		X				
UK Equity Alpha Income Fund	X	X					X							X	X				
Sterling Medium and Long-Dated Corporate Bond Fund	X	X		X		X		X	X					X					
Sterling Short-Dated Corporate Bond Fund	X	X		X		X		X	X					X					
UK Fixed Interest Fund	X	X		X		X		X	X					X					
UK Index Linked Fund	X	X		X					X					X					
Pan European Focus Fund	X	X					X							X		X			
American Extended Alpha Fund	X	X	X							X	X	X	X		X				
US Equity Income Fund	X	X												X		X			
China Opportunities Fund	X	X			X	X								X		X	X		
Global Emerging Markets Equity Fund	X	X			X	X								X		X	X		
Emerging Market Local Fund	X	X	X	X	X	X		X	X	X	X	X	X		X			X	
Global Extended Alpha Fund	X	X	X		X					X	X	X	X		X				
Global Equity Income Fund	X	X												X	X				
Global Focus Fund	X	X					X							X	X				

Description of the Key Risks:

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

Currency Risk: Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments.

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

Issuer Risk: The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay.

Political and Financial Risk: The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

Liquidity Risk: The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

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

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time.

Important Information

(continued)

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

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

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

Investment in Derivatives Risk: The Investment Policy of the fund allows it to invest materially in derivatives.

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

Derivatives for EPM / Hedging Risk: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The fund may exhibit significant price volatility.

High Volatility Risk: The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

China-Hong Kong Stock Connect: The Fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk.

China Interbank Bond Market – Hong Kong Bond Connect: The Fund may invest in the China Interbank Bond Market (CIBM) via Hong Kong Bond Connect which is subject to regulatory, volatility and liquidity risk, as well as risks associated with settlement, default of counterparties and market suspension. Furthermore, the Fund may incur significant trading, taxation and realisation costs.

Sustainable Investment Criteria: The Fund aims to invest in companies which deliver sustainable outcomes and in doing so adheres to a set of Sustainable Investment Guidelines. The Guidelines will affect the Fund's exposure to certain sectors, which may impact the performance of the Fund positively or negatively relative to a benchmark or other funds without such restrictions.

Further risks applicable to the fund can be found in the Prospectus.

Directory

The Company and Head Office:

Threadneedle Specialist Investment Funds ICVC

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Authorised Corporate Director:

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Investment Manager (for all Funds other than the Global Emerging Markets Equity Fund):

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(continued)

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